

LOCKHEED MARTIN AERONAUTICS COMPANY
PRIME SUPPLEMENTAL FLOWDOWN DOCUMENT (PSFD)
ADDITIONAL TERMS AND CONDITIONS
FOR SUBCONTRACTS/PURCHASE ORDERS UNDER
F-35 DMS PRE-FUNDED PARTS BUY, N00019-24-C-0031
Generated using Lockheed Martin CorpDocs 2024 Version

Original: 09 July 2024

The Terms and Conditions listed below are incorporated by reference and made a part of this Contract. Unless otherwise limited in this Contract, each document applies in its entirety.

In the event of a conflict between the version or date of a clause set forth in this document and the version or date of a clause set forth in the identified CorpDocs, the version or date of the clauses set forth in this document shall take precedence.

To the extent that any clause included in this document is inapplicable to the performance of this Contract, the parties shall consider such clauses to be self-deleting and they shall not impose any obligations upon SELLER.

PART I. DELETIONS: The following clauses are deleted in their entirety from the applicable CorpDocs incorporated into this Contract:

RESERVED

PART II. MODIFICATIONS: The dates or versions of the following FAR, DFARS, and other agency clauses are modified as follows and are incorporated into the Contract:

RESERVED

PART III. ADDITIONS: The following FAR, DFARS, and other agency clauses are incorporated into this Contract in addition to those set out in the applicable CorpDocs:

FAR 52.228-3 Workers' Compensation Insurance (Defense Base Act). (JUL 2014) (Applies if Seller will perform work subject to the Defense Base Act 42 U.S.C. 1651 et seq.)

FAR 52.228-4 Workers' Compensation and War-Hazard Insurance Overseas. (APR 1984) (Applicable to all subcontracts to which the Defense Base Act would apply but for the waiver.)

FAR 52.232-17 Interest. (MAY 2014) (Applicable to fixed price incentive subcontracts containing FAR 52.216-16 or FAR 52.216-17. "Government" means "Lockheed Martin." Not applicable to Commercial Items as defined in FAR 2.101.)

FAR 52.232-39 Unenforceability of Unauthorized Obligations. (JUN 2013)

FAR 52.245-9 Use and Charges. (APR 2012) (Applicable to subcontracts where government property will be provided. Communications with the Government under this clause will be made through Lockheed Martin.)

DFARS 252.204-7004 Antiterrorism Awareness Training for Contractors. (Formerly: Alternate A, System for Award Management (JAN 2023)) (Applicable to all subcontracts where performance requires routine physical access to a Federally-controlled facility or military installation.)

DFARS 252.209-7010 Critical Safety Items. (AUG 2011) (Applies in all solicitations for subcontracts for items containing Critical Safety Items.)

DFARS 252.211-7008 Use of Government-Assigned Serial Numbers (SEP 2010) (Applies if Seller will be in possession of Government property for the performance of this contract.)

DFARS 252.219-7004 Small Business Subcontracting Plan (Test Program). (DEC 2022) (Applicable to participants in the DoD Test Program for the Negotiation of Comprehensive Small Business. Not applicable to Commercial Items as defined in FAR 2.101.)

DFARS 252.223-7006 Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials. (SEP 2014) (Applicable to subcontracts that require, may require, or permit the subcontractor to treat or dispose of non-DoD-owned toxic or hazardous materials as defined in the clause. "Government" means "Lockheed Martin and Government." Not applicable to Commercial Items as defined in FAR 2.101.)

DFARS 252.225-7028 Exclusionary Policies and Practices of Foreign Governments. (APR 2003) (Not applicable to Commercial Items as defined in FAR 2.101.)

DFARS 252.228-7001 Ground and Flight Risk. (MAR 2023) (Paragraph (b) of the clause imposes a binding obligation under the combined regulation/instruction entitled "Contractor's Flight and Ground Operations" (Air Force Instruction 10-220, Army Regulation 95-20, NAVAIR Instruction 3710.1 (Series), Coast Guard Instruction M13020.3, and Defense Contract Management Agency Instruction 8210.1) in effect on the date of contract award. If the Government assumes some of the risk of loss on an aircraft via this clause, then the contractor must demonstrate to the DCMA Government Flight Representative (GFR) assigned to its facilities that it has specific written procedures for all aircraft flight and ground operations that comply with the requirements of the combined regulation to mitigate risks. This should be done prior to contract award unless it has already been done for other contracts and those procedures are current or under review by the GFR.)

