

**IFPC Program  
Prime Contract Flowdowns  
Rev 2  
12 April 2020**

<b>FAR/DFAR</b>	<b>Description</b>	<b>Date</b>
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense- Contract-Related Felonies NOTE: Applies if this contract exceeds \$150,000. The terms "contract" "contractor" and "subcontract" are not modified in paragraphs (a) through (d). In paragraph (e), the remedies described in subparagraphs (2) and (3) are available to Lockheed Martin not the Government." In paragraph (f), communication required under this clause with the Contracting Officer shall be through LOCKHEED MARTIN. Paragraph (g) is deleted.	DEC 2008
252.203-7002	Requirement to Inform Employees of Whistleblower Rights	SEP 2013
252.204-7009	Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information	OCT 2016
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting NOTE: Applies if this Contract is for operationally critical support or for which subcontract performance will involve covered defense information Seller shall furnish Lockheed Martin copies of notices provided to the Contracting Officer at the time such notices are sent. Seller shall also furnish Lockheed Martin copies of any reports Seller receives from its lower tier subcontractors.	OCT 2016
252.204-7015	Notice of Authorized Disclosure of Information for Litigation Support	MAY 2016
252.208-7000	Intent to Furnish Precious Metals as Government Furnished Material	DEC 1991
252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements NOTE: The certification in paragraph (b)(2) applies to both Seller in its own capacity and to Seller's covered subcontractors.	DEC 2010
252.223-7001	Hazard Warning Labels	DEC 1991
252.223-7002	Safety Precautions For Ammunition And Explosives NOTE: "Contracting Officer" means "Lockheed Martin" except in paragraph (c)(4) where it means "Contracting Officer" as it relates to government personnel. "Government" means "Lockheed Martin and the Government."	MAY 1994
252.223-7003	Changes In Place Of Performance--Ammunition And Explosives NOTE: "Contracting Officer" means "Lockheed Martin." "Government means "Lockheed Martin and the Government."	DEC 1991
252.223-7008	Prohibition of Hexavalent Chromium NOTE: "Contracting officer" means "Lockheed Martin."	JUN 2013
252.225-7001	Buy American And Balance Of Payments Program-- Basic	AUG 2016
252.225-7006	Quarterly Reporting of Actual Contract Performance Outside the United States NOTE: Applies if this contract exceeds \$550,000. Paragraph (f) is deleted.	OCT 2010

252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies NOTE: Applies if this contract is for an item on the United States Munitions List or the 600 series of the Commerce Control List.	SEP 2006
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals NOTE: Applies if the Work furnished includes specialty metals. Paragraph (d) is deleted. The phrase "end item" in paragraph (e)(6) means "end item under the prime contract." For the purpose of this clause, Seller shall assume the minimal amount exception in paragraph (c)(6) does not apply with respect to this contract unless otherwise notified by Lockheed Martin.	OCT 2014
252.225-7012	Preference For Certain Domestic Commodities	AUG 2016
252.225-7013	Duty-Free Entry--Basic NOTE: In paragraph (c), "Government" and "Contracting Officer" means "Lockheed Martin." The prime contract number and identity of the Contracting Officer are contained elsewhere in this contract. If this information is not available, contact Lockheed Martin's procurement representative.	MAY 2016
252.225-7016	Restriction On Acquisition Of Ball and Roller Bearings	JUN 2011
252.225-7028	Exclusionary Policies And Practices Of Foreign Government	APR 2003
252.225-7048	Export-Controlled Items	JUN 2013
252.226-7001	Economic Enterprises, and Native Hawaiian Small Business NOTE: In paragraph (c) "Contracting Officer" means Buyer the first time appears. In subparagraph (f)(1) "Contractor" shall mean "Lockheed Martin". Lockheed Martin shall have no liability to Seller for any incentive payment under this clause unless and until the Government provides said incentive payment to Lockheed Martin.	SEP 2004
252.227-7013	Rights in Technical Data--Noncommercial Items	FEB 2014
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	FEB 2014
252.227-7015	Technical Data--Commercial Items	FEB 2014
252.227-7016	Rights in Bid or Proposal Information	JAN 2011
252.227-7019	Validation of Asserted Restrictions--Computer Software NOTE: "Contracting Officer" means "Lockheed Martin" or "Contracting Officer."	SEP 2016
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends NOTE: In paragraph (c)(1) "Government" means "Lockheed Martin and Government."	MAY 2013
252.227-7026	Deferred Delivery Of Technical Data Or Computer Software NOTE: Applicable if this contract includes a requirement for deferred delivery data. "Government" means "Lockheed Martin."	APR 1988
252.227-7027	Deferred Ordering Of Technical Data Or Computer Software NOTE: "Government" means "Lockheed Martin and Government" in the first sentence.	APR 1988
252.227-7030	Technical Data -- Withholding of Payment NOTE: "Contracting Officer" means "Lockheed Martin." "Government" means "Lockheed Martin or Government."	MAR 2000

252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 2016
252.227-7038	Patent Rights--Ownership by the Contractor (Large Business) NOTE: Applies if this subcontract involves experimental, developmental, or research work.	JUN 2012
252.231-7000	Supplemental Cost Principles	DEC 1991
252.235-7003	Frequency Authorization NOTE: Applies if this contract requires the development, production, construction, testing, or operation of a device for which a radio frequency authorization is required. "Contracting Officer" means "Lockheed Martin."	MAR 2014
252.239-7001	Information Assurance Contractor Training and Certification	JAN 2008
252.243-7001	Pricing Of Contract Modifications	DEC 1991
252.243-7002	Requests for Equitable Adjustment NOTE: "Government" means "Lockheed Martin."	DEC 2012
252.244-7000	Subcontracts for Commercial Items	JUN 2013
252.245-7004	Reporting, Reutilization, and Disposal NOTE: "Contracting Officer" means Lockheed Martin.	SEP 2016
252.246-7000	Material Inspection and Receiving Report NOTE: Applies if this contract requires delivery of Items directly to the Government.	MAR 2008
252.246-7001	Warranty Of Data NOTE: "Government" means "Lockheed Martin or the Government." "Contracting Officer" means "Lockheed Martin." The last sentence in paragraph (b) is changed to read as follows: The warranty period shall extend for three years after completion of delivery of the data to Lockheed Martin, or if the data is delivered to the Government, either by Lockheed Martin or Seller, the warranty period shall extend for three years after delivery to the Government."	MAR 2014
252.246-7003	Notification of Potential Safety Issues NOTE: Seller shall provide notifications under this clause to Lockheed Martin and the contracting officer identified to Seller.	JUN 2013
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System NOTE: Paragraph (a) through (e) apply. To the extent this clause conflicts with other provisions of this contract, this clause shall prevail. In paragraph (c)(2) "Government" means "Lockheed Martin and the Government." In paragraph (c)(6) "Contracting Officer" means "Lockheed Martin and the Contracting Officer."	AUG 2016
252.246-7008	Sources of Electronic Parts NOTE: Applies if this contract is for electronic parts or assemblies containing electronic parts, unless Seller is the original manufacturer. As used in the clause, "Contracting Officer" means "Lockheed Martin and the Contracting Officer."The term "Government" means "Lockheed Martin and the Government" except in paragraph (d).	OCT 2016
252.247-7023	Transportation of Supplies by Sea NOTE: In paragraph (g) "Government" and "Contracting Officer" mean "Lockheed Martin" and the words "of the Prompt Payment clause" are deleted. If this contract is less than \$150,000 only paragraphs (a) through (e) and paragraph (h) of the clause applies.	APR 2014

252.247-7024	Notification Of Transportation Of Supplies By Sea NOTE: Applicable if this Contract meets the criteria set forth in paragraph (b) (2) (ii) of the clause. "Contracting Officer" means "Lockheed Martin."	MAR 2000
252-222-7000	Restrictions on Employment of Personnel	MAR 2000
52.203-11	Certifications and Disclosure Re: Payment to Influence Certain Federal Officials	SEP 2007
52.203-12	Limitation On Payments To Influence Certain Federal Transactions NOTE: Applies if this contract exceeds \$150,000. Seller's disclosure forms and those of Seller's lower tier subcontractors will be provided to Lockheed Martin.	OCT 2010
52.203-13	Contractor Code of Business Ethics and Conduct NOTE: Applies if this contract exceeds \$5,000,000 and has a period of performance of more than 120 days. Disclosures made under this clause shall be made directly to the Government entities identified in the clause.	OCT 2015
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009	JUN 2010
52.203-16	Preventing Personal Conflicts of Interest	DEC 2011
52.203-17	Requirement To Inform Employees of Whistleblower Rights NOTE: Applies if this Contract exceeds \$150,000.	APR 2014
52.203-6	Restrictions on Subcontractor Sales to the Government Alternate I NOTE: Applies if this Contract exceeds the simplified acquisition threshold.	SEP 2006
52.203-7	Anti-Kickback Procedures NOTE: Paragraph (c)(1) does not apply.	MAY 2014
52.204-2	Security Requirements NOTE: Applies only if this contract involves access to classified information. The reference in paragraph (c) to the Changes clause shall be deemed to refer to the Changes clause of this contract.	AUG 1996
52.204-9	Personal Identity Verification of Contractor Personnel NOTE: Applies if Seller will have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system	JAN 2011
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment NOTE: Applies if this contract exceeds \$35,000. Does not apply if this contract is for commercial off the shelf items. Copies of notices provided by Seller to the Contracting Officer shall be provided to Lockheed Martin.	OCT 2015
52.211-5	Material Requirements NOTE: "Contracting Officer" means "Lockheed Martin."	AUG 2000
52.215-10	Price Reduction for Defective Certified Cost or Pricing Data NOTE: Applies whenever Seller was required to furnish certified cost or pricing data in connection with this contract. "The Contracting Officer" means "Lockheed Martin or the Contracting Officer." "United States" and "Government" mean "Lockheed Martin." The rights and obligations under this clause shall survive completion of the work and final payment under this contract.	AUG 2011

52.215-12	Subcontractor Certified Cost or Pricing Data NOTE: Applies if this contract exceeds the threshold for submission of certified cost or pricing data at FAR 15.403-4 and is not otherwise exempt from the requirement to provide cost or pricing data.	OCT 2010
52.215-14	Integrity of Unit Prices NOTE: Applies if this contract exceeds the simplified acquisition threshold. Paragraph (b) is deleted.	OCT 2010
52.215-15	Pension Adjustments and Asset Reversions NOTE: Applies if this contract meets the applicability requirements of FAR 15.408(g). Communication/notification required under this clause from/to Seller to/from the Contracting Officer shall be through Lockheed Martin.	OCT 2010
52.215-16	Facilities Capital Cost of Money NOTE: Applicable only if this contract is subject to the cost principles at FAR Subpart 31.2 and Seller proposed facilities capital cost of money in its offer.	JUN 2003
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions NOTE: Applies if this contract meets the applicability requirements of FAR 15.408(j). Communication/notification required under this clause from/to Seller to/from the Contracting Officer shall be through Lockheed Martin.	JUL 2005
52.215-19	Notification of Ownership Changes NOTE: Applies if this contract meets the applicability requirements of FAR 15.408(k). Communication/notification required under this clause from/to Seller to/from the Contracting Officer shall be through Lockheed Martin.	OCT 1997
52.215-2	Audit and Records--Negotiation NOTE: Applies if this contract exceeds \$150,000 and if (1) this is a cost-reimbursement, incentive, time and materials or price-redeterminable contract, (2) if Seller was required to furnish cost or pricing data, or (3) this contract requires Seller to furnish cost, funding or performance reports. Alternate II applies if Seller is an educational institution or non-profit institution.	OCT 2010
52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data -- Modifications NOTE: "Contracting Officer" means "Lockheed Martin" in paragraphs (a)(1) and (b).	OCT 2010
52.215-23	Limitations on Pass-Through Charges NOTE: Applies if this is a cost-reimbursement subcontract in excess of \$150,000, except if the prime contract to which this contract relates is with DoD, then the clause applies to both cost-reimbursement subcontracts and fixed-price subcontracts, except those identified in 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4.	OCT 2009
52.216-26	Payments Of Allowable Costs Before Definitization	DEC 2002
52.216-8	Fixed Fee NOTE: "Government" and "Contracting Officer" mean "Lockheed Martin." The last two sentences are deleted.	JUN 2011
52.222-17	Nondisplacement of Qualified Workers	MAY 2014
52.222-21	Prohibition Of Segregated Facilities	APR 2015

52.222-26	Equal Opportunity	SEP 2016
52.222-35	Equal Opportunity for Veterans	OCT 2015
52.222-36	Equal Opportunity for Workers with Disabilities	JUL 2014
52.222-37	Employment Reports on Veterans	FEB 2016
52.222-4	Contract Work Hours and Safety Standards Act – Overtime Compensation NOTE: Applies if this contract requires or involves the employment of laborers and mechanics.	MAY 2014
52.222-40	Notification of Employee Rights Under the National Labor Relations Act	DEC 2010
52.222-41	Service Contract Labor Standards NOTE: Applies if this contract is subject to the Service Contract Act. The clause does not apply if this contract has been administratively exempted by the Secretary of Labor or exempted by 41 U.S.C. 356, as interpreted in Subpart C of 29 CFR Part 4. Seller shall be responsible for all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of Seller officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.	MAY 2014
52.222-43	Fair Labor Standards Act And Service Contract Labor NOTE: Applies if FAR 52.222-41 applies to this contract. "Contracting Officer" means "Lockheed Martin and the Contracting Officer" except in paragraph (f) where it means "Lockheed Martin." The notice period in paragraph (f) is changed to twenty (20) days. Adjustments made to this contract shall not be made unless or until the Contracting Officer make appropriate adjustments to Lockheed Martin's prime contract.	AUG 2018
52.222-44	Fair Labor Standards Act and Service Contract Labor Standards -- Price Adjustment NOTE: Applies if FAR 52.222-41 applies to this contract. "Contracting Officer" means "Lockheed Martin and the Contracting Officer" except in paragraph (e) where it means "Lockheed Martin." The notice period in paragraph (e) is changed to twenty (20) days. Adjustments made to this contract shall not be made unless or until the Contracting Officer make appropriate adjustments to Lockheed Martin's prime contract.	MAY 2014
52.222-55	Minimum Wages Under Executive Order 13658 NOTE: Applies if this Contract is subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States. "Contracting Officer" means "Lockheed Martin."	DEC 2015
52.223-18	Contractor Policy to Ban Text Messaging While Driving	AUG 2011
52.224-1	Privacy Act Notification	APR 1984
52.225-1	Buy American--Supplies NOTE: Applicable if the Work contains other than domestic components as defined by this clause.	MAY 2014
52.225-13	Restrictions on Certain Foreign Purchases NOTE: Communication required under this clause from/to Seller to/from the Contracting Officer shall be through Lockheed Martin.	JUN 2008
52.225-3	Buy American Act-Free Trade Agreements-Israeli Trade Act	MAY 2014

52.225-8	Duty Free Entry NOTE: Applies if supplies will be imported into the Customs Territory of the United States. Contracting Officer" means "Lockheed Martin" except in paragraphs (c) and (e). In subparagraph (c)(1) "20 days" is changed to "30 days." In subparagraph (c)(2), replace the fifth word "determines" with "has been notified." Communication/notification required under this clause from/to the Seller to/from the Contracting Officer shall be through Lockheed Martin.	OCT 2010
52.227-1 Alt I	Authorization And Consent (Dec 2007) - Alternate I	APR 1984
52.227-10	Filing Of Patent Applications--Classified Subject Matter NOTE: Applies if this contract involves classified subject matter.	DEC 2007
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement NOTE: Applies if this contract exceed the simplified acquisition threshold. "Contracting Officer" means "Lockheed Martin." "Government" means "Government and Lockheed Martin."	DEC 2007
52.227-9	Refund of Royalties NOTE: Applies when reported royalty exceeds \$250. "Contracting Officer" and "Government" mean "Lockheed Martin."	APR 1984
52.228-3	Worker's Compensation Insurance (Defense Base Act) NOTE: Applies if Seller will perform work subject to the Defense Base Act 42 U.S.C. 1651 et seq.)	JUL 2014
52.228-5	Insurance - Work On A Government Installation NOTE: Applies if this contract involves work on a Government installation. "Contracting Officer" means "Lockheed Martin." In paragraph (b) "Government's" means "Lockheed Martin's or the Government's." Unless otherwise specified by this contract, the minimum kinds and amount of insurance shall be as described in FAR 28.307-2.	JAN 1997
52.229-10	State of New Mexico Gross Receipts and Compensating Tax NOTE: Applies if this is a cost reimbursement contract and will be performed in whole or in part in New Mexico. In paragraph (d) "Government" means "Lockheed Martin or Government," and the blank in paragraph (g) is replaced with "the procuring agency under the prime contract."	APR 2003
52.230-6	Administration of Cost Accounting Standards NOTE: Applies if FAR 52.230-2, 52.230-3, 52.230-4, or 52.230-5 applies to this contract.	JUN 2010
52.232-20	Limitation Of Cost NOTE: Applies if this contract is fully funded. "Contracting Officer" and "Government" mean "Lockheed Martin."	APR 1984
52.232-22	Limitation Of Funds NOTE: Applies if this contract is incrementally funded. "Contracting Officer" and "Government" mean "Lockheed Martin."	APR 1984
52.232-39	Unenforceability of Unauthorized Obligations	JUN 2013
52.233-3	Protest After Award NOTE: "Protest" means "protest under the prime contract," and "Contracting Officer" and "Government" mean "Lockheed Martin." "30 days" is changed to "20 days."	AUG 1996

