

**LOCKHEED MARTIN CORPORATION**  
**PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)**  
**ADDITIONAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS**  
**UNDER**

**N00019-13-C-0008 (LRIP 8)**

**For use with the latest version Lockheed Martin CorpDocs**

**21 May 2013**

**Original**

For all subcontracts issued under the subject Prime Contract, incorporate the following terms and conditions, applicable as noted, in addition to those other terms and conditions (CorpDocs, etc.) to be used for subcontracts issued under the Prime Contract. In the event of a conflict between the version or date of a clause set out in this document and the version or date of a clause set out in the identified CorpDocs, the version or date of the clauses set out in this document shall take precedence.

**1. Add the following clause(s):**

**FAR 52.211-15 - Defense Priority and Allocation Requirement (April 2008)**

**FAR 52.215-21 - Alt II - Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data—Modifications (Oct-97) – Alternate II**

**FAR 52.216-12 - Cost Sharing Contract - No Fee (Apr 1984)**

**FAR 52.228-3 - Workers Compensation Insurance (Defense Based) (Apr 1984)**

**FAR 52.229-8 - Taxes-Foreign Cost Reimbursement Contracts (Mar 1990)**

**FAR 52.232-16 – Progress Payments (April 2012)** (Applies to Suppliers paid by means of progress payments)

**FAR 52.232-32 – Performance Based Payments (April 2012)**

**FAR 52.243-2 - Alt 1 Changes-Cost Reimbursement Alt 1 (Apr 1984)**

**FAR 52.245-9 - Use and Charges (April 2012)**

**FAR 52.247-64 Alt 1 - Preference for Privately Owned U.S. Flag Commercial Vessels (Apr 2003)**

**FAR 52.247-67 - Submission of Transportation Documents for Audit (Paragraph C enter DCMA) (Feb 2006)** – Include in Cost Reimbursable subcontracts

**DFARS 252.211-7007 - Reporting of Government-Furnished Equipment in the DoD Item Unique Identification (IUID) Registry (Aug 2012)** (applicable for subcontractors applying markings)

**DFARS 252.211-7008 - Use of Government Assigned Serial Numbers (Sept 2010)** (applicable for subcontractors applying markings)

**DFARS 252.219-7004 - Small Business Subcontracting Plan (Jan 2011)**

**DFARS 252.223-7006 - Prohibition on Storage and Disposal of Toxic and Hazardous Materials (Apr 2012)**

**DFARS 252.225-7028 - Exclusionary Policies and Practices of Foreign Governments (April 2003)**

**DFARS 252.228-7001 - Ground and Flight Risk (June 2012)**

**DFARS 252.229-7006 – Value Added Tax Exclusion (UK) (Dec 2011)**

**DFARS 252.234-7002 - Earned Value Management System (May 2011)**

**DFARS 252.234-7004 Alt I - Cost and Software Data Reporting System (Nov 2010) – Alternate I**

**DFARS 252.239-7016 - Telecommunications Security Equipment, Devices, Techniques, and Services (Dec 1991)**

**DFARS 252.243-7002 – Request for Equitable Adjustment (Dec 2012)**

**DFARS 252.244-7000 - Subcontracts for Commercial Items and Commercial Components (Mar 2013)**

**DFARS 252.245-7001 - Tagging, Labeling and Marketing of GFP (Apr 2012)** (applicable to subcontractors applying markings)

**DFARS 252.245-7004 - Reporting, Reutilization and Disposal (Apr 2012)**

**NAVAIR 5252.223-9502 - Hazardous Materials (Apr 2009)**

**NAVAIR 5252.247-9507 - Packaging and Marking of Reports (Oct 2005)**

**NAVAIR 5252.247-9508 - Prohibited Packaging Materials (Jun 1998)** (Applies if subcontractor will be shipping directly to USG)

**NAVAIR 5252.247-9509 - Preservation, Packaging, Packing and Marking (Jul 1998)** Applies if subcontractor will be shipping directly to USG)

## **FULL TEXT CLAUSES**

### **252.229-7003 TAX EXEMPTIONS (ITALY) (MAR 2012)** (Applies to subcontracts where work will be performed in Italy)

- (a) The Contractor represents that the contract price, including the prices in subcontracts awarded under this contract, does not include taxes from which the United States Government is exempt.
- (b) The United States Government is exempt from payment of Imposta Valore Aggiunto (IVA) tax in accordance with Article 72 of the IVA implementing decree on all supplies and services sold to United States Military Commands in Italy.
  - (1) The Contractor shall include the following information on invoices submitted to the United States Government:
    - (i) The contract number.
    - (ii) The IVA tax exemption claimed pursuant to Article 72 of Decree Law 633, dated October 26, 1972.
    - (iii) The following fiscal code(s):        80156020630 for Navy  
   91000190933 for Air Force
  - (2) (i) Upon receipt of the invoice, the paying office will include the following certification on one copy of the invoice:

“I certify that this invoice is true and correct and reflects expenditures made in Italy for the Common Defense by the United States Government pursuant to international agreements. The amount to be paid does not include the IVA tax, because this transaction is not subject to the tax in accordance with Article 72 of Decree Law 633, dated October 26, 1972.”

An authorized United States Government official will sign the copy of the invoice containing this certification.

- (ii) The paying office will return the certified copy together with payment to the Contractor. The payment will not include the amount of the IVA tax.
  - (iii) The Contractor shall retain the certified copy to substantiate non-payment of the IVA tax.
  - (3) The Contractor may address questions regarding the IVA tax to the Ministry of Finance, IVA Office, Rome (06) 520741.
- (c) In addition to the IVA tax, purchases by the United States Forces in Italy are exempt from the following taxes:
    - (1) Imposta di Fabbricazione (Production Tax for Petroleum Products).
    - (2) Imposta di Consumo (Consumption Tax for Electrical Power).
    - (3) Dazi Doganali (Customs Duties).

- (4) Tassa di Sbarco e d'Imbarco sulle Merci Transportate per Via Aerea e per Via Maritima (Port Fees).
- (5) Tassa de Circolazione sui Veicoli (Vehicle Circulation Tax).
- (6) Imposta di Registro (Registration Tax).
- (7) Imposta di Bollo (Stamp Tax).

#### **5252.204-9504 DISCLOSURE OF CONTRACT INFORMATION (NAVAIR) (JAN 2007)**

(a) The Contractor shall not release to anyone outside the Contractor's organization any information (e.g., announcement of contract award), regardless of medium (e.g., film, tape, document), pertaining to any part of this contract or any effort directly related to the F-35 Lightning II Joint Strike Fighter (JSF) Program unless—

- (1) The F-35 Joint Program Office (JPO) has given prior written approval;
- (2) The information is otherwise in the public domain before the date of release; or
- (3) The information is being released to associate contractors, subcontractors, suppliers, or vendors who require the information for execution of work under an F-35 Lightning II JSF contract.

(b) Requests for approval shall identify the specific information to be released, the medium to be used, and the purpose for the release. "Information" includes, but is not limited to, news releases, articles, manuscripts, brochures, advertisements, still and motion pictures, speeches, trade association meetings, symposia, and professional papers to be published. The Contractor shall submit the original and 1 copy of the information proposed for release to the JSFPO at the following address:

F-35 Joint Program Office  
Attn: Public Affairs Officer  
200 12th Street South, Suite 600  
Arlington, VA 22202-5402

Where practicable, requests and the specific information may be provided to the Public Affairs Officer using an electronic medium appropriate for the security level of the information being transmitted. The Contractor shall submit its request to the Public Affairs Officer at least 15 working days before the proposed date for release.

(c) The Contractor shall include a statement indicating the project or effort depicted was or is sponsored by:

F-35 Joint Program Office  
Arlington, VA 22202

(d) The Contractor agrees to include a similar requirement in each subcontract or purchase order under this contract. Subcontractors, suppliers, and vendors shall submit requests for authorization to release through the prime contractor to the Public Affairs Officer.

**2. The following Special Contract Requirements (H clauses) are added:**

**H-3 GOVERNMENT PROPERTY FOR THE PERFORMANCE OF THIS CONTRACT  
(NAVAIR 5252.245-9500) (MAY 2012) (FLOW DOWN AS APPLICABLE)**

(a) Authorization is granted to use the Government property identified below without rental charge in the performance of this contract and subcontracts of any tier issued hereunder (see FAR 45.201(a) for further information regarding identification requirements):

(1) Government property currently accountable and managed under contracts N00019-97-C-0038, N00019-02-C-3002, N00019-06-C-0291, N00019-07-C-0097, N00019-08-C-0028, N00019-09-C-0010, N00019-10-C-0002, N00019-11-C-0083, and N00019-12-C-0004.

(b) Government property provided above (except for special tooling and special test equipment as defined in FAR 2.101) shall not be installed or constructed or otherwise affixed to property not owned by the Government in such a fashion as to be nonseverable unless written authorization has been obtained from the Contracting Officer.

