

**SCIENCE AND ENGINEERING SERVICES, INC.
ADDITIONAL TERMS AND CONDITIONS
FOR GOVERNMENT ORDERS**

32. Conditions Applicable to Orders for Goods Destined for Use by The United States Government

Where the face of this Purchase Order bears a Government contract number, the following clauses shall supplement SES' Standard Terms and Conditions for Commercial Orders and to the extent of any inconsistency with SES' Standard Terms and Conditions for Commercial Orders, the following clauses shall be controlling.

a) Termination

(i) SES shall have the right at any time and for any reason to terminate this Purchase Order in its entirety or in part in accordance with the provisions of Federal Acquisition Regulations 52.249-1 "Termination for Convenience of the Government (Fixed Price) (Short Form)," 52.249-2 "Termination for Convenience of the Government (Fixed Price)," 52.249-4, "Termination for Convenience of the Government (Services) (Short Form)", or 52.249-6, "Termination (Cost Reimbursement)," as applicable (excluding any references to the Disputes Clause). These clauses are specifically incorporated herein by reference.

(ii) In addition to the rights conferred in subparagraph (i), SES may terminate this Purchase Order for default if the Seller fails to make any delivery in accordance with the schedule set forth herein or for failure to comply with any of the other requirements or terms and conditions of this Purchase Order or for failure to make progress under this Purchase Order so as to endanger performance of this Purchase Order, and does not cure such failure within a period of ten (10) days after notice from SES. In the event of termination for the Seller's default, SES may procure commodities or services similar to those terminated and the Seller shall be liable for excess procurement costs. Further, the Seller shall be liable to SES for any other remedies prescribed by law or equity.

b) Federal Acquisition Regulation (FAR)

(i) If this Purchase Order is for "commercial items" (i.e., an item that is customarily used for nongovernmental purposes and is made available to the general public), then this Purchase Order is subject to the following FAR clauses, all of which are hereby incorporated by reference:

- 52.222-3 Convict Labor
- 52.222-21 Prohibition of Segregated Facilities
- 52.222-24 Preaward On-Site Equal Opportunity Compliance Evaluation
- 52.222-26 Equal Opportunity (Executive Order 11246)
- 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
- 52.222-36 Affirmative Action for Workers with Disabilities
- 52.225-13 Restrictions on Certain Foreign Purchases

(ii) If this Purchase Order is for other than "commercial items," then this Purchase Order is subject to the following FAR clauses, all of which are hereby incorporated by reference:

- 52.202-1 Definitions
- 52.204-2 Security Requirements
- 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment
- 52.211-15 Defense Priority and Allocation Requirements (applicable to rated order contracts only)
- 52.216-7 Allowable Cost and Payments (applies only to cost-reimbursement-type contracts)
- 52.222-3 Convict Labor
- 52.222-19 Child Labor—Cooperation with Authorities and Remedies
- 52.222-20 Walsh-Healy Public Contracts Act
- 52.222-21 Prohibition of Segregated Facilities
- 52.222-24 Preaward On-Site Equal Opportunity Compliance Evaluation
- 52.222-26 Equal Opportunity
- 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
- 52.222-36 Affirmative Action for Workers with Disabilities

- 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans
- 52.222-41 Service Contract Act of 1965, as Amended
- 52.223-3 (with Alternate I) Hazardous Material Identification and Material Safety Date
- 52.223-6 Drug-Free Workplace
- 52.223-11 Ozone-Depleting Substances
- 52.225-1 Buy American Act--Supplies
- 52.227-14 Rights in Data-General
- 52.242-15 Stop-Work Order
- 52.243-1 Changes—Fixed Price
- 52.243-2 Changes—Cost-Reimbursement
- 52.243-3 Changes-Time-and-Materials or Labor-Hours
- 52.245-2 Government Property (Fixed Price Contracts)
- 52.245-4 Government-Furnished Property (Short Form)
- 52.245-5 Government Property (Cost Reimbursement, Time and Material, or Labor Hour Contracts)
- 52.246-1 through -9 Contractor Inspection Requirement, Provisions and Clauses
- 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels
- 52.249-2 Termination for Convenience of the Government (Fixed Price)

(iii) FAR Clauses required on orders exceeding "simplified acquisition threshold" (\$100,000) (FAR 2-201):

- 52.203-3 Gratuities
- 52.203-5 Covenant Against Contingent Fees
- 52.203-6 Restrictions on Subcontractor Sales to the Government
- 52.203-7 Anti-Kickback Procedures
- 52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
- 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity
- 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
- 52.215-2 Audit and Records—Negotiation
- 52.215-14 Integrity of Unit Prices
- 52.219-8 Utilization of Small Business Concerns
- 52.222-4 Contract Work Hours and Safety Standards Act—Overtime Compensation
- 52.227-1 Authorization and Consent
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
- 52.229-3 Federal, State, and Local Taxes
- 52.233-3 Protest After Award
- 52.244-5 Competition in Subcontracting
- 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels

(iv) FAR clauses required when subcontractor cost or pricing data are required (\$650,000 and over)

- 52.214-26 Audit and Records—Sealed Bidding
- 52.214-27 Price Reduction for Defective Cost or Pricing Data—Modifications—Sealed Bidding
- 52.214-28 Subcontractor Cost or Pricing Data—Modifications—Sealed Bidding
- 52.215-10 Price Reduction for Defective Cost or Pricing Data
- 52.215-11 Price Reduction for Defective Cost or Pricing Data—Modifications
- 52.215-12 Subcontractor Cost or Pricing Data
- 52.215-13 Subcontractor Cost or Pricing Data—Modifications
- 52.215-15 Pension Adjustments and Asset Reversions
- 52.215-18 Reversion or Adjustment of Plans for Post-retirement Benefits (PRB) Other than Pensions
- 52.215-20 Requirements for Cost or Pricing Data or Information Other than Cost or Pricing Data
- 52.215-21 Requirements for Cost or Pricing Data or Information Other than Cost or Pricing Data—Modifications
- 52.219-9 Small Business Subcontracting Plan (This clause does not apply to small business concerns.)

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- 52.230-2 Cost Accounting Standards (applicable to Large Business only)
- 52.230-3 Disclosure and Consistency of Cost Accounting Practices
- 52.230-6 Administration of Cost Accounting Standards
- 52.242-1 Notice of Intent to Disallow Costs (applicable only for cost reimbursement, fixed price incentive, or price redetermination orders)
- 52.242-3 Penalties for Unallowable Costs (applicable only for cost reimbursement, fixed price incentive, or price redetermination orders)

(v) Where necessary to make FAR Clauses consistent with this Purchase Order, the words "Government," "contracting officer," and similar words as used therein shall mean SES, and the word "contractor" shall mean the Seller.

(vi) The Seller covenants and agrees that if SES' contract price or a cost allowance is reduced by reason of the Seller's failure to comply with an applicable Cost Accounting Standard or to follow any practice disclosed in its Disclosure Statement, SES shall be entitled to:

- Reduce the price of this Purchase Order by an amount commensurate with the reduction in SES' contract price or cost allowance together with interest computed at the applicable Treasury rate; or
- In the event the Seller shall already have been paid the full Purchase Order price or essentially the full Purchase Order price, the Seller shall reimburse and indemnify SES in an amount commensurate with the reduction in SES' contract price or cost allowance together with interest computed at the applicable Treasury rate.

33. Preaward On-Site Equal Opportunity Compliance Evaluation (FAR 52.222-24)

If a contract in the amount of \$10 million or more will result from this solicitation, the prospective Contractor and its known first-tier subcontractors with anticipated subcontracts of \$10 million or more shall be subject to a preaward compliance evaluation by the Office of Federal Contract Compliance Programs (OFCCP), unless, within the preceding 24 months, OFCCP has conducted an evaluation and found the prospective Contractor and subcontractors to be in compliance with Executive Order 11246.

34. "Equal Opportunity" (FAR 52.222-26)

a) If, during any 12-month period (including the 12 months preceding the award of this contract), the Contractor has been or is awarded nonexempt Federal Contracts and/or subcontracts that have an aggregate value in excess of \$10,000, the Contractor shall comply with subparagraphs b) (i) through (xi) below. Upon request, the Contractor shall provide information necessary to determine the applicability of this clause.

b) During the performance of this contract, the Contractor agrees as follows:

(i) The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. However, it shall not be a violation of this clause for the Contractor to extend a publicly announced preference in employment to Indians living on or near an Indian reservation, in connection with employment opportunities on or near an Indian reservation, as permitted by 41 CFR 60-1.5.

(ii) The contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. This shall include, but not be limited to: employment; upgrading; demotion; transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

(iii) The Contractor shall post in conspicuous places available to employees and applicants for employment the notices to be provided by the Contracting Officer that explain this clause.

(iv) The Contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color religion, sex, or national origin.

(v) The Contractor shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding the notice to be provided by the Contracting Officer advising the

labor union or workers' representative of the Contractor's commitments under this clause, and post copies of the notice in conspicuous places available to employees and applicants for employment.

(vi) The Contractor shall comply with Executive Order 11246, as amended, and the rules, regulations, and orders of the Secretary of Labor.

(vii) The Contractor shall furnish to the contracting agency all information required by Executive Order 11246, as amended, and by the rules, regulations, and orders of the Secretary of Labor. The Contractor shall also file Standard Form 100 (EEO-1), or any successor form, as prescribed in 41 CFR Part 60-1. Unless the Contractor has filed within the 12 months preceding the date of contract award, the Contractor shall, within 30 days after contract award, apply to either the regional Office of Federal Contract Compliance Programs (OFCCP) or the local office of the Equal Employment Opportunity Commission for the necessary forms.