52.234-1	Industrial Resources Developed Under Defense Production Act Title III NOTE: "Contracting Officer" means "Lockheed Martin."	SEP 2016
52.234-4	Earned Value Management System NOTE: The terms "Contracting Officer" and "Government" include Lockheed Martin.	NOV 2016
52.237-2	Protection of Government Buildings, Equipment, and Vegetation NOTE: Applies if this contract requires work on a Government installation. "Government" means "Government or Lockheed Martin," and "Contracting Officer" means "Lockheed Martin."	APR 1984
52.239-1	Privacy or Security Safeguards	AUG 1996
52.242-15	Stop-Work Order NOTE: NOTE: "Contracting Officer" and "Government" mean "Lockheed Martin."	AUG 1989
52.242-15 Alt I	Stop-Work Order (AUG 1989)- Alternate I	APR 1984
52.243-2	Changes--Cost-Reimbursement NOTE: "Contracting Officer" and "Government" mean "Lockheed Martin." In paragraph (a) add as subparagraph (4) "Delivery schedule." In paragraph (d) the reference to the disputes clause is deleted.	AUG 1987
52.243-2 Alt V	Changes--Cost-Reimbursement (Aug 1987) - Alternate V	APR 1984
52.243-6	Change Order Accounting NOTE: Applies only if Prime Contract requires change order accounting. "Contracting Officer" means "Lockheed Martin." In the last sentence, delete reference to the "Disputes" clause.	APR 1984
52.244-5	Competition In Subcontracting	DEC 1996
52.244-6	Subcontracts for Commercial Items	NOV 2016
52.245-1	Government Property NOTE: "Contracting Officer" means "Lockheed Martin" except in the definition of Property Administrator and in paragraphs (h)(1)(iii) where it is unchanged, and in paragraphs (c) and (h)(4) where it includes Lockheed Martin. "Government" is unchanged in the phrases "Government property" and "Government furnished property" and where elsewhere used except in paragraph (d)(1) where it means "Lockheed Martin" and except in paragraphs (d)(2) and (g) where the term includes Lockheed Martin." The following is added as paragraph (n) "Seller shall provide to Lockheed Martin immediate notice if the Government or other customer (i) revokes its assumption of loss under any direct contracts with Seller, or (ii) makes a determination that Seller's property management practices are inadequate, and/or present an undue risk, or that Seller has failed to take corrective action when required."	APR 2012
52.245-9	Use And Charges NOTE: Communications with the Government under this clause will be made through Lockheed Martin.	APR 2012
52.246-3	Inspection of Supplies Cost-Reimbursement NOTE: "Government" means "Lockheed Martin" except (1) in paragraphs (b), (c) and (d) where it means "Lockheed Martin and the Government" and (2) in paragraph (k) where the term is unchanged. In subparagraph (e), "60	MAY 2001

	days" is changed to "120 days", and in subparagraph (f) "6 months" is changed to "12 months"	
52.246-5	Inspection of Services- Cost-Reimbursement NOTE: "Government" means "Lockheed Martin and the Government " in paragraphs (b) and (c). "Government" means "Lockheed Martin " in paragraphs (d) and (e).	APR 1984
52.247-63	Preference For U.S. Flag Air Carriers NOTE: Applies if this contract involves international air transportation.	JUN 2003
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels NOTE: In the last sentence of paragraph (c) "Subcontractor" means "Seller and lower term subcontractor." "Contracting Officer" means "Lockheed Martin."	FEB 2006
52.249-14	Excusable Delays NOTE: In paragraph (a)(2) "either" and "or contractual" is deleted. "Contracting Officer" and "Government" means Lockheed Martin except in (a)(2) where "Government" is unchanged.	APR 1984
52.249-4	Termination for Convenience of the Government (Services) (Short Form) NOTE: "Contracting Officer" and "Government" means "Lockheed Martin."	APR 1984
52.249-6	Termination (Cost Reimbursement) NOTE: "Government" and "Contracting Officer" mean "Lockheed Martin." In paragraph (d) "120" days" is changed to "60 days." In paragraph (e) "15 days" is changed to "30 days," and "45 days" is changed to "60 days." In paragraph (f) "1 year" is changed to "six months." Paragraph (j) is deleted. Alternate IV (SEP 1996) applies if this is a labor hour or time and materials contract. In Alternate IV, "90 days" is changed to "60 days." Settlements and payments under this clause may be subject to the approval of the Contracting Officer.	MAY 2004

### **Flowdowns in Full Text in Full Text**

#### **52.203-14 DISPLAY OF HOTLINE POSTER(S) (OCT 2015)**

(a) Definition.

United States, as used in this clause, means the 50 States, the District of Columbia, and outlying areas.

(b) Display of fraud hotline poster(s). Except as provided in paragraph (c)--

(1) During contract performance in the United States, the Contractor shall prominently display in common work areas within business segments performing work under this contract and at contract work sites--

(i) Any agency fraud hotline poster or Department of Homeland Security (DHS) fraud hotline poster identified in paragraph (b)(3) of this clause; and (ii) Any DHS fraud hotline poster subsequently identified by the Contracting Officer.

(2) Additionally, if the Contractor maintains a company website as a method of providing information to employees, the Contractor shall display an electronic version of the poster(s) at the website.

(3) Any required posters may be obtained as follows:

Poster(s) Obtain from Office of Inspector General United States Department of Defense;  
<http://www.dodig.mil/Hotline/posters.cfm>

(c) If the Contractor has implemented a business ethics and conduct awareness program, including a reporting mechanism, such as a hotline poster, then the Contractor need not display any agency fraud hotline posters as required in paragraph (b) of this clause, other than any required DHS posters.

(d) Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (d), in all subcontracts that exceed \$5.5 million, except when the subcontract--

(1) Is for the acquisition of a commercial item; or

(2) Is performed entirely outside the United States.

(End of clause)

### **52.211-11 LIQUIDATED DAMAGES--SUPPLIES, SERVICES, OR RESEARCH AND DEVELOPMENT (SEP 2000)**

(a) If the Contractor fails to deliver the supplies or perform the services within the time specified in this contract, the Contractor shall, in place of actual damages, pay to the Government liquidated damages of \*\*\* per calendar day of delay [*Contracting Officer insert amount*].

(b) If the Government terminates this contract in whole or in part under the Default--Fixed-Price Supply and Service clause, the Contractor is liable for liquidated damages accruing until the Government reasonably obtains delivery or performance of similar supplies or services. These liquidated damages are in addition to excess costs of repurchase under the Termination clause.

(c) The Contractor will not be charged with liquidated damages when the delay in delivery or performance is beyond the control and without the fault or negligence of the Contractor as defined in the Default--Fixed-Price Supply and Service clause in this contract.

**\*\*\* To be completed at task order award**

(End of clause)

### **52.216-7 ALLOWABLE COST AND PAYMENT (JUN 2013)**

(a) Invoicing.

(1) The Government will make payments to the Contractor when requested as work progresses, but (except for small business concerns) not more often than once every 2 weeks, in amounts determined to be allowable by the Contracting Officer in accordance with Federal Acquisition Regulation (FAR) subpart 31.2 in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

(2) Contract financing payments are not subject to the interest penalty provisions of the Prompt Payment Act.

Interim payments made prior to the final payment under the contract are contract financing payments, except interim payments if this contract contains Alternate I to the clause at 52.232-25.

(3) The designated payment office will make interim payments for contract financing on the 30th day after the designated billing office receives a proper payment request. In the event that the Government requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date.

(b) Reimbursing costs.

(1) For the purpose of reimbursing allowable costs (except as provided in subparagraph (b)(2) of the clause, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term "costs" includes only--

(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(ii) When the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for--

(A) Supplies and services purchased directly for the contract and associated financing payments to Subcontractors, provided payments determined due will be made--

(1) In accordance with the terms and conditions of a subcontract or invoice; and

(2) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government;

(B) Materials issued from the Contractor's inventory and placed in the production process for use on the contract;

(C) Direct labor;

(D) Direct travel;

(E) Other direct in-house costs; and

(F) Properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and

(iii) The amount of financing payments that have been paid by cash, check, or other forms of payment to Subcontractors.

(2) Accrued costs of Contractor contributions under employee pension plans shall be excluded until actually paid unless--

(i) The Contractor's practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractor's indirect costs for payment purposes).