(c) The contractor is responsible for scheduling the use of all property covered by this clause and the Government shall not be responsible for conflicts, delays, or disruptions to any work performed by the contractor due to use of any or all such property, either under this contract or any other contracts under which use of such property is authorized.

**H-15 5252.228-9501 LIABILITY INSURANCE (NAVAIR) (MAR 1999) (APPLICABLE TO COST-REIMBURSEMENT ITEMS ONLY) (Applies if Seller will be performing work on a Government installation)**

The following types of insurance are required in accordance with the clause entitled FAR 52.228-7, "Insurance--Liability to Third Persons" and shall be maintained in the minimum amounts shown:

(a) Comprehensive General Liability: \$200,000 per person and \$500,000 per accident for bodily injury.

(b) Automobile Insurance: \$200,000 per person and \$500,000 per accident for bodily injury and \$500,000 per accident for property damage.

(c) Standard Workman's Compensation and Employer's Liability Insurance (or, where maritime employment is involved, Longshoremen's and Harbor Worker's Compensation Insurance) in the minimum amount of \$100,000.

(d) Aircraft public and passenger liability: \$200,000 per person and \$500,000 per occurrence for bodily injury, other than passenger liability; \$200,000 per occurrence for property damage. Passenger bodily injury liability limits of \$200,000 per passenger, multiplied by the number of seats or number of passengers, whichever is greater.

**H-16 5252.232-9509 REIMBURSEMENT OF TRAVEL, PER DIEM, AND SPECIAL MATERIAL COSTS (NAVAIR) (MAY 2012) (VARIATION) (APPLICABLE TO COST-REIMBURSEMENT ITEMS ONLY)**

(a) Area of Travel. Performance under this contract may require travel by contractor personnel. If travel, domestic or overseas, is required, the contractor is responsible for making all necessary arrangements for its personnel. These include but are not limited to: medical examinations, immunizations, passports/visas/etc., and security clearances. All contractor personnel required to perform work on any U.S. Navy vessel shall obtain boarding authorization from the Commanding Officer of the vessel before boarding.

(b) Travel Policy. The Government will reimburse the contractor for allowable travel costs incurred by the contractor in performance of the contract in accordance with FAR Subpart 31.2.

Consistent with FAR Subpart 31.2, all costs incurred for lodging, meals and incidental expenses required for tasks assigned under this contract shall be considered reasonable and allowable only to the extent that they do not exceed on a daily basis the maximum per diem rates in effect at the time of travel as set forth in the Federal Travel Regulations, prescribed by the General Services Administration for travel in the conterminous 48 United States, (hereinafter the FTR); Joint Travel Regulation, Volume 2, DoD Civilian Personnel, Appendix A, prescribed by the Department of Defense, for travel in Alaska, Hawaii, The Commonwealth of Puerto Rico, and territories and possessions of the United States (hereinafter JTR); and Standardized Regulations (Government Civilians, Foreign Areas), Section 925, "Maximum Travel Per Diem Allowances for Foreign Areas," prescribed by the Department of State, for travel in areas not covered in the FTR or JTR (hereinafter the SR).

(c) Travel. Travel and subsistence are authorized for travel beyond a fifty-mile radius of the contractor's office whenever a task assignment requires work to be accomplished at a temporary alternate worksite. No travel or subsistence shall be charged for work performed within a fifty-mile radius of the contractor's office. The contractor shall not be paid for travel or subsistence for contractor personnel who reside in the metropolitan area in which the tasks are being performed. Travel performed for personal convenience, in conjunction with personal recreation, or daily travel to and from work at the contractor's facility will not be reimbursed.

(1) For travel costs other than described in paragraph (c) above, the contractor shall be paid on the basis of actual amount paid to the extent that such travel is necessary for the performance of services under the contract and is authorized by the COR in writing.

(2) When transportation by privately owned conveyance is authorized, the contractor shall be paid on a mileage basis not to exceed the applicable Government transportation rate as contained in the FTR, JTR or SR. Authorization for the use of privately owned conveyance shall be indicated in the basic contract. Distances traveled between points shall be documented in the contractor's records as listed in standard highway mileage guides. Reimbursement will not exceed the mileage shown in the standard highway mileage guides.

(3) The contractor agrees, in the performance of necessary travel, to use the lowest cost mode commensurate with the requirements of the mission as set forth in the basic contract and in accordance with good traffic management principles. When it is necessary to use air or rail travel, the contractor agrees to use coach, tourist class, or similar accommodations to the extent consistent with the successful and economical accomplishment of the mission for which the travel is being performed.