DFARS 252.229-7006 Value Added Tax Exclusion (United Kingdom) (DEC 2011) (Applicable to subcontracts with United Kingdom suppliers. Not applicable to Commercial Items as defined in FAR 2.101. "This contract" means "the prime contract.")

DFARS 252.234-7002A (DEVIATION 2015-O0017) Earned Value Management System. (SEP 2015) ("Government" means "Lockheed Martin and Government." Paragraphs (i) and (j) are deleted. Not applicable to Commercial Items as defined in FAR 2.101. Paragraph (k) is completed as follows:TBD)

DFARS 252.234-7004 Cost and Software Data Reporting System. (NOV 2014) (Applicable to subcontracts at any tier in excess of \$50,000,000. Not applicable to Commercial Items as defined in FAR 2.101. In paragraph (b), "Government" means Lockheed Martin.)

DFARS 252.239-7000 Protection Against Compromising Emanations. (OCT 2019) ("Contracting Officer" means "Lockheed Martin." "Government" means "Lockheed Martin and the Government" in paragraphs (c) and (d). Applicable to any subcontract in which subcontractor will perform classified Work.)

DFARS 252.239-7001 Information Assurance Contractor Training and Certification. (JAN 2008) (Applicable if subcontractor personnel will access DoD information systems in performance of this Contract.)

DFARS 252.239-7016 Telecommunications Security Equipment, Devices, Techniques, and Services. (DEC 1991) (Applies if this contract requires securing telecommunications. Not applicable to Commercial Items as defined in FAR 2.101.)

DFARS 252.243-7002 Requests for Equitable Adjustment. (DEC 2022) (Applicable to subcontracts in excess of \$150,000. "Government" means "Lockheed Martin." Not applicable to Commercial Items as defined in FAR 2.101.)

DFARS 252.245-7004 (DEVIATION 2022-O0006) Reporting, Reutilization, and Disposal (NOV 2021) (Applicable in solicitations and contracts that contain the clause at FAR 52.245-1, Government Property)

NAVAIR 5252.211-9510 CONTRACTOR EMPLOYEES (MAY 2011) (Clause should be included in subcontracts since subcontractor personnel can encounter situations the clause addresses.)

NAVAIR 5252.232-9509 TRAVEL APPROVAL AND REIMBURSEMENT PROCEDURES (OCT 2013) ("Applicable to all subcontracts that will provide for reimbursement of travel and other costs covered by this clause. Not applicable to Commercial Items as defined in FAR 2.101. Clause Text: (a) General. 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.

(b) Travel Approval Process. Prior approval is required for all travel under this contract. Travel shall be reviewed and approved/disapproved as follows:

(1) The Contractor shall provide the [Insert Procuring Contracting Officer (PCO) or Contracting Officer's Representative (COR)] a written request for authorization to travel at least 30 days in advance of the required travel date, when possible. The request should include: purpose of

travel, location, travel dates, number of individuals traveling, and all estimated costs associated with the travel (e.g., lodging, meals, transportation costs, incidental expenses, etc.).

(2) The [Insert PCO or COR] will review the travel request and provide, in writing, an approval or disapproval of the travel request to the Contractor [Insert ""and the Procuring Contracting Officer."" if the COR is reviewing and approving the request.]

(c) Travel Policy.

(1) Travel arrangements shall be planned in accordance with the Federal Travel regulations, prescribed by the General Services Administration for travel in the conterminous 48 United States, (hereinafter the FTR) and the Joint Travel Regulation, Volume 2, DoD Civilian Personnel, Appendix A, prescribed by the Department of Defense (hereinafter the JTR).

(2) 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.

(3) For purposes of reimbursement of travel expenses, the Contractor's official station is defined as within 50 miles of the Contractor's regular work site. (If Contractor has more than one regular work site, the official station is defined as within 50 miles of each of its regular work sites.)

(4) The Contractors documentation for the reimbursement of travel costs (e.g., receipts) shall be governed as set forth in FAR Subpart 31.2, the FTR, and the JTR.

(5) Car Rental for a team on temporary duty (TDY) at one site will be allowed provided that only one car is rented for every four (4) members of the TDY team. In the event that less than four (4) persons comprise the TDY team, car rental will be allowed if necessary to complete the mission required.

(6) Whenever work assignments require TDY aboard a Government ship, the Contractor will be reimbursed at the per diem identified in the JTR.