(3) Notwithstanding the audit and adjustment of invoices or vouchers under paragraph (g) of this clause, allowable indirect costs under this contract shall be obtained by applying indirect cost rates established in accordance with paragraph (d) of this clause.

(4) Any statements in specifications or other documents incorporated in this contract by reference designating performance of services or furnishing of materials at the Contractor's expense or at no cost to the Government shall be disregarded for purposes of cost-reimbursement under this clause.

(c) Small business concerns. A small business concern may receive more frequent payments than every 2 weeks.

(d) Final indirect cost rates.

(1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with Subpart 42.7 of the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.

(2)

(i) The Contractor shall submit an adequate final indirect cost rate proposal to the Contracting Officer (or cognizant Federal agency official) and auditor within the 6-month period following the expiration of each of its fiscal years. Reasonable extensions, for exceptional circumstances only, may

be requested in writing by the Contractor and granted in writing by the Contracting Officer. The Contractor shall support its proposal with adequate supporting data.

(ii) The proposed rates shall be based on the Contractor's actual cost experience for that period. The appropriate Government representative and the Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the Contractor's proposal.

(iii) An adequate indirect cost rate proposal shall include the following data unless otherwise specified by the cognizant Federal agency official:

(A) Summary of all claimed indirect expense rates, including pool, base, and calculated indirect rate.

(B) General and Administrative expenses (final indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts).

(C) Overhead expenses (final indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) for each final indirect cost pool.

(D) Occupancy expenses (intermediate indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) and expense reallocation to final indirect cost pools.

(E) Claimed allocation bases, by element of cost, used to distribute indirect costs.

(F) Facilities capital cost of money factors computation.

(G) Reconciliation of books of account (i.e., General Ledger) and claimed direct costs by major cost element.

(H) Schedule of direct costs by contract and subcontract and indirect expense applied at claimed rates, as well as a subsidiary schedule of Government participation percentages in each of the allocation base amounts.

(I) Schedule of cumulative direct and indirect costs claimed and billed by contract and subcontract.

(J) Subcontract information. Listing of subcontracts awarded to companies for which the contractor is the prime or upper-tier contractor (include prime and subcontract numbers; subcontract value and award type; amount claimed during the fiscal year; and the Subcontractor name, address, and point of contact information).

(K) Summary of each time-and-materials and labor-hour contract information, including labor categories, labor rates, hours, and amounts; direct materials; other direct costs; and, indirect expense applied at claimed rates.

(L) Reconciliation of total payroll per IRS form 941 to total labor costs distribution.

(M) Listing of decisions/agreements/approvals and description of accounting/organizational changes.

(N) Certificate of final indirect costs (see 52.242-4, Certification of Final Indirect Costs).

(O) Contract closing information for contracts physically completed in this fiscal year (include contract number, period of performance, contract ceiling amounts, contract fee computations, level of effort, and indicate if the contract is ready to close).

(iv) The following supplemental information is not required to determine if a proposal is adequate, but may be required during the audit process:

(A) Comparative analysis of indirect expense pools detailed by account to prior fiscal year and budgetary data.

(B) General organizational information and limitation on allowability of compensation for certain contractor personnel. See 31.205-6(p). Additional salary reference information is available at [http://www.whitehouse.gov/omb/procurement\\_index\\_exec\\_comp/](http://www.whitehouse.gov/omb/procurement_index_exec_comp/).

(C) Identification of prime contracts under which the contractor performs as a Subcontractor.

(D) Description of accounting system (excludes contractors required to submit a CAS Disclosure Statement or contractors where the description of the accounting system has not changed from the previous year's submission).

(E) Procedures for identifying and excluding unallowable costs from the costs claimed and billed (excludes contractors where the procedures have not changed from the previous year's submission).

(F) Certified financial statements and other financial data (e.g., trial balance, compilation, review, etc.).

(G) Management letter from outside CPAs concerning any internal control weaknesses.

(H) Actions that have been and/or will be implemented to correct the weaknesses described in the management letter from subparagraph G) of this section.

(I) List of all internal audit reports issued since the last disclosure of internal audit reports to the Government.

(J) Annual internal audit plan of scheduled audits to be performed in the fiscal year when the final indirect cost rate submission is made.

(K) Federal and State income tax returns.

(L) Securities and Exchange Commission 10-K annual report.

(M) Minutes from board of directors meetings.

(N) Listing of delay claims and termination claims submitted which contain costs relating to the subject fiscal year.

(O) Contract briefings, which generally include a synopsis of all pertinent contract provisions, such as: Contract type, contract amount, product or service(s) to be provided, contract performance period, rate ceilings, advance approval requirements, pre-contract cost allowability limitations, and billing limitations.

(v) The Contractor shall update the billings on all contracts to reflect the final settled rates and update the schedule of cumulative direct and indirect costs claimed and billed, as required in paragraph (d)(2)(iii)(I) of this section, within 60 days after settlement of final indirect cost rates.

(3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify

(i) the agreed-upon final annual indirect cost rates,

(ii) the bases to which the rates apply,

(iii) the periods for which the rates apply,

(iv) any specific indirect cost items treated as direct costs in the settlement, and

(v) the affected contract and/or subcontract, identifying any with advance agreements or special terms and the applicable rates.

The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.

(4) Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes clause.

(5) Within 120 days (or longer period if approved in writing by the Contracting Officer) after settlement of the final annual indirect cost rates for all years of a physically complete contract, the Contractor shall submit a completion invoice or voucher to reflect the settled amounts and rates. The completion invoice or voucher shall include settled subcontract amounts and rates. The prime

contractor is responsible for settling Subcontractor amounts and rates included in the completion invoice or voucher and providing status of Subcontractor audits to the contracting officer upon request.

(6)

(i) If the Contractor fails to submit a completion invoice or voucher within the time specified in paragraph (d)(5) of this clause, the Contracting Officer may--

(A) Determine the amounts due to the Contractor under the contract; and

(B) Record this determination in a unilateral modification to the contract.

(ii) This determination constitutes the final decision of the Contracting Officer in accordance with the Disputes clause.

(e) Billing rates. Until final annual indirect cost rates are established for any period, the Government shall reimburse the Contractor at billing rates established by the Contracting Officer or by an authorized representative (the cognizant auditor), subject to adjustment when the final rates are established. These billing rates--

(1) Shall be the anticipated final rates; and

(2) May be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.

(f) Quick-closeout procedures. Quick-closeout procedures are applicable when the conditions in FAR 42.708(a) are satisfied.

(g) Audit. At any time or times before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of cost audited. Any payment may be--

(1) Reduced by amounts found by the Contracting Officer not to constitute allowable costs or

(2) Adjusted for prior overpayments or underpayments.

(h) Final payment.

(1) Upon approval of a completion invoice or voucher submitted by the Contractor in accordance with paragraph (d)(5) of this clause, and upon the Contractor's compliance with all terms of this contract, the Government shall promptly pay any balance of allowable costs and that part of the fee (if any) not previously paid.

(2) The Contractor shall pay to the Government any refunds, rebates, credits, or other amounts (including interest, if any) accruing to or received by the Contractor or any assignee under this contract, to the extent that those amounts are properly allocable to costs for which the Contractor has been reimbursed by the Government. Reasonable expenses incurred by the Contractor for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by the Contracting Officer. Before final payment under this contract, the Contractor and each assignee whose assignment is in effect at the time of final payment shall execute and deliver--

(i) An assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including interest, if any) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

(ii) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, except--

(A) Specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known;

(B) Claims (including reasonable incidental expenses) based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that the claims are not known to the Contractor on the date of the execution of the release, and that

the Contractor gives notice of the claims in writing to the Contracting Officer within 6 years following the release date or notice of final payment date, whichever is earlier; and

(C) Claims for reimbursement of costs, including reasonable incidental expenses, incurred by the Contractor under the patent clauses of this contract, excluding, however, any expenses arising from the Contractor's indemnification of the Government against patent liability.

(End of clause)

**52.222-2 PAYMENT FOR OVERTIME PREMIUMS (JUL 1990)**

(a) The use of overtime is authorized under this contract if the overtime premium cost does not exceed \$0.00 or the overtime premium is paid for work --

- (1) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;
- (2) By indirect-labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;
- (3) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or
- (4) That will result in lower overall costs to the Government.

(b) Any request for estimated overtime premiums that exceeds the amount specified above shall include all estimated overtime for contract completion and shall--

- (1) Identify the work unit; e.g., department or section in which the requested overtime will be used, together with present workload, staffing, and other data of the affected unit sufficient to permit the Contracting Officer to evaluate the necessity for the overtime;
- (2) Demonstrate the effect that denial of the request will have on the contract delivery or performance schedule;
- (3) Identify the extent to which approval of overtime would affect the performance or payments in connection with other Government contracts, together with identification of each affected contract; and
- (4) Provide reasons why the required work cannot be performed by using multi-shift operations or by employing additional personnel.

