



Flowdown Provisions  
Department of Defense (DoD)  
Facilities, Security and Logistics Services Program  
Prime Contract No. -4135

**PRIME CONTRACT REQUIREMENTS**

A. The following clauses of the Federal Acquisition Regulation (FAR), DoD FAR Supplements (DFAR) and Special Provisions are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable during the performance of this Contract. The full text of a referenced clause may be accessed electronically at the following address: <http://farsite.hill.af.mil>. Clauses identified in full text below are applicable in their entirety.

**1. FAR FLOWDOWN CLAUSES**

REFERENCE		TITLE
<b>1) The following FAR clause(s) apply to this Contract if the SELLER is performing construction, subject to the Davis-Bacon Act, where the value of this Contract equals or exceeds \$2,000:</b>		
52.222-7	FEB 1988	Withholding of Funds
52.222-8	FEB 1988	Payrolls and Basic Records
52.222-9	JUL 2005	Apprentices and Trainees
52.222-10	FEB 1988	Compliance with Copeland Act Requirements
52.222-11	JUL 2005	Subcontracts (Labor Standards)
52.222-12	FEB 1988	Contract Termination – Debarment
52.222-14	FEB 1988	Disputes Concerning Labor Standards
52.222-15	FEB 1988	Certification of Eligibility
52.222-16	FEB 1988	Approval of Wage Rates
52.232-27	SEP 2005	Prompt Payment for Construction Contracts
<b>2) The following FAR clause(s) apply to this Contract if the SELLER is required to design, develop, or operate a system of records on individuals required to accomplish an agency function:</b>		
52.224-1	ARP 1984	Privacy Act Notification
52.224-2	APR 1984	Privacy Act
52.239-1	AUG 1996	Privacy or Security Safeguards (Applicable only to contracts for information technology which require security of information technology, and/or are for the design, development, or operation of a system of records using commercial information technology services or support services.)
<b>3) The following FAR clause(s) apply to this Contract if the SELLER is required to provide non-personal health care services:</b>		
52.237-7	JAN 1997	Indemnification and Medical Liability Insurance (Insert after "...per occurrence: ") \$1,000,000.00
<b>4) The following FAR clause(s) apply to this Contract if the SELLER is providing non-commercial items or services where Government-Furnished Property is supplied under this Contract:</b>		
52.245-9	AUG 2005	Use and Charges (Rental requests pursuant to paragraph (d) shall be submitted to the Lockheed Martin Procurement Representative. Communication with the Contracting Officer or Administrative Contracting Officer shall be through the Lockheed Martin Procurement Representative)
<b>5) The following FAR clause(s) apply to this Contract if this Contract is subject to area prevailing wage determinations and collective bargaining agreements that exceed \$2,500:</b>		
52.222-43	NOV 2006	Fair Labor Standards Act and Service Contract Act -- Price Adjustment (Multiple Year and Option Contracts)
<b>6) The following FAR clause(s) apply to this Contract if this Contract is for the manufacture or furnishing of materials, supplies, articles or equipment in an amount that exceeds or may exceed \$10,000:</b>		
52.222-20	DEC 1996	Walsh-Healey Public Contracts Act

**2. DFAR FLOWDOWN AND SPECIAL PROVISIONS**

**REFERENCE**

**TITLE**

**1) The following clause(s) apply to this Contract:**

252.227-7022	MAR 1979	Government Rights (Unlimited)
252.227-7013	NOV 1995	Rights in Technical Data – Noncommercial Items
252.227-7027	APR 1988	Deferred Ordering of Technical Data or Computer Software Insurance (PTSB) - See below for full text of clause Contractor Compliance with Environmental, Occupational Safety and Health, and System Safety Requirements - - See below for full text associated with this clause Special Notification and Approval Requirements - See below for full text associated with this clause

**2) The following clause(s) apply to this Contract if the value of this Contract equals or exceeds \$100,000:**

Organizational Conflict of Interest- See below for full text associated with this clause

