

## SECTION I

# Contract Clauses

In the event of any inconsistencies between non-mandatory FAR and DFARS clauses incorporated by reference herein or elsewhere and any clauses set forth in full text in this Contract, the full text clauses shall control.

## I.1 FAR 52.252-2 Clauses Incorporated by Reference (Feb 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

<https://www.ecfr.gov/>  
(End of Clause)

## I.2 FAR Clauses

The following FAR clauses are incorporated by reference:

| FAR Paragraph | Clause Title  | IAW            | Date     |
|---------------|---|----------------|----------|
| 52.202-1      | Definitions   | FAR 2.201      | Jun 2020 |
| 52.203-3      | Gratuities  | FAR 3.202      | Apr 1984 |
| 52.203-5      | Covenant Against Contingent Fees  | FAR 3.404      | May 2014 |
| 52.203-6      | Restrictions on Subcontractor Sales to the Government   | FAR 3.503-2    | Jun 2020 |
| 52.203-7      | Anti-Kickback Procedures  | FAR 3.502-3    | Jun 2020 |
| 52.203-8      | Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity                      | FAR 3.104-9(a) | May 2014 |
| 52.203-10     | Price or Fee Adjustment for Illegal or Improper Activity  | FAR 3.104-9(b) | May 2014 |
| 52.203-12     | Limitation on Payments to Influence Certain Federal Transactions                                      | FAR 3.808(b)   | Jun 2020 |
| 52.203-13     | Contractor Code of Business Ethics and Conduct  | FAR 3.1004(a)  | Jun 2020 |
| 52.203-17     | Contractor Employee Whistleblower Rights and Requirements to Inform Employees of Whistleblower Rights | FAR 3.908-9    | Jun 2020 |
| 52.203-19     | Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements                    | FAR 3.909-3(b) | Jan 2017 |
| 52.204-4      | Printed or Copied Double-sided on Postconsumer Fiber Content Paper                                    | FAR 4.303      | May 2011 |
| 52.204-9      | Personal Identity Verification of Contractor Personnel  | FAR 4.1303     | Jan 2011 |

| FAR Paragraph | Clause Title  | IAW              | Date                        |
|---------------|---|------------------|-----------------------------|
| 52.204-10     | Reporting Executive Compensation and First-Tier Subcontract Awards  | FAR 4.1403(a)    | Jun 2020                    |
| 52.204-13     | System for Award Management Maintenance   | FAR 4.1105(b)    | Oct 2018                    |
| 52.204-19     | Incorporation by Reference of Representations and Certifications  | FAR 4.1202(b)    | Dec 2014                    |
| 52.204-23     | Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities | FAR 4.2004       | Jul 2018                    |
| 52.207-3      | Right of First Refusal of Employment  | FAR 7.305(c)     | May 2006                    |
| 52.209-6      | Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment          | FAR 9.409        | Jun 2020                    |
| 52.209-9      | Updates of Publicly Available Information Regarding Responsibility Matters  | FAR 9.104-7(c)   | Oct 2018                    |
| 52.215-2      | Audit and Records – Negotiation   | FAR 15.209(b)    | Jun 2020                    |
| 52.215-8      | Order of Precedence – Uniform Contract Format<br>See Section C.1 of contract  | FAR 15.209(h)    | Oct 1997                    |
| 52.215-11     | Price Reduction for Defective Certified Cost or Pricing Data—Modifications  | FAR 15.408(c)    | Jun 2020                    |
| 52.215-13     | Subcontractor Certified Cost or Pricing Data—Modifications<br><i>DEVIATION 2018-00015</i>   | FAR 15.408(e)    | Jun 2020<br>May 2018        |
| 52.215-21     | Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications                | FAR 15.408(m)    | Jun 2020                    |
| 52.219-8      | Utilization of Small Business Concerns  | FAR 19.708(a)    | Oct 2018                    |
| 52.219-9      | Small Business Subcontracting Plan<br><br><i>Alternate II</i>   | FAR 19.708(b)    | Jun 2020<br>Alt II Nov 2016 |
| 52.219-16     | Liquidated Damages—Subcontracting Plan  | FAR 19.708(b)(2) | Jan 1999                    |
| 52.219-28     | Post-Award Small Business Program Representation  | FAR 19.309(c)    | May 2020                    |
| 52.222-1      | Notice to the Government of Labor Disputes  | FAR 22.103-5(a)  | Feb 1997                    |
| 52.222-3      | Convict Labor   | FAR 22.202       | Jun 2003                    |
| 52.222-4      | Contract Work Hours and Safety Standards—Overtime Compensation  | FAR 22.305       | Mar 2018                    |
| 52.222-21     | Prohibition of Segregated Facilities  | FAR 22.810(a)(1) | Apr 2015                    |
| 52.222-26     | Equal Opportunity   | FAR 22.810(e)    | Sep 2016                    |