(End of clause)

**52.222-42 STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (MAY 2014)**

In compliance with the Service Contract Labor Standards statute and the regulations of the Secretary of Labor (29 CFR part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

THIS STATEMENT IS FOR INFORMATION ONLY: IT IS NOT A WAGE DETERMINATION

Employee Class	Monetary Wage-Fringe Benefits

**\*\* To be determined at the task order level when applicable.**

(End of clause)

## **52.222-50 COMBATING TRAFFICKING IN PERSONS (MAR 2015)**

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

Agent means any individual, including a director, an officer, an employee, or an independent contractor, authorized to act on behalf of the organization.

Coercion means--

- (1) Threats of serious harm to or physical restraint against any person;
- (2) Any scheme, plan, or pattern intended to cause a person to believe that failure to perform an act would result in serious harm to or physical restraint against any person; or
- (3) The abuse or threatened abuse of the legal process.

Commercially available off-the-shelf (COTS) item means--

- (1) Any item of supply (including construction material) that is--
  - (i) A commercial item (as defined in paragraph (1) of the definition at FAR 2.101);
  - (ii) Sold in substantial quantities in the commercial marketplace; and
  - (iii) Offered to the Government, under a contract or subcontract at any tier, without modification, in the same form in which it is sold in the commercial marketplace; and
- (2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4), such as agricultural products and petroleum products.

Commercial sex act means any sex act on account of which anything of value is given to or received by any person.

Debt bondage means the status or condition of a debtor arising from a pledge by the debtor of his or her personal services or of those of a person under his or her control as a security for debt, if the value of those services as reasonably assessed is not applied toward the liquidation of the debt or the length and nature of those services are not respectively limited and defined.

Employee means an employee of the Contractor directly engaged in the performance of work under the contract who has other than a minimal impact or involvement in contract performance.

Forced Labor means knowingly providing or obtaining the labor or services of a person--

- (1) By threats of serious harm to, or physical restraint against, that person or another person;
- (2) By means of any scheme, plan, or pattern intended to cause the person to believe that, if the person did not perform such labor or services, that person or another person would suffer serious harm or physical restraint; or
- (3) By means of the abuse or threatened abuse of law or the legal process.

Involuntary servitude includes a condition of servitude induced by means of—

- (1) Any scheme, plan, or pattern intended to cause a person to believe that, if the person did not enter into or continue in such conditions, that person or another person would suffer serious harm or physical restraint; or
- (2) The abuse or threatened abuse of the legal process.

Severe forms of trafficking in persons means--

- (1) Sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or
- (2) The recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

Sex trafficking means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act.

Subcontract means any contract entered into by a Subcontractor to furnish supplies or services for performance of a prime contract or a subcontract.

Subcontractor means any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or another Subcontractor.

United States means the 50 States, the District of Columbia, and outlying areas.

(b) Policy. The United States Government has adopted a policy prohibiting trafficking in persons including the trafficking-related activities of this clause. Contractors, contractor employees, and their agents shall not--

(1) Engage in severe forms of trafficking in persons during the period of performance of the contract;

(2) Procure commercial sex acts during the period of performance of the contract;

(3) Use forced labor in the performance of the contract;

(4) Destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;

(5)

(i) Use misleading or fraudulent practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the worker, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant cost to be charged to the employee, and, if applicable, the hazardous nature of the work;

(ii) Use recruiters that do not comply with local labor laws of the country in which the recruiting takes place;

(6) Charge employees recruitment fees;

(7)

(i) Fail to provide return transportation or pay for the cost of return transportation upon the end of employment--

(A) For an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working on a U.S. Government contract or subcontract (for portions of contracts performed outside the United States); or

(B) For an employee who is not a United States national and who was brought into the United States for the purpose of working on a U.S. Government contract or subcontract, if the payment of such costs is required under existing temporary worker programs or pursuant to a written agreement with the employee (for portions of contracts performed inside the United States); except that--

(ii) The requirements of paragraphs (b)(7)(i) of this clause shall not apply to an employee who is—

(A) Legally permitted to remain in the country of employment and who chooses to do so; or

(B) Exempted by an authorized official of the contracting agency from the requirement to provide return transportation or pay for the cost of return transportation;

(iii) The requirements of paragraph (b)(7)(i) of this clause are modified for a victim of trafficking in persons who is seeking victim services or legal redress in the country of employment, or for a witness in an enforcement action related to trafficking in persons. The contractor shall provide the return transportation or pay the cost of return transportation in a way that does not obstruct the victim services, legal redress, or witness activity. For example, the contractor shall not only offer return transportation to a witness at a time when the witness is still needed to testify. This paragraph does not apply when the exemptions at paragraph (b)(7)(ii) of this clause apply.

(8) Provide or arrange housing that fails to meet the host country housing and safety standards; or  
(9) If required by law or contract, fail to provide an employment contract, recruitment agreement, or other required work document in writing. Such written work document shall be in a language the employee understands. If the employee must relocate to perform the work, the work document shall be provided to the employee at least five days prior to the employee relocating. The employee's work document shall include, but is not limited to, details about work description, wages, prohibition on charging recruitment fees, work location(s), living accommodations and associated costs, time off, roundtrip transportation arrangements, grievance process, and the content of applicable laws and regulations that prohibit trafficking in persons.

(c) Contractor requirements. The Contractor shall—

(1) Notify its employees and agents of—

(i) The United States Government's policy prohibiting trafficking in persons, described in paragraph (b) of this clause; and

(ii) The actions that will be taken against employees or agents for violations of this policy. Such actions for employees may include, but are not limited to, removal from the contract, reduction in benefits, or termination of employment; and

(2) Take appropriate action, up to and including termination, against employees, agents, or Subcontractors that violate the policy in paragraph (b) of this clause.

(d) Notification.

(1) The Contractor shall inform the Contracting Officer and the agency Inspector General immediately of--

(i) Any credible information it receives from any source (including host country law enforcement) that alleges a Contractor employee, Subcontractor, Subcontractor employee, or their agent has engaged in conduct that violates the policy in paragraph (b) of this clause (see also 18 U.S.C. 1351, Fraud in Foreign Labor Contracting, and 52.203-13(b)(3)(i)(A), if that clause is included in the solicitation or contract, which requires disclosure to the agency Office of the Inspector General when the Contractor has credible evidence of fraud); and

(ii) Any actions taken against a Contractor employee, Subcontractor, Subcontractor employee, or their agent pursuant to this clause.

(2) If the allegation may be associated with more than one contract, the Contractor shall inform the contracting officer for the contract with the highest dollar value.

(e) Remedies. In addition to other remedies available to the Government, the Contractor's failure to comply with the requirements of paragraphs (c), (d), (g), (h), or (i) of this clause may result in-

(1) Requiring the Contractor to remove a Contractor employee or employees from the performance of the contract;

(2) Requiring the Contractor to terminate a subcontract;

- (3) Suspension of contract payments until the Contractor has taken appropriate remedial action;
- (4) Loss of award fee, consistent with the award fee plan, for the performance period in which the Government determined Contractor non-compliance;
- (5) Declining to exercise available options under the contract;
- (6) Termination of the contract for default or cause, in accordance with the termination clause of this contract; or
- (7) Suspension or debarment.

(f) Mitigating and aggravating factors. When determining remedies, the Contracting Officer may consider the following:

(1) Mitigating factors. The Contractor had a Trafficking in Persons compliance plan or an awareness program at the time of the violation, was in compliance with the plan, and has taken appropriate remedial actions for the violation, that may include reparation to victims for such violations.

(2) Aggravating factors. The Contractor failed to abate an alleged violation or enforce the requirements of a compliance plan, when directed by the Contracting Officer to do so.

(g) Full cooperation.

(1) The Contractor shall, at a minimum--

(i) Disclose to the agency Inspector General information sufficient to identify the nature and extent of an offense and the individuals responsible for the conduct;

(ii) Provide timely and complete responses to Government auditors' and investigators' requests for documents;

(iii) Cooperate fully in providing reasonable access to its facilities and staff (both inside and outside the U.S.) to allow contracting agencies and other responsible Federal agencies to conduct audits, investigations, or other actions to ascertain compliance with the Trafficking Victims Protection Act of 2000 (22 U.S.C. chapter 78), E.O. 13627, or any other applicable law or regulation establishing restrictions on trafficking in persons, the procurement of commercial sex acts, or the use of forced labor; and

(iv) Protect all employees suspected of being victims of or witnesses to prohibited activities, prior to returning to the country from which the employee was recruited, and shall not prevent or hinder the ability of these employees from cooperating fully with Government authorities.

(2) The requirement for full cooperation does not foreclose any Contractor rights arising in law, the FAR, or the terms of the contract. It does not--

(i) Require the Contractor to waive its attorney-client privilege or the protections afforded by the attorney work product doctrine;

(ii) Require any officer, director, owner, employee, or agent of the Contractor, including a sole proprietor, to waive his or her attorney client privilege or Fifth Amendment rights; or

(iii) Restrict the Contractor from--

(A) Conducting an internal investigation; or

(B) Defending a proceeding or dispute arising under the contract or related to a potential or disclosed violation.

(h) Compliance plan.

(1) This paragraph (h) applies to any portion of the contract that--

- (i) Is for supplies, other than commercially available off-the-shelf items, acquired outside the United States, or services to be performed outside the United States; and
- (ii) Has an estimated value that exceeds \$500,000.

(2) The Contractor shall maintain a compliance plan during the performance of the contract that is appropriate—

- (i) To the size and complexity of the contract; and
- (ii) To the nature and scope of the activities to be performed for the Government, including the number of non- United States citizens expected to be employed and the risk that the contract or subcontract will involve services or supplies susceptible to trafficking in persons.

(3) Minimum requirements. The compliance plan must include, at a minimum, the following:

(i) An awareness program to inform contractor employees about the Government's policy prohibiting trafficking- related activities described in paragraph (b) of this clause, the activities prohibited, and the actions that will be taken against the employee for violations. Additional information about Trafficking in Persons and examples of awareness programs can be found at the Web site for the Department of State's Office to Monitor and Combat Trafficking in Persons at <http://www.state.gov/j/tip/>.

(ii) A process for employees to report, without fear of retaliation, activity inconsistent with the policy prohibiting trafficking in persons, including a means to make available to all employees the hotline phone number of the Global Human Trafficking Hotline at 1-844-888-FREE and its email address at [help@befree.org](mailto:help@befree.org).

(iii) A recruitment and wage plan that only permits the use of recruitment companies with trained employees, prohibits charging recruitment fees to the employee, and ensures that wages meet applicable host-country legal requirements or explains any variance.

(iv) A housing plan, if the Contractor or Subcontractor intends to provide or arrange housing that ensures that the housing meets host-country housing and safety standards.

(v) Procedures to prevent agents and Subcontractors at any tier and at any dollar value from engaging in trafficking in persons (including activities in paragraph (b) of this clause) and to monitor, detect, and terminate any agents, subcontracts, or Subcontractor employees that have engaged in such activities.

(4) Posting.

(i) The Contractor shall post the relevant contents of the compliance plan, no later than the initiation of contract performance, at the workplace (unless the work is to be performed in the field or not in a fixed location) and on the Contractor's Web site (if one is maintained). If posting at the workplace or on the Web site is impracticable, the Contractor shall provide the relevant contents of the compliance plan to each worker in writing.

(ii) The Contractor shall provide the compliance plan to the Contracting Officer upon request.

(5) Certification. Annually after receiving an award, the Contractor shall submit a certification to the Contracting Officer that--

(i) It has implemented a compliance plan to prevent any prohibited activities identified at paragraph (b) of this clause and to monitor, detect, and terminate any agent, subcontract or Subcontractor employee engaging in prohibited activities; and

(ii) After having conducted due diligence, either--

(A) To the best of the Contractor's knowledge and belief, neither it nor any of its agents, Subcontractors, or their agents is engaged in any such activities; or

(B) If abuses relating to any of the prohibited activities identified in paragraph (b) of this clause have been found, the Contractor or Subcontractor has taken the appropriate remedial and referral actions.

(i) Subcontracts.

(1) The Contractor shall include the substance of this clause, including this paragraph (i), in all subcontracts and in all contracts with agents. The requirements in paragraph (h) of this clause apply only to any portion of the subcontract that--

(A) Is for supplies, other than commercially available off-the-shelf items, acquired outside the United States, or services to be performed outside the United States; and

(B) Has an estimated value that exceeds \$500,000.

(2) If any Subcontractor is required by this clause to submit a certification, the Contractor shall require submission prior to the award of the subcontract and annually thereafter. The certification shall cover the items in paragraph (h)(5) of this clause.

(End of clause)

**52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (JAN 1997)**

(a) "Hazardous material", as used in this clause, includes any material defined as hazardous under the latest version of Federal Standard No. 313 (including revisions adopted during the term of the contract).

(b) The offeror must list any hazardous material, as defined in paragraph (a) of this clause, to be delivered under this contract. The hazardous material shall be properly identified and include any applicable identification number, such as National Stock Number or Special Item Number. This information shall also be included on the Material Safety Data Sheet submitted under this contract

Material (If none, insert "None")	Identification No.
*	*

(c) This list must be updated during performance of the contract whenever the Contractor determines that any other material to be delivered under this contract is hazardous.

(d) The apparently successful offeror agrees to submit, for each item as required prior to award, a Material Safety Data Sheet, meeting the requirements of 29 CFR 1910.1200(g) and the latest version of Federal Standard No. 313, for all hazardous material identified in paragraph (b) of this clause. Data shall be submitted in accordance with Federal Standard No. 313, whether or not the apparently successful offeror is the actual manufacturer of these items. Failure to submit the Material Safety Data Sheet prior to award may result in the apparently successful offeror being considered nonresponsible and ineligible for award.

(e) If, after award, there is a change in the composition of the item(s) or a revision to Federal Standard No. 313, which renders incomplete or inaccurate the data submitted under paragraph (d) of this clause, the Contractor shall promptly notify the Contracting Officer and resubmit the data.

(f) Neither the requirements of this clause nor any act or failure to act by the Government shall relieve the Contractor of any responsibility or liability for the safety of Government, Contractor, or Subcontractor personnel or property.

(g) Nothing contained in this clause shall relieve the Contractor from complying with applicable Federal, State, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous material.

(h) The Government's rights in data furnished under this contract with respect to hazardous material are as follows:

(1) To use, duplicate and disclose any data to which this clause is applicable. The purposes of this right are to--

- (i) Apprise personnel of the hazards to which they may be exposed in using, handling, packaging, transporting, or disposing of hazardous materials;
- (ii) Obtain medical treatment for those affected by the material; and
- (iii) Have others use, duplicate, and disclose the data for the Government for these purposes.

(2) To use, duplicate, and disclose data furnished under this clause, in accordance with subparagraph (h)(1) of this clause, in precedence over any other clause of this contract providing for rights in data.

(3) The Government is not precluded from using similar or identical data acquired from other sources.

**\* To be determined at the task order level when applicable.**

(End of clause)

### **52.230-2 COST ACCOUNTING STANDARDS (OCT 2015)**

(a) Unless the contract is exempt under 48 CFR 9903.201-1 and 9903.201-2, the provisions of 48 CFR Part 9903 are incorporated herein by reference and the Contractor, in connection with this contract, shall--

(1) (CAS-covered Contracts Only) By submission of a Disclosure Statement, disclose in writing the Contractor's cost accounting practices as required by 48 CFR 9903.202-1 through 9903.202-5, including methods of distinguishing direct costs from indirect costs and the basis used for allocating indirect costs. The practices disclosed for this contract shall be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contain a Cost Accounting Standards (CAS) clause. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement shall be protected and shall not be released outside of the Government.

(2) Follow consistently the Contractor's cost accounting practices in accumulating and reporting contract performance cost data concerning this contract. If any change in cost accounting practices is made for the purposes of any contract or subcontract subject to CAS requirements, the change must be applied prospectively to this contract and the Disclosure Statement must be amended accordingly. If the contract price or cost allowance of this contract is affected by such changes, adjustment shall be made in accordance with subparagraph (a)(4) or (a)(5) of this clause, as appropriate.

(3) Comply with all CAS, including any modifications and interpretations indicated thereto contained in 48 CFR Part 9904, in effect on the date of award of this contract or, if the Contractor has submitted certified cost or pricing data, on the date of final agreement on price as shown on the Contractor's signed certificate of current cost or pricing data. The Contractor shall also comply with any CAS (or modifications to CAS) which hereafter become applicable to a contract or subcontract of the Contractor. Such compliance shall be required prospectively from the date of applicability to such contract or subcontract.

(4)

(i) Agree to an equitable adjustment as provided in the Changes clause of this contract if the contract cost is affected by a change which, pursuant to subparagraph (a)(3) of this clause, the Contractor is required to make to the Contractor's established cost accounting practices.

(ii) Negotiate with the Contracting Officer to determine the terms and conditions under which a change may be made to a cost accounting practice, other than a change made under other provisions of subparagraph (a)(4) of this clause; provided that no agreement may be made under this provision that will increase costs paid by the United States.

(iii) When the parties agree to a change to a cost accounting practice, other than a change under subdivision (a)(4)(i) of this clause, negotiate an equitable adjustment as provided in the Changes clause of this contract.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if the Contractor or a Subcontractor fails to comply with an applicable Cost Accounting Standard, or to follow any cost accounting practice consistently and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States, together with interest thereon computed at the annual rate established under section 6621(a)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6621(a)(2)) for such period, from the time the payment by the United States was made to the time the adjustment is effected. In no case shall the Government recover costs greater than the increased cost to the Government, in the aggregate, on the relevant contracts subject to the price adjustment, unless the Contractor made a change in its cost accounting practices of which it was aware or should have been aware at the time of price negotiations and which it failed to disclose to the Government.

(b) If the parties fail to agree whether the Contractor or a Subcontractor has complied with an applicable CAS in 48 CFR 9904 or a CAS rule or regulation in 48 CFR 9903 and as to any cost adjustment demanded by the United States, such failure to agree will constitute a dispute under 41 U.S.C. chapter 71, Contract Disputes.

(c) The Contractor shall permit any authorized representatives of the Government to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts which the Contractor enters into, the substance of this clause, except paragraph (b), and shall require such inclusion in all other subcontracts, of any tier, including the obligation to comply with all CAS in effect on the Subcontractor's award date or if the Subcontractor has submitted certified cost or pricing data, on the date of final agreement on price as shown on the Subcontractor's signed Certificate of Current Cost or Pricing Data. If the subcontract is awarded to a business unit which pursuant to 48 CFR 9903.201-2 is subject to other types of CAS coverage, the substance of the applicable clause set forth in subsection 30.201-4 of the Federal Acquisition Regulation shall be inserted. This requirement shall apply only to negotiated subcontracts in excess of \$750,000, except that the requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to include a CAS clause as specified in 48 CFR 9903.201-1.

(End of clause)

## **ORGANIZATIONAL CONFLICTS OF INTEREST (OCI)**

### **a. Definitions:**

"Organizational Conflict of Interest" means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. "Person" as used herein includes Corporations, Partnerships, Joint Ventures, Teaming Arrangements, and other business enterprises.

The term "contractor" as used in this clause, includes any person, firm or corporation which has a majority or controlling interest in the contractor or in any parent corporation thereof, any person,

firm, or corporation in or as to which the contractor (or any parent or subsidiary corporation thereof) has a majority or controlling interest. The term also includes the corporate officers of the contractor, those of any corporation which has a majority or controlling interest in the contractor, and those of any corporation in which the contractor (or any parent or subsidiary corporation thereof) has a majority or controlling interest. All references to the "contractor" as contained in this clause shall apply with equal force to all of these included.

"Contract" and "Task Order" shall be used as applicable to the level at which this clause is being invoked.

**b. Impact on Future Agency Contracts and TOs:**

The following examples illustrate situations in which questions concerning organizational conflicts of interest may arise. They are not all inclusive, but are intended to help the Contracting Officer apply general guidance to individual contract and TO situations:

i. Unequal access to information. Access to "nonpublic information" as part of the performance of a TO provided under the contract or work performed under a separate government contract could provide the contractor a competitive advantage in a later competition. Such an advantage could easily be perceived as unfair by a competing vendor who is not given similar access to the relevant information. If the requirements of the government procurement anticipate the successful vendor may have access to nonpublic information, the successful vendor should be required to submit and negotiate an acceptable mitigation plan. Alternatively, the "nonpublic information" may be provided to all vendors.

ii. Biased ground rules. A contractor, in the course of performance under a TO or contract, has in some fashion established important "ground rules" for another requirement, where the same contractor may be a competitor. For example, a contractor may have drafted the statement of work, specifications, or evaluation criteria of a future procurement. The primary concern of the government in this case is that a contractor so situated could slant key aspects of procurement in its own favor, to the unfair disadvantage of competing vendors. If the requirements of the government procurement anticipate the contractor may have been in a position to establish important ground rules, including but not limited to those described herein, the contractor should be required to submit and negotiate an acceptable mitigation plan.

iii. Impaired objectivity. A contractor in the course of performance of a TO or contract, is placed in a situation of providing assessment and evaluation findings over itself, or another business division, or subsidiary of the same corporation, or other entity with which it has a significant financial relationship. The concern in this case is that the contractor's ability to render impartial advice to the government could appear to be undermined by the contractor's financial or other business relationship to the entity whose work product is being assessed or evaluated. In these situations, a "walling off" of lines of communication may well be insufficient to remove the perception that the objectivity of the contractor has been tainted. If the requirements of the government procurement indicate that the successful vendor may be in a position to provide evaluations and assessments of itself or corporate siblings, or other entity with which it has a significant financial relationship, the affected contractor should provide a mitigation plan that includes recusal by the vendor from the affected contract work. Such recusal might include divestiture of the work to a third party vendor.

In order to prevent a future OCI resulting from potential bias, unfair competitive advantage, or

impaired objectivity, the contractor shall be subject to the following restrictions:

iv. The contractor shall be excluded from competition for, or award of any Government contracts as to which, in the course of performance of this contract, the contractor has received advance procurement information before such information has been made generally available to other persons or firms unless mitigation measures are put in place, to avoid, neutralize, or mitigate an OCI.

v. The contractor shall be excluded from competition for, or award of any Government contract for which the contractor actually assists in the development of the screening information request (SIR), specifications or statements of work unless mitigation measures are put in place to avoid, neutralize or mitigate an OCI.

vi. The contractor shall be excluded from competition for or award of any Government contract which calls for the evaluation of system requirements, system definitions, or other products developed by the contractor under this contract or resulting TOs unless mitigation measures are put in place to avoid, neutralize or mitigate and OCI.

vii. The contractor shall be excluded from competition for, or award of any Government contract which calls for the construction or fabrication of any system, equipment, hardware, and/or software for which the contractor participated in the development of requirements or definitions pursuant to this contract or resulting TO unless mitigation measures are put in place to avoid, neutralize or mitigate and OCI.

This clause shall not exclude the contractor from performing work under any amendment or modification to this contract or from competing for award for any future contract for work that is the same or similar to work performed under this contract.

This clause shall have effect throughout the period of performance of this contract (and any applicable task order performance period that exceeds the basic contract ordering period), any extensions thereto by change order or supplemental agreement, and for three (3) years thereafter.

The agency may in its sole discretion, waive any provisions of this clause if deemed in the best interest of the Government. The exclusions contained in this clause shall apply for the duration of this contract and for three (3) years after completion and acceptance of all work performed hereunder.

If any provision of this clause excludes the contractor from competition for, or award of any contract, the contractor shall not be permitted to serve as a Subcontractor, at any tier, on such contract. This clause shall be incorporated into any subcontracts or consultant agreements awarded under this contract unless the Contracting Officer determines otherwise.

c. Affirmative Duties and Responsibilities for Government Contractors:

The contractor warrants that to the best of its knowledge and belief, and except as otherwise set forth in the contract, the contractor does not have any organizational conflict of interest(s) as defined in paragraph a. above. The contractor agrees that, if after award, it discovers an actual or potential organizational conflict of interest at the contract level it shall make immediate and full disclosure in writing to the Contracting Officer. Changes in the contractor's relationships due to mergers, consolidations or any unanticipated circumstances may create an unacceptable

organizational conflict of interest which would necessitate such disclosure. The notification shall include a description of the actual or potential organizational conflict of interest, a description of the action that the contractor has taken or proposes to take to avoid, mitigate, or neutralize the conflict, and any other relevant information that would assist the Contracting Officer in making a determination on this matter.

The contractor, upon identification of a potential conflict, shall submit requests to participate in the TO for written approval on a TO-by-TO basis, unless the contractor is aware of multiple TOs that may create the appearance of a conflict, or be an actual conflict. In the case of the later, the contractor shall notify the Contracting Officer as soon as the conflicts/apparent conflicts have been identified. This provision shall be in effect throughout the period of performance of this contract, any extensions thereto by change order or supplemental agreement, and for three years thereafter.

The contractor shall permit a Government audit of internal OCI mitigation procedures for verification purposes. The Government reserves the right to reject a mitigation plan, if in the opinion of the Contracting Officer, such a plan is not in the best interests of the Government. The contractor shall hold the government harmless and will freely indemnify the Government as to any cost/loss resulting from the unauthorized use or disclosure of any third-party proprietary information by its employees, the employees of Subcontractors, or by its agents. The Contracting Officer's decision as to the existence or nonexistence of an actual or potential organizational conflict of interest shall be final.

The contractor shall include the same provisions as are expressed in this clause, including this paragraph, in all subcontracts awarded for performance of any portion of this requirement. This restriction is applicable throughout the period of performance of the subcontract, and any extensions thereof by change order or supplemental agreement, and for three years thereafter. When the provisions of this clause are included in a subcontract, the term "Contracting Officer" shall represent the head of the contracts office of the prime contract. Any deviations or less restrictive coverage deemed necessary or required by the prime contractor for a particular subcontract must first be submitted to the Contracting Officer for approval. Subcontract restrictions will be limited to the technical area(s) addressed in the specific statements of work in the Subcontractor's given task orders.

d. Compliance:

Compliance with this OCI requirement is a material obligation of this contract. The rights and remedies described herein shall not be exclusive and are in addition to other rights and remedies provided by law, including those set forth at FAR Part 9.5, or elsewhere included in this contract. If the contractor takes any action prohibited by this requirement or fails to take action required by this requirement, the Government may terminate this contract for default. For breach of any of the restrictions contained herein, or for nondisclosure or misrepresentation of any relevant facts required to be disclosed concerning this contract, the government reserves the right to terminate this contract for default, disqualify the contractor for subsequent related contractual efforts, and to pursue such other remedies as may be available under law. If in compliance with this clause, the contractor discovers and promptly reports an organizational conflict of interest subsequent to contract award, the Contracting Officer may choose to terminate this contract for

convenience of the Government, when such termination is deemed to be in the best interest of the Government.  
(End of Clause)

#### **14. OCI AT THE TASK ORDER LEVEL**

##### **a. OCI / Advisory and Assistance Services Possibilities.**

It is recognized by the parties hereto that some of the services identified in the SOW may include (1) incidental advisory and assistance services (2) technical evaluation of other contractor's products and services; (3) surveillance of other contractor's services and work products; and, (4) access to other contractors' proprietary information. Such activities create a significant potential for certain conflicts of interest, as set forth in FAR 9.505-1, FAR 9.505-2, FAR 9.505-3, and FAR 9.505-4.

It is the intention of the parties that the contractor will not engage in any other contractual or other activities which could create an organizational conflict of interest with its position under this contract; which might impair its ability to render unbiased advice and recommendations; or, in which it may derive an unfair competitive advantage as a result of knowledge, information, and experience gained during the performance of this contract. Therefore, the contractor agrees that it will seek the prior written approval of the Contracting Officer before participating in any

TO that may involve such a conflict.

The contractor agrees that it shall not release, disclose, or use in any way that would permit or result in disclosure to any party outside the government any information provided to the contractor by the Government during or as a result of performance of this TO. Such information includes, but is not limited to, information submitted to the Government on a confidential basis by other persons. Further, the prohibition against release of GFI extends to cover such information whether or not in its original form, where the information has been included in contractor generated work, or where it is discernible from materials incorporating or based upon such information. This prohibition shall not expire after a given period of time.

Whenever performance of this contract requires access to another contractor's proprietary information, the contractor shall (1) enter into a written agreement with the other entities involved, as appropriate, in order to protect such proprietary information from unauthorized use or disclosure for as long as it remains proprietary; and (2) refrain from using such proprietary information other than as agreed to, for example; to provide assistance during technical evaluation of other contractors' offers or products under this contract. An executed copy of all proprietary information agreements by individual personnel or on a corporate basis shall be furnished to the TO Contracting Officer within fifteen (15) calendar days of execution.

The contractor shall promptly notify the Contracting Officer, in writing, if it has been tasked to evaluate or advise the Government concerning its own products or activities or those of a competitor in order to ensure that proper safeguards exist to guarantee objectivity and to protect the Government's interest.

In the event that a TO is issued to the contractor that would require activity that would create a

potential conflict of interest, the contractor shall:

- i. Notify the Contracting Officer of a potential conflict
- ii. Recommend to the Government an alternate tasking approach which would avoid the potential conflict, or,
- iii. Present for approval a conflict of interest mitigation plan that will:
- iv. Describe in detail the TO requirement that creates the potential conflict of interest; and,
- v. Outline in detail the actions to be taken by the contractor or the Government in the performance of the task to mitigate the conflict, division of Subcontractor effort, and limited access to information, or other acceptable means.
- vi. The contractor shall not commence work on a TO related to a potential conflict of interest until specifically notified by the Contracting Officer to proceed
- vii. If the Contracting Officer determines that it is in the best interest of the Government to issue a TO, notwithstanding a conflict of interest, a request for waiver shall be submitted in accordance with FAR 9.503
- viii. Conflicts Of Interest Compliance Plan: In the event that a waiver is requested, the Contractor shall submit with the waiver request a Conflicts of Interest (COI) Compliance Plan to the Contracting Officer for approval. The COI Compliance Plan shall address the Contractor's approach for adhering to the Section H. Organizational Conflicts of Interest (OCI) and describe its procedures for aggressively self-identifying and resolving both organizational and employee conflicts of interest. The overall purpose of the COI Compliance Plan is to demonstrate how the Contractor will assure that its operations meet the highest standards of ethical conduct, and how its assistance and advice are impartial and objective. The COI Compliance Plan shall specifically address:
  - ix. How the Contractor will protect confidential, proprietary, or sensitive information;
  - x. Preventing the existence of conflicting roles that might bias a contractor's judgment; and,
  - xi. Preventing an unfair competitive advantage.

Contractors are invited to review FAR 9.5 "Organizational and Consultant Conflicts of Interest (OCI). " Particular attention is directed to from FAR 9.505-1 thru FAR 9.505-4.

#### b. Avoidance of OCI.

The policy of the government is to avoid contracting with contractors who have unacceptable organizational conflicts of interest.

It is not the intent of the government to foreclose a vendor from a competitive acquisition due to a perceived OCI. The Contracting Officers are fully empowered to evaluate each potential OCI scenario based upon the applicable facts and circumstances. The final determination of such action may be negotiated between the impaired vendor and the Contracting Officer. The Contracting Officer's business judgment and sound discretion in identifying, negotiating, and eliminating OCI scenarios should not adversely affect the government's policy for competition.

The government is committed to working with potential vendors to eliminate or mitigate actual and perceived OCI situations, without detriment to the integrity of the competitive process, the mission of the government, or the legitimate business interests of the vendor community.

c. Examples of OCI concerns.

These examples in which OCI issues may arise are not all inclusive, but are intended only to help the TO Contracting Officer apply general guidance to individual contract and TO situations.

i. Unequal Access to Information. Access to "nonpublic information" as part of the performance of a government TO could provide the contractor a competitive advantage in a later competition for another government contract. Such an advantage could easily be perceived as unfair by a competing vendor who is not given similar access to the relevant information. If the requirements of the government procurement anticipate the successful vendor may have access to nonpublic information, all vendors should be required to submit and negotiate an acceptable mitigation plan.

ii. Biased Ground Rules. A contractor, in the course of performance of a Government contract, has in some fashion established a "ground rules" for another Government contract, where the same contractor may be a competitor. For example, a contractor may have drafted the statement of work, specifications, or evaluations criteria of future government procurements. The primary concern of the government in this case is that a contractor so situated could slant key aspects of a procurement in its own favor, to the unfair disadvantage of competing vendors. If the requirements of the Government procurement anticipate the successful vendor may be in a position to establish important ground rules, including but not limited to those described herein, the successful vendor should be required to submit and negotiate an acceptable mitigation plan.

iii. Impaired objectivity. A contractor in the course of performance of a Government contract, is placed in a situation of providing assessment and evaluation findings over itself, or another business division, or subsidiary of the same corporation, or other entity with which it has a significant financial relationship. The concern in this case is that the contractor's ability to render impartial advice to the government could appear to be undermined by the contractor's financial or other business relationship to the entity whose work product is being assessed or evaluated. In these situations, a "walling off" of lines of communication may well be insufficient to remove the perception that the objectivity of the contractor has been tainted. If the requirements of the government procurement indicate that the successful vendor may be in a position to provide evaluations and assessments of itself or corporate siblings, or other entity with which it has a significant financial relationship, the affected contractor should provide a mitigation plan that includes recusal by the vendor from the affected contract work. Such recusal might include divestiture of the work to a third party vendor.

d. Mitigation plans.

The successful contractor will be required to permit a government audit of internal OCI mitigation procedures for verification purposes. The Government reserves the right to reject a mitigation plan, if in the opinion of the Contracting Officer, such a plan is not in the best interests of the Government. Additionally, after award the Government will review and audit OCI mitigation plans as needed, in the event of changes in the vendor community due to mergers, consolidations, or any unanticipated circumstances that may create an unacceptable organizational conflict of interest.