(4) The contractor shall retain receipts or other evidence substantiating actual costs incurred for authorized travel as required by FAR Subpart 4.7, Contractor Records Retention, and FAR 52.215-2, Audit and Records – Negotiation (OCT 2010). In no event will such payments exceed the rates of common carriers.

(d) Vehicle and/or Truck Rentals. The contractor shall be reimbursed for actual rental/lease of special vehicles and/or trucks (i.e., of a type not normally used by the contractor in the conduct of its business) only if authorized in the basic contract or upon approval by the COR. Reimbursement of such rental shall be made based on actual amounts paid by the contractor. Use of rental/lease costs of vehicles and/or trucks that are of a type normally used by the contractor in the conduct of its business are not subject to reimbursement.

(e) Car Rental. The contractor shall be reimbursed for car rental, exclusive of mileage charges, as authorized in the basic contract or upon approval by the COR, when the services are required to be performed beyond the normal commuting distance from the contractor's facilities. Car rental for a team on TDY at one site will be allowed for a minimum of four (4) persons per car, provided that such number or greater comprise the TDY team.

(f) Per Diem. The contractor shall not be paid for per diem for contractor personnel who reside in the metropolitan areas in which the tasks are being performed. Per Diem shall not be paid on services performed within a fifty-mile radius of the contractor's home office or the contractor's local office. Per Diem is authorized for contractor personnel beyond a fifty-mile radius of the contractor's home or local offices whenever a task assigned requires work to be done at a temporary alternate worksite. Per Diem shall be paid to the contractor only to the extent that overnight stay is necessary and authorized under this contract. The authorized per diem rate shall be the same as the prevailing per diem in the worksite locality. These rates will be based on rates contained in the FTR, JTR or SR. The applicable rate is authorized at a flat seventy-five (75%) percent on the day of departure from contractor's home or local office, and on the day of return. Reimbursement to the contractor for per diem shall be limited to actual payments to per diem defined herein. The contractor shall provide actual payments of per diem defined

herein. The contractor shall provide supporting documentation for per diem expenses as evidence of actual payment.

(g) Shipboard Stays. Whenever work assignments require temporary duty aboard a Government ship, the contractor will be reimbursed at the per diem rates identified in paragraph C8101.2C or C81181.3B(6) of the Department of Defense Joint Travel Regulations, Volume II.

(h) Special Material. "Special material" includes only the costs of material, supplies, or services which is peculiar to the ordered data and which is not suitable for use in the course of the contractor's normal business. It shall be furnished pursuant to specific authorization approved by the COR. The contractor will be required to support all material costs claimed by its costs less any applicable discounts. "Special materials" include, but are not limited to, graphic reproduction expenses, or technical illustrative or design requirements needing special processing.

#### **H-17 CONSENT TO ISSUE CONTRACTS TO NEW SUBCONTRACTORS (FLOW DOWN AS APPLICABLE)**

The SELLER shall notify and receive consent from LOCKHEED MARTIN reasonably in advance of placing any subcontract or modification over \$10 Million to subcontractors that have not been previously awarded contracts prior to **[DATE TBD]**. Such notification shall not be required for competitively awarded subcontracts in which the lowest bidder has been selected. The SELLER's notification shall identify the proposed subcontractor and shall include a description of the supplies or services to be subcontracted and an explanation of how the proposed subcontract offers best value to the Government.

#### **H-18 WORK SHARE AGREEMENTS**

The SELLER shall not enter into any new work share agreements with any subcontractors that specify that a subcontractor will receive a certain amount of business based solely on a dollar amount or percentage of contract or program cost as of the effective date of this contract.

#### **H-24 5252.246-9526 PROVISIONAL ACCEPTANCE UNDER SPECIAL CONDITIONS (NAVAIR) (OCT 2005) (Government means Government and/or LOCKHEED MARTIN, Contracting Officer means Contracting Officer and/or LOCKHEED MARTIN)**

(a) Acceptance under Special Conditions. The Government may, in the discretion of the Contracting Officer, finally or provisionally accept any supply prior to completion of work on such supply in the following situations:

(1) When the contractor, despite the exercise of due diligence, encounters unavoidable delay in securing contractor-furnished property;



(2) When Government-furnished property suitable for installation in any supply to be furnished hereunder is not delivered to the contractor in sufficient time to permit installation by the contractor prior to the date the supply is scheduled for delivery; or,

(3) When defects or deficiencies are known to exist in the supply, but when correction of the defects or deficiencies is not practicable within the delivery schedule set forth in the contract.

(b) Pending completion of any supply provisionally accepted under this provision, the Contracting Officer shall withhold an amount from the contract price that represents the estimated value of the work remaining to be performed. The withhold will be released after final acceptance.