(viii) The Contractor shall permit access to its premises, during normal business hours, by the contracting agency or the OFCCP for the purpose of conducting on-site compliance evaluations and complaint investigations. The contractor shall permit the Government to inspect and copy any books, accounts, records (including computerized records), and other material that may be relevant to the matter under investigation and pertinent to compliance with Executive Order 11246, as amended, and rules and regulations that implement the Executive Order.

(ix) If the OFCCP determines that the Contractor is not in compliance with this clause or any rule, regulation, or order of the Secretary of Labor, this contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts, under the procedures authorized in Executive Order 11246, as amended. In addition, sanctions may be imposed and remedies invoked against the Contractor as provided in Executive Order 11246, as amended; in the rules, regulations, and orders of the Secretary of Labor; or as otherwise provided by law.

(x) The Contractor shall include the terms and conditions of paragraphs b)(i) through (xi) of this clause in every subcontract or purchase order that is not exempted by the rules, regulations, or orders of the Secretary of Labor issued under Executive Order 11246, as amended, so that these terms and conditions will be binding upon each subcontractor or vendor.

(xi) The Contractor shall take such action with respect to any subcontract or purchase order as the Contracting Officer may direct as a means of enforcing these terms and conditions, including sanctions for noncompliance, provided, that if the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of any direction, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

c) Notwithstanding any other clause in this contract, disputes relative to this clause will be governed by the procedures in 41 CFR 60-1.1.

35. Government Inspection

If this Purchase Order bears a Government contract number, the Government has the right to perform government quality assurance at the Seller's plant as may be necessary to determine conformance with the requirements specified for all services and/or supplies ordered herein. In addition, there may be further Government inspection rights provided by FAR citations (i.e., 52.246-2 through -9) or by SES' Quality Terms, if applicable.

36. Government-Owned Facilities

If Government-owned facilities are to be used by the Seller to perform work prescribed herein, two prices are to be submitted; one based on rent-free use and one based on rental payments (applicable to request for quote only).

37. Anti-Kickback

SES prohibits the payment of any money, fee commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime contractor, prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract. All

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suspected violations of this section must be reported immediately to SES' Ethics Officer.

38. Work Performed in SES Facilities

Work performed under this Purchase Order in SES facilities may require the individuals assigned to be U.S. citizens. Before assigning any foreign nationals to work in SES facilities in support of this Purchase Order, the Seller shall obtain prior written approval from SES. The Seller shall also screen all individuals who have access to SES facilities against the U.S. Government's Denied Parties List. If the Seller does not have access to the Denied Parties List, names of the individuals shall be provided to SES for screening by SES.

39. Order Completion and Closeout (applicable to Subcontracts pursuant to a SES Government or SES Prime Contract)

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

- Firm fixed price orders: final invoice must be submitted no later than 45 days following final delivery and must be marked as FINAL INVOICE.
- Fixed Price/Labor Hour orders: final invoice must be submitted no later than 45 days following final delivery and must be marked as FINAL INVOICE.
- Time and Material orders: Quick closeout procedures shall be used to the maximum extent possible (reference FAR 42.708). Closing documents using quick closeout procedures shall be submitted within six (6) months of completion of the order. Where quick closeout is not authorized, closing documents shall be submitted within 24 months of completion of the order.
- Cost Reimbursement orders: Quick closeout procedures shall be used to the maximum extent possible (reference FAR 42.708). Closing documents using quick closeout procedures shall be submitted within six (6) months of completion of the order. Where quick closeout is not authorized, closing documents shall be submitted within 24 months of completion of the order.
- Special Note for Delivery/Task Order Contracts: Completion vouchers and documents shall be submitted on each delivery order within three (3) months of order completion. Any subsequent adjustments required on cost reimbursement elements will be made on the final delivery order, which will be closed out in accordance with the schedule specified for the contract type.

Failure to submit documents within the specified period will result in a unilateral closeout of the order by SES.

40. Organizational Conflict of Interest

(Note: Where the face of this Purchase Order bears a Government contract number, Part "a)" below applies. Part "b)" below applies where the face of this Purchase Order bears Government contract number DAAH01-02-C-R190.)

a) Seller certifies that Seller has no organizational conflict of interest as defined in FAR 9.501.

b) Seller agrees that during the period of performance of this Purchase Order and for a period of one year thereafter, Seller shall not, without prior written approval of SES and the Government Contracting Officer, participate as a prime contractor or a subcontractor or consultant to any tier to provide support services for any AMCOM-managed or supported weapon systems covered by this Purchase Order. Seller further agrees that Seller shall not, within the period of performance of this subcontract, participate as a subcontractor or consultant at any tier to provide technical services of the kind called out in the SOW without prior written approval of SES and the Government Contracting Officer.

41. DFAR Clauses

252.225.7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals.