



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

A. INCORPORATION OF DFARS CLAUSES

The Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, during the performance of this Contract. When a DFARS clause uses a word or term that is defined in the DFARS, the word or term shall have the same meaning as in the definition in DFARS 202.101 in effect on the date of this Contract unless (i) a different definition is expressly set forth in this Contract; or (ii) the part, subpart, or section of the DFARS where the clause is prescribed provides a different meaning; or (iii) the word or term is defined in FAR Part 31, for use in the cost principles and procedures. If the date or substance of any of the clauses listed below is different than the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act of 1978, as amended, shall have no application to this Contract, and nothing in these General Provisions, except as may be expressly set forth by the Government Contracting Officer's express consent, grants Seller any direct right of action against the United States Government under the prime contract. Any reference to "Disputes" clause shall mean the "Disputes/Jury Waiver" clause contained in SRC's TC 3. The Subcontractor shall include in each lower subcontract the appropriate flow-down clauses as required by the FAR and DFARS.

B. GOVERNMENT SUBCONTRACT

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

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

1. "Commercial Item" means a commercial item as defined in FAR 2.101.
2. "Contract" means this Contract.
3. "Contractor" means Seller, as defined in SRC's TC3, acting as the immediate (first-tier) subcontractor to SRC
4. "Prime Contract" means the contract between SRC and the U.S. Government or between SRCTec Inc. and its higher-tier contractor in support of a contract with the U.S. Government.
5. "Subcontract" means any contract placed by Contractor or lower-tier subcontractors under this Contract.

C. NOTES

1. Substitute "SRC" for "Government" or "United States" throughout this clause.
2. Substitute "SRC Purchasing Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO" throughout this clause.
3. Insert "and SRC" after "Government" throughout this clause.

4. Insert "or SRC" after "Government" throughout this clause.
5. Communication/notification required under this clause from/to the Contractor to/from the Contracting Officer shall be through the SRC Procurement Representative.
6. "Contracting Officer" shall mean the U.S. Government Contracting Officer for SRC's government prime contract under which this Contract is entered.

D. AMENDMENTS REQUIRED BY PRIME CONTRACT

Contractor shall, at the request of SRC, accept amendments to this Contract to incorporate additional provisions herein or to change provisions hereof, as SRC may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such amendment to this Contract causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the Work under this Contract, an equitable adjustment shall be made pursuant to the "Changes" clause contained in SRC's TC 3.

E. PRESERVATION OF THE GOVERNMENT'S RIGHTS

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

F. DoD FAR SUPPLEMENT (DFARS) FLOWDOWN CLAUSES

REFERENCE TITLE

1. **The following DFARS clauses apply to this Contract:**
 - (a) 252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)
 - (b) 252.204-7009 LIMITATIONS ON THE USE OR DISCLOSURE OF THIRD-PARTY CONTRACTOR REPORTED CYBER INCIDENT INFORMATION (DEC 2015) (Applicable in solicitations and contracts that include support for the Government's activities related to safeguarding covered defense information and cyber incident reporting
 - (c) 252.204-7012 SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING (SEP 2015) (Applicable if Contractor requires Contractor to receive Covered Defense Information, defined as information provided to the contractor by or on behalf of DoD in connection with the performance of the contract, or developed, received, transmitted, used, or stored by or on behalf of the contractor in support of the performance of the contract; and which falls in