| FAR Paragraph | Clause Title  | IAW                   | Date                       |
|---------------|---|-----------------------|----------------------------|
| 52.222-37     | Employment Reports on Veterans  | FAR 22.1310(b)        | Jun 2020                   |
| 52.222-40     | Notification of Employee Rights Under the National Labor Relations Act                    | FAR 22.1605           | Dec 2010                   |
| 52.222-50     | Combating Trafficking in Persons  | FAR 22.1705(a)(1)     | Jan 2019                   |
| 52.222-54     | Employment Eligibility Verification   | FAR 22.1803           | Oct 2015                   |
| 52.223-3      | Hazardous Material Identification and Material Safety Data                                | FAR 23.303            | Jan 1997                   |
| 52.223-5      | Pollution Prevention and Right-to-Know Information<br><i>Alternate I</i>                  | FAR 23.1005(b)        | May 2011<br>Alt I May 2011 |
| 52.223-6      | Drug-Free Workplace   | FAR 23.505            | May 2001                   |
| 52.223-12     | Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners | FAR 23.804(a)(2)      | Jun 2016                   |
| 52.223-18     | Encouraging Contractor Policies to Ban Text Messaging While Driving                       | FAR 23.1105           | Jun 2020                   |
| 52.225-13     | Restrictions on Certain Foreign Purchases   | FAR 25.1103(a)        | Jun 2008                   |
| 52.227-1      | Authorization and Consent   | FAR 27.201-2(a)(1)    | Jun 2020                   |
| 52.227-2      | Notice and Assistance Regarding Patent and Copyright Infringement                         | FAR 27.201-2(b)       | Jun 2020                   |
| 52.228-5      | Insurance-Work on a Government Installation   | FAR 28.310            | Jan 1997                   |
| 52.232-1      | Payments  | FAR 32.111(a)(1)      | Apr 1984                   |
| 52.232-8      | Discounts for Prompt Payment  | FAR 32.111(b)(1)      | Feb 2002                   |
| 52.232-11     | Extras  | FAR 32.111(c)(2)      | Apr 1984                   |
| 52.232-17     | Interest  | FAR 32.611(a) and (b) | May 2014                   |
| 52.232-18     | Availability of Funds   | FAR 32.706-1(a)       | Apr 1984                   |
| 52.232-23     | Assignment of Claims<br><i>Alternate I</i>  | FAR 32.806(a)(1)      | May 2014<br>Alt I Apr 1984 |
| 52.232-25     | Prompt Payment  | FAR 32.908(c)         | Jan 2017                   |
| 52.232-33     | Payment by Electronic Funds Transfer - System for Award Management                        | FAR 32.1110(a)(1)     | Oct 2018                   |
| 52.232-39     | Unenforceability of Unauthorized Obligations  | FAR 32.706-3          | Jun 2013                   |

| FAR Paragraph | Clause Title  | IAW                 | Date                       |
|---------------|---|---------------------|----------------------------|
| 52.232-40     | Providing Accelerated Payments to Small Business Subcontractors | FAR 32.009-2        | Dec 2013                   |
| 52.233-1      | Disputes<br><i>Alternate I</i>                                  | FAR 33.215          | May 2014<br>Alt I Dec 1991 |
| 52.233-3      | Protest after Award   | FAR 33.106(b)       | Aug 1996                   |
| 52.233-4      | Applicable Law for Breach of Contract Claim                     | FAR 32.215(b)       | Oct 2004                   |
| 52.237-2      | Protection of Government Buildings, Equipment, and Vegetation   | FAR 37.110(b)       | Apr 1984                   |
| 52.237-3      | Continuity of Services  | FAR 37.110(c)       | Jan 1991                   |
| 52.242-13     | Bankruptcy  | FAR 42.903          | Jul 1995                   |
| 52.243-1      | Changes – Fixed-Price<br><i>Alternate I</i>                     | FAR 43.205(a)(1)(2) | Aug 1987<br>Alt I Apr 1984 |
| 52.244-6      | Subcontracts for Commercial Items                               | FAR 44.403          | Jun 2020                   |
| 52.246-25     | Limitation of Liability – Services                              | FAR 46.805(a)(4)    | Feb 1997                   |
| 52.248-1      | Value Engineering   | FAR 48.201          | Jun 2020                   |
| 52.249-2      | Termination for Convenience of the Government (Fixed-Price)     | FAR 49.502(b)(1)(i) | Apr 2012                   |
| 52.249-8      | Default (Fixed-Price Supply and Service)                        | FAR 49.504(a)(1)    | Apr 1984                   |
| 52.252-6      | Authorized Deviations in Clauses                                | FAR 52.107(f)       | Apr 1984                   |
| 52.253-1      | Computer Generated Forms  | FAR 53.111          | Jan 1991                   |

## I.2.1 Disputes

The requirements of the Disputes clause at FAR 52.233-1 are supplemented to provide that in regard to the interpretation of retail rates, rate schedules and items directly related to rates and rate schedules provided under this contract, the parties agree to accept as authoritative the interpretation of any statewide public utility regulatory authority with jurisdiction over the contractor. The Government shall not be bound to accept as authoritative interpretations that conflict with Federal law or regulation or that are found by any administrative or judicial forum to: 1) result in discrimination against the Installation; 2) have resulted from abuse of discretion; or 3) have directly or indirectly resulted from any failure on the part of the regulatory authority or its members to comply with applicable laws and regulations.

## I.3 DFARS Clauses Incorporated by Reference

The use in this contract of any Defense Federal Acquisition Regulation Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

The following DFARS clauses are incorporated by reference:

| DFARS Paragraph | Clause Title   | IAW                                     | Date     |
|-----------------|--|---|----------|
| 252.203-7000    | Requirements Relating to Compensation of Former DoD Officials  | DFARS 203.171-4(a)                      | Sep 2011 |
| 252.203-7001    | Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies                                       | DFARS 203.570-3                         | Dec 2008 |
| 252.203-7002    | Requirement to Inform Employees of Whistleblower Rights  | DFARS 203.970                           | Sep 2013 |
| 252.203-7003    | Agency Office of the Inspector General   | DFARS 203.1004(a)                       | Aug 2019 |
| 252.203-7004    | Display of Hotline Posters   | DFARS 203.1004(b)(2)(ii)                | Aug 2019 |
| 252.204-7000    | Disclosure of Information  | DFARS 204.404-70(a)                     | Oct 2016 |
| 252.204-7003    | Control of Government Personnel Work Product   | DFARS 204.404-70(b)                     | Apr 1992 |
| 252.204-7004    | Level I Antiterrorism Awareness Training for Contractors   | DFARS 204.7203                          | Feb 2019 |
| 252.205-7000    | Provision of Information to Cooperative Agreement Holders  | DFARS 205.470                           | Dec 1991 |
| 252.209-7004    | Subcontracting with Firms that Are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism | DFARS 209.409                           | May 2019 |
| 252.219-7003    | Small Business Subcontracting Plan (DoD Contracts)—Basic   | DFARS 219.708(b)(1)(A) and (b)(1)(A)(1) | Dec 2019 |
| 252.223-7001    | Hazard Warning Labels  | DFARS 223.303                           | Dec 1991 |
| 252.223-7004    | Drug-Free Work Force   | DFARS 223.570-2                         | Sep 1988 |
| 252.223-7006    | Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials--Basic                                     | DFARS 223.7106 and 223.7106(a)          | Sep 2014 |
| 252.223-7008    | Prohibition of Hexavalent Chromium   | DFARS 223.7306                          | Jun 2013 |
| 252.225-7012    | Preference for Certain Domestic Commodities  | DFARS 225.7002-3(a)                     | Dec 2017 |
| 252.225-7048    | Export Controlled Items  | DFARS 225.7901-4                        | Jun 2013 |
| 252.226-7001    | Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns        | DFARS 226.104                           | Apr 2019 |
| 252.231-7000    | Supplemental Cost Principles   | DFARS 231.100-70                        | Dec 1991 |
| 252.232-7003    | Electronic Submission of Payment Requests and Receiving Reports  | DFARS 232.7004(a)                       | Dec 2018 |
| 252.232-7010    | Levies on Contract Payments  | DFARS 232.7102                          | Dec 2006 |