(End of clause).")

Part IV. SECTION H –PRIME CONTRACT SPECIAL PROVISIONS

For purposes of this Section H, "Government" means the United States Government. The following Section H clauses are incorporated into the Contract in full-text:

H-1 PRESERVATION OF RIGHTS FOR TECHNICAL DATA, COMPUTER SOFTWARE, AND COMPUTER SOFTWARE DOCUMENTATION ACCESSED, DELIVERED, OR PROVIDED ELECTRONICALLY

"Information, whether delivered pursuant to the Contract Data Requirements List (CDRL) or provided in response to any other requirement contained in this contract, which would be deemed technical data under DFARS 252.227-7013, Rights in Technical Data Noncommercial Items (FEB 2014), or computer software and computer software documentation under DFARS

252.227-7014, Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (FEB 2014), if it were delivered in written form, shall not lose its status as technical data, computer software, or computer software documentation solely because access by the Government, delivery by the Contractor, or provision by the Contractor is by electronic means. The rights of the parties shall be as specified in DFARS 252.227-7013 and DFARS 252.227-7014.”

H-6 5252.227-9511 DISCLOSURE, USE AND PROTECTION OF PROPRIETARY INFORMATION (NAVAIR) (FEB 2009) (VARIATION)

“(a) During the performance of this contract, the Government may use an independent services contractor (ISC), who is neither an agent nor employee of the Government. The ISC may be used to conduct reviews, evaluations, or independent verification and validations of technical documents submitted to the Government during performance.

(b) The use of an ISC is solely for the convenience of the Government. Except as otherwise provided by separate agreement between the ISC and the prime contractor, the ISC has no obligation to the prime contractor. The prime contractor is required to provide full cooperation, reasonable working facilities and access to the ISC for the purposes stated in paragraph (a) above.

(c) Since the ISC is neither an employee nor agent of the Government, any findings, recommendations, analyses, or conclusions of such a contractor are not those of the Government.

(d) The prime contractor acknowledges that the Government has the right to use ISCs as stated in paragraph (a) above. It is possible that under such an arrangement the ISC may require access to or the use of information, which is proprietary to the prime contractor in addition to third party proprietary data that the prime contractor is authorized to disclose.

(e) To protect any such proprietary information from unauthorized disclosure or use, and to establish the respective rights and duties of both the ISC and prime contractor, the prime contractor agrees to enter into a direct agreement with any ISC as the Government requires. The ISC will be responsible for initiating contact with the prime contractor sufficiently in advance of any work that may require facility access, cooperation from LM, or access to proprietary information belonging to the prime contractor or to third parties who may have authorized the prime contractor to disclose such data to enable the prime contractor to arrange for such access and cooperation and to obtain the necessary agreements. A properly executed copy of the agreement will be provided to the Procuring Contracting Officer.”

H-8 5252.227-9505 TECHNICAL DATA AND COMPUTER SOFTWARE IDENTIFICATION IN ENGINEERING CHANGE PROPOSALS (ECPs) (NAVAIR) (AUG 1987) (VARIATION)

“Each Engineering Change Proposal (ECP) submitted by the Contractor shall identify each item of technical data and computer software delivered by the Contractor under any prior Government contract required to be revised as a result of the proposed change and shall include an estimated price and cost proposal to furnish the revisions.”

H-9 PROHIBITION ON DELIVERING ITEMS CONTAINING HEXAVALENT CHROMIUM

“(a) Definitions. As used in this clause Homogeneous material means a material that cannot be mechanically disjointed into different materials and is of uniform composition throughout.

(1) Examples of homogeneous materials include individual types of plastics, ceramics, glass, metals, alloys, paper, board, resins, and surface coatings.

(2) Homogeneous material does not include conversion coatings that chemically modify the substrate.

Mechanically disjointed means that the materials can, in principle, be separated by mechanical actions such as unscrewing, cutting, crushing, grinding, and abrasive processes.

(b) Prohibition.

(1) Unless otherwise specified by the Contracting Officer, the Contractor shall not provide any deliverable or construction material under this contract that

(i) Contains hexavalent chromium in a concentration greater than 0.1 percent by weight in any homogenous material; or

(ii) Requires the removal or reapplication of hexavalent chromium materials during subsequent sustainment phases of the deliverable or construction material.