- any of the following categories: (a) Controlled technical information. Critical information (operations security). (b) Specific facts identified through the Operations Security process about friendly intentions, capabilities, and activities vitally needed by adversaries for them to plan and act effectively so as to guarantee failure or unacceptable consequences for friendly mission accomplishment (part of Operations Security process), (c) Export control. Unclassified information concerning certain items, commodities, technology, software, or other information whose export could reasonably be expected to adversely affect the United States national security and nonproliferation objectives. To include dual use items; items identified in export administration regulations, international traffic in arms regulations and munitions list; license applications; and sensitive nuclear technology information, or (d) Any other information, marked or otherwise identified in the contract, that requires safeguarding or dissemination controls pursuant to and consistent with law, regulations, and Government-wide policies (e.g., privacy, proprietary business information.)
- (d) 252.223-7008 PROHIBITION OF HEXAVALENT CHROMIUM (JUN 2013) (Applicable in all subcontracts, including subcontracts for commercial items, that are for supplies, maintenance and repair services, or construction materials.)
 - (e) 252.225-7008 RESTRICTION ON ACQUISITION OF SPECIALTY METALS (MAR 2013)
 - (f) 252.225-7009 RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS (OCT 2014) (exclude and reserve paragraph (d) and paragraph (e)(1).)
 - (g) 252.225-7013 DUTY-FREE ENTRY (NOV 2014) (Applicable in lieu of FAR 52.225-8. Note 2 applies.)
 - (h) 252.227-7013 RIGHTS IN TECHNICAL DATA - NON-COMMERCIAL ITEMS (FEB 2014) (Applicable in lieu of FAR 52.227-14.)
 - (i) 252.227-7014 RIGHTS IN NON-COMMERCIAL COMPUTER SOFTWARE AND NON-COMMERCIAL COMPUTER SOFTWARE DOCUMENTATION (FEB 2014)
 - (j) 252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION (JAN 2011)
 - (k) 252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS - COMPUTER SOFTWARE (SEP 2011)
 - (l) 252.227-7025 LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS (MAY 2013) (For subparagraph (c) (1) Note 3 applies.)
 - (m) 252.227-7026 DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE (APR 1988) (Note 1 applies.)
 - (n) 252.227-7027 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE (APR 1988) (Note 4 applies.)
 - (o) 252.227-7028 TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT (JUN 1995) (In this clause, the term "contract" and "subcontract" shall not change in meaning.)
 - (p) 252.227-7030 TECHNICAL DATA - WITHHOLDING OF PAYMENT (MAR 2000) (Notes 1 and 2 apply.)
 - (q) 252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (JUN 2013)
 - (r) 252.228-7005 ACCIDENT REPORTING AND INVESTIGATION INVOLVING AIRCRAFT, MISSILES, AND SPACE LAUNCH VEHICLES (DEC 1991) (In subparagraph (a) Note 5 applies. In subparagraph (b) Note 3 applies.)
 - (s) 252.229-7011 REPORTING OF FOREIGN TAXES – U.S. ASSISTANCE PROGRAMS (SEP 2005) (Applicable if contract performance overseas is funded by U.S. Assistance appropriations.)
 - (t) 252.231-7000 SUPPLEMENTAL COST PRINCIPLES (DEC 1991)
 - (u) 252.243-7001 PRICING OF CONTRACT MODIFICATIONS (DEC 1991)
 - (v) 252.246-7003 NOTIFICATION OF POTENTIAL SAFETY ISSUES (JUN 2013) (Applicable in subcontracts 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.)
 - (w) 252.246-7007 CONTRACTOR COUNTERFEIT ELECTRONIC PART DETECTION AND AVOIDANCE SYSTEM (MAY 2014)
 - (x) 252.246-7008 SOURCES OF ELECTRONIC PARTS (JUN 2016) (Applicable in all subcontracts, including subcontracts for commercial items that are for electronic parts or assemblies containing electronic parts, unless the subcontractor is the original manufacturer.)
 - (y) 252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (MAR 2000) (Note 2 applies.)

2. **The following DFARS clause applies to this Contract if the value of this Contract equals or exceeds \$150,000:**

- (a) 252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE CONTRACT-RELATED FELONIES (DEC 2008) (In this clause, the terms “contract,” “contractor,” and “subcontract” shall not change in meaning in paragraphs (a) thru (d). Delete paragraph g. Note 2 applies.)
- (b) 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (APR 2014) (Applicable to all solicitations and resultant contracts, except those for direct purchase of ocean transportation services. In the first sentence of paragraph (g), insert a period after “Contractor” and delete the balance of the sentence. Use the clause with its Alternate I in other than construction contracts, if any of the supplies to be transported are commercial items that are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations. Use the clause with its Alternate III in solicitations and contracts with an anticipated value at or below \$150,000.

3. **The following DFARS clauses apply to this Contract if the value of this Contract equals or exceeds \$700,000:**

- (a) 252.225-7004 REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES AND CANADA—SUBMISSION AFTER AWARD (OCT 2015) (Applicable if contractor will perform any part of this contract outside the United States and Canada that— (1) Exceeds \$700,000 in value; and (2) Could be performed inside the United States or Canada, when SRC is contracting directly with the US Government. Delete subparagraph d.)
- (b) 252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION (OCT 2015) (Delete subparagraph (d) (1) and the first five words of subparagraph (d) (2). Note 2 applies.)

4. **The following DFARS clause applies to this Contract if the value of this Contract equals or exceeds \$1,000,000:**

- (a) 252.222-7006 RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS (DEC 2010)

5. **The following DFARS clause applies to this Contract if the value of this Contract equals or exceeds \$1,500,000:**

- (a) 252.211-7000 ACQUISITION STREAMLINING (OCT 2010) (Note 1 applies.)

6. **The following DFARS clauses apply to this Contract only if the stipulation in the relevant parenthetical applies:**

- (a) 252.204-7000 DISCLOSURE OF INFORMATION (AUG 2013) (Applicable when Contractor will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public.)
- (b) 252.204-7012 SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING (SEP 2015) (Applicable if Contractor requires Contractor to receive Covered Defense Information, defined as information provided to the contractor by or on behalf of DoD in connection with the performance of the contract, or developed, received, transmitted, used, or stored by or on behalf of the contractor in support of the performance of the contract; and which falls in any of the following categories: (a) Controlled technical information. Critical information (operations security). (b) Specific facts identified through the Operations Security process about friendly intentions, capabilities, and activities vitally needed by adversaries for them to plan and act effectively so as to guarantee failure or unacceptable consequences for friendly mission accomplishment (part of Operations Security process). (c) Export control. Unclassified information concerning certain items, commodities, technology, software, or other information whose export could reasonably be expected to adversely affect the United States national security and nonproliferation objectives. To include dual use items; items identified in export administration regulations, international traffic in arms regulations and munitions list; license applications; and sensitive nuclear technology information, or (d) Any other information, marked or otherwise identified in the contract, that requires safeguarding or dissemination controls pursuant to and consistent with law, regulations, and Government-wide policies (e.g., privacy, proprietary business information).)
- (c) 252.208-7000 INTENT TO FURNISH PRECIOUS METALS AS GOVERNMENT-FURNISHED MATERIAL (DEC 1991) (Applicable if Contract is above the simplified acquisition threshold and items being acquired require precious metals in their manufacture.)
- (d) 252.211-7003 ITEM IDENTIFICATION AND VALUATION (DEC 2013) (Applicable if Prime Contract requires UID.)
- (e) 252.215-7000 PRICING ADJUSTMENTS (DEC 2012) (Applicable if FAR 52.215-12 or 52.215-13 applies to this Contract.)