| DFARS Paragraph | Clause Title  | IAW                 | Date     |
|-----------------|---|---------------------|----------|
| 252.235-7003    | Frequency Authorization – Basic   | DFARS 235.072(b)(1) | Mar 2014 |
| 252.236-7005    | Airfield Safety Precautions   | DFARS 236.570(b)(3) | Dec 1991 |
| 252.243-7001    | Pricing of Contract Modifications   | DFARS 243.205-70    | Dec 1991 |
| 252.243-7002    | Requests for Equitable Adjustment   | DFARS 243.205-71    | Dec 2012 |
| 252.244-7000    | Subcontracts for Commercial Items and Commercial Components (DOD Contracts) | DFARS 244.403       | Jun 2013 |
| 252.247-7023    | Transportation of Supplies by Sea—Basic                                     | DFARS 247.574(b)(1) | Feb 2019 |

## I.4 Utility Services Clauses Incorporated by Reference

The following Utility Services FAR and DFARS clauses are incorporated herein by reference.

| Paragraph    | Clause Title  | IAW                 | Date     |
|--------------|---|---------------------|----------|
| 52.241-4     | Change in Class of Service (Applicable to Tariff Priced Contracts Only) | FAR 41.501(c)(3)    | Feb 1995 |
| 52.241-5     | Contractor's Facilities   | FAR 41.501(c)(4)    | Feb 1995 |
| 52.241-11    | Multiple Service Locations  | FAR 41.501(d)(5)    | Feb 1995 |
| 252.241-7001 | Government Access   | DFARS 241.501-70(b) | Dec 1991 |

## I.5 Clauses Incorporated by Reference: Construction Wage Rates Requirements

The following FAR clauses are incorporated by reference and apply to Initial System Deficiency Corrections, subsequent System Deficiency Corrections, and new connections that involve construction, alteration, or repair (including painting or decorating).

| Paragraph | Clause Title  | IAW           | Date     |
|-----------|---|---------------|----------|
| 52.222-6  | Construction Wage Rate Requirements   | FAR 22.407(a) | Aug 2018 |
| 52.222-7  | Withholding of Funds  | FAR 22.407(a) | May 2014 |
| 52.222-8  | Payrolls and Basic Records  | FAR 22.407(a) | Aug 2018 |
| 52.222-9  | Apprentices and Trainees  | FAR 22.407(a) | Jul 2005 |
| 52.222-10 | Compliance with Copeland Act Requirements                                   | FAR 22.407(a) | Feb 1988 |
| 52.222-11 | Subcontracts (Labor Standards)  | FAR 22.407(a) | May 2014 |
| 52.222-12 | Contract Termination – Debarment  | FAR 22.407(a) | May 2014 |
| 52.222-13 | Compliance with Construction Wage Rate Requirements and Related Regulations | FAR 22.407(a) | May 2014 |
| 52.222-14 | Disputes Concerning Labor Standards   | FAR 22.407(a) | Feb 1988 |
| 52.222-15 | Certification of Eligibility  | FAR 22.407(a) | May 2014 |

## I.6 Other Clauses and Contract Texts

### FAR 52.204-21 Basic Safeguarding of Covered Contractor Information Systems (Jun 2016)

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

“Covered contractor information system” means an information system that is owned or operated by a contractor that processes, stores, or transmits Federal contract information.

“Federal contract information” means information, not intended for public release, that is provided by or generated for the Government under a contract to develop or deliver a product or service to the Government, but not including information provided by the Government to the public (such as on public Web sites) or simple transactional information, such as necessary to process payments.

“Information” means any communication or representation of knowledge such as facts, data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual (Committee on National Security Systems Instruction (CNSSI) 4009).

“Information system” means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information (44 U.S.C. 3502).

“Safeguarding” means measures or controls that are prescribed to protect information systems.

(b) Safeguarding requirements and procedures.

- (1) The Contractor shall apply the following basic safeguarding requirements and procedures to protect covered contractor information systems. Requirements and procedures for basic safeguarding of covered contractor information systems shall include, at a minimum, the following security controls:
- (i) Limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems).
  - (ii) Limit information system access to the types of transactions and functions that authorized users are permitted to execute.
  - (iii) Verify and control/limit connections to and use of external information systems.
  - (iv) Control information posted or processed on publicly accessible information systems.
  - (v) Identify information system users, processes acting on behalf of users, or devices.
  - (vi) Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to organizational information systems.
  - (vii) Sanitize or destroy information system media containing Federal Contract Information before disposal or release for reuse.
  - (viii) Limit physical access to organizational information systems, equipment, and the respective operating environments to authorized individuals.
  - (ix) Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.
  - (x) Monitor, control, and protect organizational communications (i.e., information transmitted or received by organizational information systems) at the external boundaries and key internal boundaries of the information systems.
  - (xi) Implement subnetworks for publicly accessible system components that are physically or logically separated from internal networks.
  - (xii) Identify, report, and correct information and information system flaws in a timely manner.
  - (xiii) Provide protection from malicious code at appropriate locations within organizational information systems.
  - (xiv) Update malicious code protection mechanisms when new releases are available.
  - (xv) Perform periodic scans of the information system and real-time scans of files from external sources as files are downloaded, opened, or executed.



(2) *Other requirements.* This clause does not relieve the Contractor of any other specific safeguarding requirements specified by Federal agencies and departments relating to covered contractor information systems generally or other Federal safeguarding requirements for controlled unclassified information (CUI) as established by Executive Order 13556.

(c) *Subcontracts.* The Contractor shall include the substance of this clause, including this paragraph (c), in subcontracts under this contract (including subcontracts for the acquisition of commercial items, other than commercially available off-the-shelf items), in which the subcontractor may have Federal contract information residing in or transiting through its information system.

(End of clause)

## **FAR 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (Aug 2020)**

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

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

Covered foreign country means The People's Republic of China.

Covered telecommunications equipment or services means--

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

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

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

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

Critical technology means--

- (1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;
- (2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled--
  - (i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or
  - (ii) For reasons relating to regional stability or surreptitious listening;
- (3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);
- (4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);
- (5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or
- (6) Emerging and foundational technologies controlled pursuant to section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817). Substantial or essential component means any component necessary for the proper function or performance of a piece of equipment, system, or service.

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

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

Roaming means cellular communications services (e.g., voice, video, 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.

(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.

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

(End of clause)

### **FAR 52.222-35: Equal Opportunity for Veterans (Jun 2020)**

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

“Active duty wartime or campaign badge veteran,” “Armed Forces service medal veteran,” “disabled veteran,” “protected veteran,” “qualified disabled veteran,” and “recently separated veteran” have the meanings given at Federal Acquisition Regulation (FAR) 22.1301.

(b) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-300.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified protected veterans, and requires affirmative action by the Contractor to employ and advance in employment qualified protected veterans.

(c) Subcontracts. The Contractor shall insert the terms of this clause in subcontracts valued at or above the threshold specified in FAR 22.1303(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary of Labor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

(End of Clause)

### **FAR 52.222-36: Equal Opportunity for Workers with Disabilities (Jun 2020)**

(a) Equal opportunity clause. The Contractor shall abide by the requirements of the equal opportunity clause at 41 CFR 60-741.5(a), as of March 24, 2014. This clause prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by the Contractor to employ and advance in employment qualified individuals with disabilities.

(b) Subcontracts. The Contractor shall include the terms of this clause in every subcontract or purchase order in excess of the threshold specified in Federal Acquisition Regulation (FAR) 22.1408(a) on the date of subcontract award, unless exempted by rules, regulations, or orders of the Secretary, so that such provisions will be binding upon each subcontractor or vendor. The Contractor shall act as specified by the Director, Office of Federal Contract Compliance Programs of the U.S. Department of Labor, to enforce the terms, including action for noncompliance. Such necessary changes in language may be made as shall be appropriate to identify properly the parties and their undertakings.

(End of Clause)

### **FAR 52.241-2: Order of Precedence—Utilities (FEB 1995)**

In the event of any inconsistency between the terms of this contract (including the specifications) and any rate schedule, rider, or exhibit incorporated in this contract by reference or otherwise, or any of the Contractor's rules and regulations, Section C.1, Precedence, of this contract shall control.

(End of clause)

### **FAR 52.241-3: Scope and Duration of Contract (FEB 1995)**

(a) For the period identified in F.2, Commencement of Service, the Contractor agrees to furnish and the Government agrees to purchase the utility services as set forth in the contract.

(b) It is expressly understood that neither the Contractor nor the Government is under any obligation to continue any service under the terms and conditions of this contract beyond the expiration date.

(End of clause)

### **FAR 52.241-6: Service Provisions (FEB 1995)**

(a) Measurement of service.

(1) If required under the terms of the contract, the Contractor shall provide suitable metering equipment of standard manufacture, to be furnished, installed, maintained, repaired, calibrated, and read by the Contractor at its expense.

(2) When applicable, the Contractor shall read all meters at periodic intervals of approximately 30 days unless otherwise identified in this contract.

(b) Meter test.

(1) The Contractor, at its expense, shall periodically inspect and test Contractor-installed meters, if any, at intervals identified in this contract. The Government has the right to have representation during the inspection and test.

(2) At the written request of the Contracting Officer, the Contractor shall make additional tests of any or all such meters in the presence of Government representatives. The cost of such additional tests may be grounds for a request for equitable adjustment.

(c) Change in volume or character. Reasonable notice shall be given by the Contracting Officer to the Contractor regarding any material changes anticipated in the volume or characteristics of the utility service required at each location.

(d) Continuity of service and consumption. The Contractor shall use reasonable diligence to provide a regular and uninterrupted supply of service at each service location, and, unless otherwise stated in this contract, shall not be liable for damages, breach of contract or otherwise, to the Government for failure, suspension, diminution, or other variations of service occasioned by or in consequence of any cause beyond the control of the Contractor, including but not limited to acts of God or of the public enemy, fires, floods,

earthquakes, or other catastrophe, strikes, or failure or breakdown of transmission or other facilities.

(End of clause)

### **FAR 52.241-7: Change in Rates or Terms and Conditions of Service for Regulated Services (FEB 1995)**

(a) This clause applies to the extent services furnished under this contract are subject to regulation by a regulatory body. The Contractor agrees to give the Contracting Officer written notice of

(1) the filing of an application for change in rates or terms and conditions of service concurrently with the filing of the application and

(2) any changes pending with the regulatory body as of the date of contract award. Such notice shall fully describe the proposed change. If, during the term of this contract, the regulatory body having jurisdiction approves any changes, the Contractor shall forward to the Contracting Officer a copy of such changes within 15 days after the effective date thereof. The Contractor agrees to continue furnishing service under this contract in accordance with the amended tariff, and the Government agrees to pay for such service at the higher or lower rates as of the date when such rates are made effective.

(b) The Contractor agrees that throughout the life of this contract the applicable published and unpublished rate schedule(s) shall not be in excess of the lowest cost published and unpublished rate schedule(s) available to any other customers of the same class under similar conditions of use and service.

(c) In the event that the regulatory body promulgates any regulation concerning matters other than rates which affects this contract, the Contractor shall immediately provide a copy to the Contracting Officer. The Government shall not be bound to accept any new regulation inconsistent with Federal laws or regulations.

(d) Any changes to rates or terms and conditions of service, if in accordance with the terms of this contract, will become effective upon the issuance of a contract modification (unless otherwise specified in the contract). The effective date of the change shall be the effective date by the regulatory body. Any factors not governed by the regulatory body will have an effective date as agreed to by the parties.

(End of Clause)

### **FAR 52.243-7: Notification of Changes (Jan 2017)**

(a) Definitions. "Contracting Officer," as used in this clause, does not include any representative of the Contracting Officer.

"Specifically Authorized Representative (SAR)," as used in this clause, means any person the Contracting Officer has so designated by written notice (a copy of which shall be provided to the Contractor) which shall refer to this subparagraph and shall be issued to the designated representative before the SAR exercises such authority.

(b) Notice. The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Administrative Contracting Officer in writing promptly, within 15 calendar days from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the Contractor regards as a change to the contract terms and conditions. On the basis of the most accurate information available to the Contractor, the notice shall state --

- (1) The date, nature, and circumstances of the conduct regarded as a change;
- (2) The name, function, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;
- (3) The identification of any documents and the substance of any oral communication involved in such conduct;
- (4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;
- (5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including --
  - (i) What line items have been or may be affected by the alleged change;
  - (ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;
  - (iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;
  - (iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and
- (6) The Contractor's estimate of the time by which the Government must respond to the Contractor's notice to minimize cost, delay or disruption of performance.

(c) Continued performance. Following submission of the notice required by paragraph (b) of this clause, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance; provided, however, that if the Contractor regards the direction or communication as a change as described in paragraph (b) of this clause, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing promptly and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall promptly countermand any action which exceeds the authority of the SAR.

