



SPECIAL PROVISIONS

P81 PROGRAM

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1. **PRIME CONTRACT SPECIAL PROVISIONS FLOWDOWN CLAUSES**

Special provisions of the Prime Contract which are required or appropriate to be included in this Contract are as follows:

A. REALISM OF COST OR PRICE PROPOSALS

An offeror's proposal is presumed to represent his best efforts to respond to the solicitation. Any inconsistency, whether real or apparent, between promised performance and cost or price, should be explained in the proposal. For example, if the CONTRACTOR intends to use new and innovative production techniques, their impact on cost or price should be explained; or, if a corporate policy decision has been made to absorb a portion of the estimated cost, that should be stated in the proposal. Any significant inconsistency, if unexplained, raises a fundamental issue of the offeror's understanding of the nature and scope of the work required and of his financial ability to perform the Contract, and may be grounds for rejection of a proposal. The burden of proof as to cost credibility rests with the offeror.

B. CHANGES REQUIRING NO EQUITABLE ADJUSTMENT

- a. Purpose. The purpose of this provision is to establish a procedure whereby one contractual amendment will be used both to direct changes of the type specified in the "Changes" clause of this Contract and to settle any question of equitable adjustments that might arise. This procedure shall apply only to those changes which will have no effect on the Contract.
- b. Procedures. When it is proposed to make a change under the "Changes" clause and both parties hereto can agree that such proposed change will not necessitate any equitable adjustment as contemplated by said clause and this paragraph, the CONTRACTOR shall submit a written proposal or offer to accomplish the proposed change, without an equitable adjustment. If, after receipt of said proposal or offer, the LOCKHEED MARTIN Purchasing Representative determines that no adjustment is necessary, he may accept the CONTRACTOR's proposal or offer by issuing an executed copy of an Amendment to this Contract. The Amendment shall (i) cite this paragraph; (ii) reference the CONTRACTOR's proposal or offer; and (iii) direct the changes to be accomplished. The issuance of the Amendment shall constitute acceptance of the CONTRACTOR's proposal or offer; shall be binding on both parties; and shall constitute a full, complete, and final settlement for the changes directed therein.

C. SECURITY REVIEW OF PATENT APPLICATIONS

- a. Before filing any foreign or domestic patent application that covers a Subject Invention which occurs in the course of or under this Contract, including any subtasks thereunder; and also before filing any foreign or domestic patent application that covers any invention which occurs in the course of or under any IR&D effort that pertains to the aforementioned Contract, the application shall be submitted to the Contracting Officer's program security officer for review, through the LOCKHEED MARTIN Purchasing Representative. (See Footnote 3.)

- b. The CONTRACTOR shall include the foregoing language, suitably modified to identify the parties, in all subcontracts awarded hereunder, regardless of tier, for the performance of experimental, developmental, or research work.
- c. In accordance with FAR 52.244-1, SUBCONTRACTS UNDER FIXED-PRICE CONTRACTS (APR 1984), the CONTRACTOR shall promptly notify LOCKHEED MARTIN in writing upon award of any subcontract under the aforementioned Contract including any subtasks thereunder if the subcontract concerns the performance of experimental, developmental or research work.

D. ACQUISITION OF COMPUTER RESOURCES

- a. If the CONTRACTOR determines that acquisition of any computer resource becomes necessary under this Contract, and such acquisition will be funded by the Government (i.e., title will pass to the Government), the CONTRACTOR must obtain approval from the Contracting Officer prior to making any commitment. Request for approval shall be submitted through the LOCKHEED MARTIN Purchasing Representative.
- b. The request for approval shall be submitted in writing, and shall include the lease/purchase analysis, the results of which shall be considered in the recommended best method of acquiring the resources. The request shall also identify the reasons that the resources are required and the expected benefits to be achieved should the request be approved.
- c. In addition, any computer resources to be furnished to this program, or used in performance of the Contract, that were obtained under other Government Contracts shall be identified to the Contracting Officer and shall include the Contract number which authorized their acquisition. Any "right to use" authorizations required by the CONTRACTOR must be obtained prior to utilizing such equipment on this Contract.
- d. This provision implements DOD FAR Supplement Subpart 239.7300, et. seq. It is not intended to revise or limit any of the provisions thereof. Any inconsistency shall be brought to the attention of the Contracting Officer immediately, through the LOCKHEED MARTIN Purchasing Representative.
- e. See Footnote 3.