- (f) 252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN (DoD CONTRACTS) (AUG 2012) (Applicable if FAR 52.219-9 applies to this Contract. Delete subparagraph (g). If participating in the DoD test program, DFARS 252.219-7004 SMALL BUSINESS SUBCONTRACTING PLAN (Test Program) (OCT 2014) replaces this clause.)
- (g) 252.222-7000 RESTRICTIONS ON EMPLOYMENT OF PERSONNEL (MAR 2000) (Applicable to construction and services contracts where Work will be performed in whole or in part in a “Non-contiguous State” whose unemployment rate exceeds the national average.)
- (h) 252.223-7001 HAZARD WARNING LABELS (DEC 1991) (Applicable if Contract requires the delivery of hazardous materials as defined in the clause.)
- (i) 252.223-7002 SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES (MAY 1994) (Applicable only if the articles furnished under the Contract contain ammunition or explosives, including liquid and solid propellants. Notes 1, 3 and 5 apply.)
- (j) 252.223-7003 CHANGE IN PLACE OF PERFORMANCE - AMMUNITION AND EXPLOSIVES (DEC 1991) (Applicable if DFARS 252.223-7002 applies to this Contract. Notes 2 and 4 apply.)
- (k) 252.223-7006 PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS (SEP 2014) (Applicable if Work is performed on a DoD installation.)
- (l) 252.223-7007 SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES (SEP 1999) (Applicable if this Contract is for the development, production, manufacture or purchase of arms, ammunition, and explosives or when arms, ammunition, and explosives will be provided to Contractor as Government Furnished Property.)
- (m) 252.225-7004 REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES AND CANADA—SUBMISSION AFTER AWARD (OCT 2015) (Applicable if contractor will perform any part of this contract outside the United States and Canada that— (1) Exceeds \$700,000 in value; and (2) Could be performed inside the United States or Canada.)
- (n) 252.225-7016 RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS (JUN 2011) (Applicable if items supplied under this Contract contain ball or roller bearings. Note 2 applies.)
- (o) 252.225-7032 WAIVER OF UNITED KINGDOM LEVIES – EVALUATION OF OFFERS (APR 2003) (Applicable if this Contract is with a United Kingdom firm. Note 2 applies.)
- (p) 252.225-7033 WAIVER OF UNITED KINGDOM LEVIES (APR 2003) (Applicable if this Contract is with a United Kingdom firm. This clause including paragraph (d) shall be flowed down in all subcontracts where a lower tier subcontract exceeding \$1 Million with a UK firm is anticipated. Note 2 applies.)
- (q) 252.225-7043 ANTI-TERRORISM/FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES (JUN 2015) (Applies where Contractor will be performing or traveling outside the U.S. under this Contract.)
- (r) 252.226-7001 UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS (SEP 2004) (This clause is applicable only when included in SRC’s Prime Contract and if this Contract is more than \$100,000; in e (1), “Contractor” shall mean SRC)
- (s) 252.227-7015 TECHNICAL DATA - COMMERCIAL ITEMS (FEB 2014) (Applicable only if technical data is to be delivered under this Contract. Note 3 applies.)
- (t) 252.227-7018 RIGHTS IN NONCOMMERCIAL TECHNICAL DATA AND COMPUTER SOFTWARE-SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM (FEB 2014) (Applicable if technical data or computer software is generated during performance of contracts under the SBIR program.)
- (u) 252.227-7038 PATENT RIGHTS—OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS) (JUN 2012) (Applicable unless Contractor is a small business, a not-for-profit entity, an alternative patent rights clause is applicable in accordance with FAR 27.303(c) or (e).)
- (v) 252.235-7003 FREQUENCY AUTHORIZATION (MAR 2014) (Applicable if this Contract requires developing, producing, constructing, testing, or operating a device requiring a frequency authorization. Note 2 applies.)
- (w) 252.237-7019 TRAINING FOR CONTRACTOR PERSONNEL INTERACTING WITH DETAINEES (JUN 2013) (Applicable if this Contract requires Contractor personnel to interact with detainees in the course of their duties.)
- (x) 252.239-7016 TELECOMMUNICATIONS SECURITY EQUIPMENT, DEVICES, TECHNIQUES, AND SERVICES (DEC 1991) (Applicable if contract performance requires secure telecommunications.)
- (y) 252.242-7005 CONTRACTOR BUSINESS SYSTEMS (FEB 2012) (Applicable to Contracts that require cost/schedule status reports or if included in the Prime Contract. Notes 1 and 2 apply.)
- (z) 252.242-7005 CONTRACTOR BUSINESS SYSTEMS (FEB 2012) (Applicable to Contracts that require cost/schedule status reports or if included in the Prime Contract. Notes 1 and 2 apply.)

(aa) 252.244-7000 SUBCONTRACTS FOR COMMERCIAL
ITEMS AND COMMERCIAL
COMPONENTS (DoD CONTRACTS) (JUN
2012) (Applicable if Contract contains
Commercial Items and Commercial
Components.)

(bb) 252.246-7001 WARRANTY OF DATA (MAR 2014)
(Substitute Alternate I for Alternate II for
Fixed Price Incentive Contracts. Notes 2 and 4
apply.)