(d) Government response. The Contracting Officer shall promptly, within 60 calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either --

- (1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;

- (2) Countermand any communication regarded as a change;
- (3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or
- (4) In the event the Contractor's notice information is inadequate to make a decision under subparagraphs (d)(1), (2), or (3) of this clause, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.

(e) Equitable adjustments.

(1) If the Contracting Officer confirms that Government conduct effected a change as alleged by the Contractor, and the conduct causes an increase or decrease in the Contractor's cost of, or the time required for, performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment shall be made --

- (i) In the contract price or delivery schedule or both; and
- (ii) In such other provisions of the contract as may be affected.

(2) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time extension for delay reasonably incurred by the Contractor in attempting to comply with the defective drawings, designs or specifications before the Contractor identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by the Contracting Officer under this clause is included in the equitable adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Contractor's failure to provide notice or to continue performance as provided, respectively, in paragraphs (b) and (c) of this clause.

NOTE: The phrases "contract price" and "cost" wherever they appear in the clause, may be appropriately modified to apply to cost-reimbursement or incentive contracts, or to combinations thereof.

(End of Clause)

## **DFARS 252.204-7012: Safeguarding Covered Defense Information and Cyber Incident Reporting (Dec 2019)**

(a) *Definitions.* As used in this clause—

*Adequate security* means protective measures that are commensurate with the consequences and probability of loss, misuse, or unauthorized access to, or modification of information.

*Compromise* 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.



*Contractor attributional/proprietary information* 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.

*Controlled technical information* 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.

*Covered contractor information system* means an unclassified information system that is owned, or operated by or for, a contractor and that processes, stores, or transmits covered defense information.

*Covered defense information* 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—

- (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
- (2) Collected, developed, received, transmitted, used, or stored by or on behalf of the contractor in support of the performance of the contract.

*Cyber incident* 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.

*Forensic analysis* means the practice of gathering, retaining, and analyzing computer-related data for investigative purposes in a manner that maintains the integrity of the data.

*Information system* means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

*Malicious software* means computer software or firmware intended to perform an unauthorized process 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 or 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](mailto: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 <https://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 <https://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 <https://public.cyber.mil/eca/>.

(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.

(End of clause)

## **DFARS 252.232-7007: Limitation of Government’s Obligation (APR 2014)**

(a) Contract line item(s) 0001 through 0050 are incrementally funded. For these item(s), the sum of \$ 0.00 of the total price is presently available for payment and allotted to this contract. An allotment schedule is set forth in paragraph (j) of this clause.

(b) For item(s) identified in paragraph (a) of this clause, the Contractor agrees to perform up to the point at which the total amount payable by the Government, including reimbursement in the event of termination of those item(s) for the Government's convenience, approximates the total amount currently allotted to the contract. The Contractor is not authorized to continue work on those item(s) beyond that point. The Government will not be obligated in any event to reimburse the Contractor in excess of the amount allotted to the contract for those item(s) regardless of anything to the contrary in the clause entitled "Termination for Convenience of the Government." As used in this clause, the total amount payable by the Government in the event of termination of applicable contract line item(s) for convenience includes costs, profit, and estimated termination settlement costs for those item(s).

(c) Notwithstanding the dates specified in the allotment schedule in paragraph (j) of this clause, the Contractor will notify the Contracting Officer in writing at least ninety days prior to the date when, in the Contractor's best judgment, the work will reach the point at which the total amount payable by the Government, including any cost for termination for convenience, will approximate 85 percent of the total amount then allotted to the contract for performance of the applicable item(s). The notification will state (1) the estimated date when that point will be reached and (2) an estimate of additional funding, if any, needed to continue performance of applicable line items up to the next scheduled date for allotment of funds identified in paragraph (j) of this clause, or to a mutually agreed upon substitute date. The notification will also advise the Contracting Officer of the estimated amount of additional funds that will be required for the timely performance of the item(s) funded pursuant to this clause, for a subsequent period as may be specified in the allotment schedule in paragraph (j) of this clause or otherwise agreed to by the parties. If after such notification additional funds are not allotted by the date identified in the Contractor's notification, or by an agreed substitute date, the Contracting Officer will terminate any item(s) for which additional funds have not been allotted, pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(d) When additional funds are allotted for continued performance of the contract line item(s) identified in paragraph (a) of this clause, the parties will agree as to the period of contract performance which will be covered by the funds. The provisions of paragraphs (b) through (d) of this clause will apply in like manner to the additional allotted funds and agreed substitute date, and the contract will be modified accordingly.