(2) This prohibition does not apply to hexavalent chromium produced as a by-product of manufacturing processes.

(c) If authorization for incorporation of hexavalent chromium in a deliverable or construction material is required, the Contractor shall submit a request to the Contracting Officer.

(d) Notwithstanding the foregoing, the items using the applications listed in Table H-9a below, may be delivered by the Contractor and accepted by the Government even though they contain Hexavalent Chromium in a concentration greater than 0.1 percent by weight in any homogenous material or require the removal or reapplication of Hexavalent Chromium materials during subsequent sustainment phases of the deliverable or construction material.

(e) Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (e), in all subcontracts, including subcontracts for commercial items, that are for supplies, maintenance and repair services, or construction materials.

Table H-9a: Hexavalent Chromium Applications Used in the Manufacture of the F-35 Air System

Fuel tank coating to AMS-C-27725 Type 2

Sealant to LMA-MU065 Sealant primer to LMA-MR058 Form 1

Adhesive bonding primer to LMA-MD007 Type 2 or 2ZZZ00002 Type 2

F-35 DMS PRE-FUNDED PARTS BUY

N00019-24-C-0031

Original

General structural primer to MIL-PRF-23377

Non-Curing Corrosion Resistant Sealing Compound”

H-10 TAXES AND DUTIES SPECIFICALLY EXCLUDED FROM CONTRACT PRICES

“(Applicable to all fixed-price Items)

(a) The contract prices include all applicable taxes and duties, as defined in FAR 52.229-6, TaxesForeign Fixed-Price Contracts (FEB 2013), except for:

(1) Customs duties, import and export taxes, and similar charges imposed by Participants to the Joint Strike Fighter Production, Sustainment, and Follow-On Development Memorandum of Understanding (MOU) or Foreign Military Sales (FMS) customers of the F-35 Lightning II Program;

(2) Value added taxes (VAT) or consumption taxes, imposed by the Country Concerned, as defined in FAR 52.229-6, on goods or services delivered in the Country Concerned under this contract.

(b) If the Contractor is required to pay or bear any tax or duty specified in subparagraphs (a)(2) above, including any interest or penalty, the Contractor shall follow the procedures specified in FAR 52.229-6, TaxesForeign Fixed-Price Contracts (FEB 2013).

(c) Nothing in this clause alleviates the Contractor from the requirements of FAR 52.229-6.”

H-11 RESTRICTIONS ON THE DELIVERY OR PROCUREMENT OD SUPPLIES AND SERVICES FROM THE REPUBLIC OF TURKEY

“(a) Definitions.

(1) Component means any item supplied to the Government as part of an end product including, without limitation, raw materials and intermediate assemblies.

(2) Covered article means any end item, component, software, or service that-

(i) Is produced in Turkey or by a covered entity; or

(ii) Is a service provided in Turkey or by a covered entity.

(3) Covered entity means an entity that is effectively owned or controlled by the Turkish government.

(4) Effectively owned or controlled means that the Turkish government or any entity controlled by the Turkish government has the power, either directly or indirectly, whether exercised or exercisable, to control the election, appointment, or tenure of the entities officers or a majority of

the entity's board of directors by any means, e.g., ownership, contract, or operation of the law (or equivalent power for unincorporated organizations).

(5) Entity controlled by the Turkish government means

(i) Any domestic or foreign organization or corporation that is known to be effectively owned or controlled by the Turkish government; or

(ii) Any individual directly and openly, or known to the Contractor to be acting on behalf of the Turkish government.

(6) Purchase Order means a mutually binding agreement between the Contractor and a subcontractor indicating types, definite quantities, and prices for products or services the subcontractor will provide to the Contractor.

(b) Restrictions.

The Contractor shall not enter into any Purchase Orders after 31 March 2020 that would result in the delivery of covered articles under this contract nor charge to this contract, either directly or indirectly, the costs of any covered article placed on a Purchase Order after 31 March 2020.

(c) Reporting requirement.

(1) In the event the Contractor identifies a covered article provided to the Government during contract performance that was placed on a Purchase Order after 31 March 2020, or the Contractor is notified of such by a subcontractor at any tier or any other source, the Contractor shall report, in writing, to the Contracting Officer the following information:

(i) Within 10 business days from the date of such identification or notification: the contract number; the order number(s), if applicable; supplier name; brand; model number (Original Equipment Manufacturer (OEM) number, manufacturer part number, or wholesaler number); item description; and any readily available information about mitigation actions undertaken or recommended.

(ii) Within 20 business days of submitting the report pursuant to paragraph (c)(1) of this clause: any further available information about mitigation actions undertaken or recommended. In addition, the Contractor shall describe the efforts it undertook to prevent use or submission of a covered article, any reasons that led to the use or submission of the covered article, and any additional efforts that will be incorporated to prevent future use or submission of covered articles.

(d) The Parties agree that no consideration shall be provided by the Contractor to the Government, or penalties imposed upon the Contractor for unknowingly being non-compliant to paragraph (b) above.

(e) Subcontracts. The Contractor shall insert the substance of this clause, including this paragraph (e), in all subcontracts, including subcontracts for the acquisition of commercial items.

(End of clause)”

H-24 DIMINISHING MANUFACTURING SYSTEMS PART BUYS

“1. Definitions

a. DMS Part An item required for the manufacture or sustainment of the F-35 Air System, that will not be available in the future due to the loss, or impending loss, of manufacturers or suppliers of items or raw materials. Such items include but are not limited to, Commercial-Off-The-Shelf (COTS) or modified COTS (MCOTS) electronic, electro-mechanical, and electro-chemical parts.

b. DMS Part Buys A part procurement addressing an individual DMS event

c. Attachment X, DMS Part Buy Price List and Cap Tracker (PM doc)

d. DMS Part Buy Cap For the purposes of this clause, DMS Part Buy Cap (Cap) means the estimated amount specified in the Attachment X, DMS Part Buy List. The Cap will be established per mutual agreement of the Parties following Contractor submittal of the estimated value of part buys for the contract period of performance (PoP). This estimate shall be based on historical data and industry projections. The Contractors estimate shall reflect known and forecasted F-35 DMS requirements at the time of estimate submittal to support future Air System Production and Sustainment requirements with the exemption of the following:

- a. DMS Parts Buys with a cumulative estimated price exceeding \$10M*
- b. Propulsion System
- c. Special Tooling and Test Equipment (STATE)
- d. Pilot Fit Facilities (PFF)
- e. COTS Software / Operating Systems

*DMS Part Buys exceeding \$10M shall be awarded via alternative contracting procedures unless determined otherwise by mutual agreement of the Government and the Contractor.

e. DMS Part Buy Review Board Meeting between the Contractor and the Government to review all data elements related to a DMS Part Buy.

2. Authorization to Procure DMS Part Buys and Invoice for Costs Incurred:

To obtain approval to invoice for costs incurred against the CLINs in Attachment X, DMS Part Buy Price List and Cap Tracker, the Contractor shall meet the requirements of paragraphs (b)(1) below.

1. Review Board:

i. Except as authorized under paragraph (vii), the Contractor shall conduct, as required, a DMS Part Buy Review Board (as part of the part buy contract) at which the Contractor shall present recommended DMS cases, for procurement. One (1) week prior to the DMS Part Buy Review Board, the Contractor shall provide the enumerated data below for each recommended DMS Part Buy to the JPO Contracting Officers Representative (COR) for dissemination to stakeholders. Data shall answer or include, at a minimum:

1. End of Life (EOL) Notice;
 2. The Business Case Analysis (BCA), to include:
 - a. List of contracts requiring the DMS part; and
 - b. Quantity planning rule used for Production and Retrofit/Mods (e.g., one part per aircraft)
 - c. Part number;
 - d. Nomenclature;
 - e. Subsystem impacted;
 - f. Unit Price
 3. Recommended quantities, broken out by:
 - a. F-35 variant;
 - b. Customer (US Service, International Partner, FMS case); and
 - c. Requirement type: Production, Initial spares, Mods/retrofit, and Sustainment O&M).
 4. Production Plan and, if applicable, Retrofit/Mod Plan used for BCA development (e.g., date of document, revision number, etc.); and
 5. Completed Bona Fide Need (BFN) Determination Request
- ii. Following the DMS Part Buy Review Board, the Contractor shall provide to the JPO

COR meeting minutes documenting the outcome of the DMS Part Buy Review Board, including DMS cases approved. The JPO COR will review minutes and provide concurrence/nonconcurrence electronically. Failure to provide all required documentation one (1) week in advance of the review board may result in the DMS case being deferred to the following DMS Part Buy Review Board.