E. COOPERATION WITH GOVERNMENT'S CONTRACTING OFFICER.

- a. The Contracting Officer or his representative is authorized to visit CONTRACTOR's facilities, with advance notification, to review progress, discuss problems/failures and witness testing pertaining to the requirements of this Contract.
- b. CONTRACTOR agrees to provide adequate information in response to reasonable requests of such Contracting Officer, or his duly authorized representative, on subcontract performance as required. All such requests for information shall be routed through the LOCKHEED MARTIN Purchasing Representative.
- c. See Footnote 3.

F. EXCLUSION OF MERCURY

- a. The supplies furnished under this Contract shall contain no metallic mercury or mercury compounds and shall be free from mercury contamination (i.e. during the manufacturing process, tests, or inspections, the supplies offered shall not have come in direct contact with mercury or any of its compounds nor with any mercury containing devices employing only a single boundary of containment. [A single boundary of containment is one which is not backed by a second seal or barrier to prevent contamination in event of rupture of the primary seal or barrier.]) Mercury contamination of the supplies will be cause for rejection of the material.
- b. If there is reasonable cause to suspect the supplies of being contaminated by mercury, the following test may be used to determine whether contamination by metallic mercury exists: Enclose the equipment in a polyethylene bag or closed fitting airtight container and place in an oven at 125 degrees F+ or -5 degrees F for one hour. Sample the trapped air and if mercury vapor concentration is 0.01 mg/cu meter or more the material is mercury contaminated insofar as the requirements of this Contract are concerned. Mercury vapor concentration can be determined with mercury vapor detector such as portable General Electric Vapor Detector (catalog number 8257557FG-3), Beckman Instrument Model K-23, or other instruments that have equivalent range and capabilities. It should be noted that certain vapors such as benzene interfere with this type of mercury vapor detector and that the detector should never be zero adjusted in any suspect atmosphere.
- c. If the inclusion of metallic mercury or mercury compounds is required as a functional part of the material furnished under this Contract, CONTRACTOR shall obtain written approval from the LOCKHEED MARTIN Purchasing Representative before proceeding with manufacture. CONTRACTOR's request shall explain in detail the requirements for mercury; identify specifically the parts to contain mercury; and explain the method of protection against mercury escape. Such a request will be forwarded to the LOCKHEED MARTIN Purchasing Representative, with a copy to the cognizant LOCKHEED MARTIN Quality Assurance representative. Upon approval by the LOCKHEED MARTIN Purchasing Representative, CONTRACTOR will provide a "warning plate" which will include a statement that mercury is a functional part of the item and will include the name and location of that part.
- d. If and to the extent that this Contract calls for work to be performed by CONTRACTOR on a surface ship, submarine or in an aircraft, CONTRACTOR, in connection with such work, shall not bring into or utilize any equipment, instrument or other device containing metallic mercury or mercury compounds unless such equipment, instrument or device has been approved by the LOCKHEED MARTIN Purchasing Representative for use on a surface ship, submarine or in an aircraft..
- e. CONTRACTOR, by his accomplishment of any work under this Contract, certifies:
 - (1) The supplies furnished under this Contract contain no metallic mercury or mercury compounds.
 - (2) CONTRACTOR has taken reasonable steps to ensure that the supplies furnished under this Contract are not contaminated with metallic mercury or mercury compounds.
- f. The requirements of this clause shall be included in all subcontracts hereunder.
- g. Technical questions pertaining to the requirements of this clause shall be referred to the LOCKHEED MARTIN Purchasing Representative, for resolution.

2. SPECIAL PATENT CLAUSES

(Applicable only if this Contract involves experimental, research or development (R&D) work.)

- a. The clause entitled "AUTHORIZATION AND CONSENT (APR 1984)" set forth at FAR 52.227-1, with ALTERNATE I (APR 1984), shall apply to all experimental, or R&D work under this Contract, in lieu of the basic clause of the same title set forth at FAR 52.227-1.

FOOTNOTES:

1. Substitute 'LOCKHEED MARTIN' for "Government" throughout this clause.
2. Substitute "LOCKHEED MARTIN Purchasing Representative" for "Contracting Officer" throughout this clause.
3. "Contracting Officer" shall mean the U.S. Government Contracting Officer for LOCKHEED MARTIN's prime contract under which this Contract is entered.