(e) If, solely by reason of failure of the Government to allot additional funds, by the dates indicated below, in amounts sufficient for timely performance of the contract line item(s) identified in paragraph (a) of this clause, the Contractor incurs additional costs or is delayed in the performance of the work under this contract and if additional funds are allotted, an equitable adjustment will be made in the price or prices (including appropriate target, billing, and ceiling prices where applicable) of the item(s), or in the time of delivery, or both. Failure to agree to any such equitable adjustment hereunder will be a dispute concerning a question of fact within the meaning of the clause entitled "Disputes."

(f) The Government may at any time prior to termination allot additional funds for the performance of the contract line item(s) identified in paragraph (a) of this clause.

(g) The termination provisions of this clause do not limit the rights of the Government under the clause entitled "Default." The provisions of this clause are limited to the work and allotment of funds for the contract line item(s) set forth in paragraph (a) of this clause. This clause no longer applies once the contract is fully funded except with regard to the rights or obligations of the parties concerning equitable adjustments negotiated under paragraphs (d) and (e) of this clause.

(h) Nothing in this clause affects the right of the Government to terminate this contract pursuant to the clause of this contract entitled “Termination for Convenience of the Government.”

(i) Nothing in this clause shall be construed as authorization of voluntary services whose acceptance is otherwise prohibited under 31 U.S.C. 1342.

The parties contemplate that the Government will allot funds to this contract in accordance with B.3 Schedule.

(End of clause)

### **I-0001 I.I28.01 FEDERAL, STATE, AND LOCAL TAXES (DLA Energy NOV 2011) (DEVIATION)**

(a) As used in this contract provision—

(1) **After-imposed tax** means any new or increased Federal, State, or local tax that the Contractor is required to pay or bear the burden of as the result of legislative, judicial, or administrative action taking effect after the contract date.

(2) **After-relieved tax** means any amount of Federal, State, or local tax that would otherwise have been payable on the transactions or property covered by this contract, but which the Contractor is not required to pay or bear the burden of, or for which the Contractor obtains a refund or drawback, as the result of legislative, judicial, or administrative action taking effect after the contract date.

(3) **All applicable Federal and State taxes** means all excise taxes that the taxing authority is imposing and collecting on the transactions or property covered by this contract pursuant to written ruling or regulation in effect on the contract date.

(4) **Contract date** means the date set for bid opening or, if this is a negotiated contract or a modification, the date set for final revised prices.

(5) **Local taxes** means taxes levied by the political subdivisions of the States, District of Columbia, or outlying areas of the United States, e.g., cities and counties.

(6) **Outlying areas** means—

(i) **Commonwealths.** Puerto Rico and the Northern Mariana Islands;

(ii) **Territories.** American Samoa, Guam, and the U.S. Virgin Islands;  
and

(iii) Minor outlying islands. Baker Island; Howland Island, Jarvis Island; Johnston Atoll; Kingman Reef; Midway Islands; Navassa Island; Palmyra Atoll; and Wake Atoll.

(7) **State taxes** means taxes levied by the States, the District of Columbia, or outlying areas of the United States.

(8) **Tax** means taxes, duties and environmental or inspection fees, except social security or other employment taxes.

- (b) The contract price includes all applicable Federal, State, and local taxes, except as otherwise provided.
- (c) The contract price shall be increased by the amount of any after-imposed tax if the Contractor states in writing that the contract price does not include any contingency for such tax.
- (d) The contract price shall be decreased by the amount of any after-relieved tax.
- (e) The contract price shall also be decreased by the amount of any tax that the Contractor is required to pay or bear the burden of, or does not obtain a refund of, through the Contractor's fault, negligence, or failure to follow instructions of the Contracting Officer.
- (f) The Contractor shall promptly notify the Contracting Officer of all matters relating to any tax that reasonably may be expected to result in either an increase or decrease in the contract price and shall take appropriate action as the Contracting Officer directs.
- (g) The Government shall, without liability, furnish evidence appropriate to establish exemption from any Federal, State, or local tax when the Contractor requests such evidence and a reasonable basis exists to sustain the exemption.

(End of clause)

(End of Section)