1. The JPO COR may forego the review board for DMS part buys that data required under paragraph (1) has been previously presented and concurred by the Government prior to the incorporation of this clause.

iii. Upon generation of the signed Bona Fide Need Memorandum, JPO Legal Counsel will provide an informational copy to the JPO COR for dissemination to the appropriate funding offices. The JPO Program Office shall, as required, issue a Congressional Notification for DMS parts requiring purchase.

iv. After completing steps 2.1.(i), 2.1.(ii), and 2.1.(iii) above, the JPO COR will authorize via letter the Contractor to procure the jointly agreed to DMS cases. The CORs letter shall include the quantity of DMS Parts per part per customer (CLIN) that the Contractor is authorized to purchase.

v. Following the JPO CORs authorization described above, a bilateral contract modification will be executed within 10 business days of the CORs letter to modify Attachment X, DMS Part Buy Price List and Cap Tracker, to incorporate the parts and quantities the Contractor is authorized to procure.

vi. Contractor and Government program managers will be jointly responsible for maintaining Attachment X, DMS Part Buy Price List and Cap Tracker.

vii. The Contractor may propose out of cycle review boards for urgent DMS Part Buys. The Contractor shall furnish the information described in H-24 b.1.i. above in support of the urgent DMS Part Buy as soon as practical. The Contractor and JPO must jointly agree to the forum and timing of the out of cycle review board.

3. Annual Reconciliation and Price Finalization Modification:

i. At the conclusion of the PoP, the Contractor shall submit a compliant proposal subject to FAR 15.403-1 and in accordance with FAR 15.406-2, to facilitate price finalization and reconciliation of the DMS Part Buys previously authorized during the subject PoP. (see CLIN 0033 (Proposal Preparation)) The proposal shall be supported by supplier purchase orders for each case in the jointly maintained Attachment X, DMS Part Buy Price List and Cap Tracker.

ii. Any DMS case not supported by a supplier purchase order at the time of proposal will be removed from the current part buy list and deferred to the next part buy contract when a supplier purchase order can be provided.

iii. The DMS Part Buy Price List and Cap Tracker, Attachment X will be approved by both the JPO COR and Contractor PM prior to incorporation of the bilateral price finalization and reconciliation modification as an attachment.

4. DMS Part Buy Execution

i. DMS Part Buy CLINs 0001 through 0032, will be separately established and fully funded prior to the initial contract award and the annual price finalization and reconciliation modification.

ii. Upon JPO COR authorization, the Contractor will be authorized to submit invoices consistent with Attachment X, DMS Part Buy Price List and Cap Tracker. At no point shall the Contractor be allowed to invoice costs exceeding the DMS Part Buy Cap for the applicable CLIN.

iii. When a determination is made by the Contracting Officer that the anticipated amount of the Governments liability under the contract for funding DMS Part Buys is less than the funding obligated on the applicable CLIN, the recorded obligation may be decreased unilaterally by the amount determined by the Contracting Officer. The Contracting Officer will not unilaterally decrease the funding obligated on the applicable CLIN to cause the funding to become less than the value of the Contractors cost incurred or to be incurred as indicated by the value of DMS Part Buys in process to include DMS Part Buys assigned a Contractor purchase requisition or DMS Part Buys purchase order when included on Attachment X, DMS Part Buy Price List and Cap Tracker.

iv. When it is anticipated that the forecasted DMS Part Buy Cap will be exceeded, the Contractor shall follow the procedures defined in FAR 52.232.20 Limitation of Cost. The Contractor shall notify the Government that costs incurred in the next 60 days for any CLIN will exceed 75% of the estimated costs specified in the Attachment X, DMS Part Buy Price List and Cap Tracker.”

H-29 FINANCING AND PAYMENTS TO SUBCONTRACTORS

“The contractor shall flow down the requirements of DFARS 252.232-7012 PERFORMANCE-BASED PAYMENTS-WHOLE-CONTRACT BASIS (AUG 2019) (DEVIATION 2019-O0011), or DFARS 252.232-7013, PERFORMANCE-BASED PAYMENTS-DELIVERABLE-ITEM BASIS(AUG 2019) (Deviation 2019-O0011), as applicable, to all subcontractors receiving performance based payments financing under this contract. This requirement is in addition to the requirements contained in applicable financing clauses of this contract, including FAR 52.232-16, PROGRESS PAYMENTS (APR 2012), and FAR 52.232-32, PERFORMANCE BASED PAYMENTS (APR 2012).”