**3) The following clause(s) apply to this Contract if access to TS, SAP, SCI material is required:**

Oral Attestation of Security Responsibilities - See below for full text associated with this clause

Personal Conduct – See below for full text associated with this clause

**4) The following clause(s) apply to this Contract if the permanent work location of this Contract is the Aerospace Data Facility, Buckley AFB, CO:**

Early Dismissal and Closure of Government Facilities - See below for full text associated with this clause

**B. The following additional provisions apply to this Contract:**

**1. Contractor Compliance with Environmental, Occupational Safety and Health, and System Safety Requirements (October 1997)**

- a) In performing work under this contract, the contractor shall comply with-
  - (1) All applicable Federal, State and local environmental, occupational safety and health and system safety laws, regulations, policies and procedures in effect as of the date the contract is executed;
  - (2) Any regulations, policies and procedures in effect at any Government facility where work will be performed; any contract specific requirements; and
  - (3) Any contract specific requirements; and
  - (4) Any Lockheed Martin Procurement Representative direction.
- b) **Conflicting Requirements.** The contractor shall provide written notification to the Lockheed Martin Procurement Representative of any conflicts in requirements. The notification will describe the conflicting requirements and their source; provide an estimate of any impact to the contract's cost, schedule, and any other terms and conditions; and provide a recommended solution. The notification will also identify any external organizations that the Lockheed Martin Procurement Representative or the contractor may have to coordinate with in order to implement the solution. The Lockheed Martin Procurement Representative will review the notification and provide written direction. Until the Lockheed Martin Procurement Representative issues that direction, the contractor will continue performance of the contract, to the extent practicable, giving precedence in the following order to requirements that originate from:
  - (1) Federal, state, and local laws, regulations, policies and procedures;
  - (2) Government facility regulations, policies and procedures; and
  - (3) Contract specific direction
- c) **Material Condition of Contract.** Environmental, occupational safety and health, and system safety requirements are a material condition of this contract. Failure of the contractor to maintain and administer an environmental and safety program that is compliant with the requirements of this contract shall constitute grounds for termination for default.
- d) The Contractor shall include this clause in all subcontracts.

**2. Early Dismissal and Closure of Government Facilities (April 2004)**

- a) In the event of early dismissal or facility closure due to severe weather or other hazardous conditions, contractor employees regularly assigned to work at a government facility (on-site contractors) should follow parent company policy.

- b) When Government personnel are dismissed early incident to a holiday or special event unrelated to severe weather or hazardous conditions, on-site contractors will normally continue working established hours. Contractors who choose to depart early are not permitted to direct-charge the non-working hours to the Lockheed Martin contract.
- c) Contractors are responsible for predetermining and disclosing their charging practices for early dismissal, delayed openings, or closings in accordance with the FAR, applicable cost accounting standards, and company policy. Contractors shall follow their disclosed charging practices during the contract period of performance, and shall not follow any verbal directions to the contrary.

**3. Insurance (PTSB)**

Supplier shall maintain the following types of insurance in not less than the following minimum amounts and shall require its subcontractors to maintain similar kinds and levels of insurance for any sub-tier subcontracted activity related to this Agreement:

Commercial General Liability Insurance including Contractual Liability Coverage and Products-Completed Operations Liability Coverage:  
Combined Single Limit of \$1,000,000 per occurrence:

Automobile Liability Insurance:  
Combined Single Limit of \$1,000,000 per occurrence:

Worker's Compensation: Statutory Limits in the State(s) of Work Performance.  
To include Employer's Liability limit of: \$1,000,000

Special Conditions Applicable to All the Above Insurance Policies:

- (a) Lockheed Martin shall be named an additional insured on the Commercial General Liability Insurance Policy(ies) and Automobile Liability Insurance Policy(ies) maintained to comply with the foregoing, but solely with respect to liabilities arising out of the acts or omissions of the Supplier, its officers employees or agents in performance of this Agreement.
- (b) Policies shall provide that insurance is primary with respect to the interests of Lockheed Martin and are not contributory with any insurance Lockheed Martin may carry.
- (c) All deductible amounts applicable to Supplier's insurance policies shall be borne by the Supplier, or its subcontractors, at any tier.
- (d) Prior to the commencement of any activity under this Agreement, Supplier shall furnish to Lockheed Martin Certificates of insurance evidencing the existence of the above insurance with companies approved to do business in the state(s) where work will be performed and satisfactory to Lockheed Martin. All Certificates of Insurance shall provide that the Certificate Holder will be notified of any cancellation or material change in coverage 30 days prior to such cancellation or change in the policy (ies).

The foregoing requirements as to the types and limits of insurance coverage to be maintained by Supplier are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Supplier under this Agreement, or limit or alter other contract terms and conditions herein.

**4. Organizational Conflict of Interest (September 2003)**

- a) The offeror warrants, to the best of its knowledge and belief, that (1) there are no relevant facts that could give rise to organizational conflicts of interest, as defined in FAR 9.501; and (2) the offeror has disclosed all relevant information regarding any actual or potential organizational conflicts of interests. Offerors are encouraged to inform the Contracting Officer of any potential conflicts of interest, including those involving contracts with other Government organizations, before preparing their proposal to determine whether the Government will require mitigation of those conflicts. If the successful offeror was aware, or should have been aware, of an organizational conflict of interest before award of this contract and did not fully disclose that conflict to the Contracting Officer, the Government may terminate the contract for default.
- b) If during contract performance the contractor discovers an organizational conflict of interest involving this contract, the contractor agrees to make an immediate and full disclosure in writing to the Contracting Officer. Such notification will include a description of the action the contractor and/or subcontractor has taken or proposed to take to avoid, neutralize, or mitigate the conflict. The contractor will continue contract performance until notified by the Contracting Officer of any contrary actions to be taken. The Government may terminate this contract for its convenience if it deems such termination to be in the best interest of the Government.
- c) The contractor must inform the Contracting Officer of any activities, efforts, or actions planned, entered into, or on-going by the contractor, or any other corporate entity of the contractor, at the prime or sub-contract level, involving the review of information or providing any advice, assistance, or support to Government agencies, entities, or units outside of Lockheed Martin's customer which may result in perceived or actual organizational conflict of interest with any known Lockheed Martin customer activity. The contractor must provide detailed information to the Contracting Officer as to the specifics of the situation immediately upon its recognition. Based on the severity of the conflict, the Contracting Officer may direct the contractor to take certain actions, revise current work effort, or restrict the contractor's future participation in Lockheed Martin customer contracts as may be necessary to appropriately neutralize, mitigate, or avoid the organizational conflict of interest.

- d) If necessary to mitigate organizational conflict of interest concerns, or when directed to do so by the Contracting Officer, the contractor shall submit an organizational conflict of interest mitigation plan for approval. The plan must describe how the contractor will mitigate, neutralize, or avoid potential and/or actual conflicts of interest or unfair competitive advantages. After approval of the mitigation plan, the contractor must conduct a yearly self-assessment and submit an annual certification of compliance with the terms of the plan signed by a corporate official at the level of Vice President or above. The contractor agrees to submit a revised mitigation plan for approval whenever corporate, contractual, or personnel changes create or appear to create new organizational conflict of interest concerns, or when directed to do so by the Contracting Officer.
- e) The contractor must insert a clause containing all the requirements of this clause in all subcontracts for work similar to the services provided by the prime contractor.
- f) Before this contract is modified to add new work or to significantly increase the period of performance, the contractor agrees to submit an organizational conflict of interest disclosure or representation if requested by the Government.
- g) The contractor further agrees that the Government may periodically review the contractor's compliance with these provisions or require such self-assessments or additional certifications as the Government deems appropriate.

**5. Personal Conduct (May 2003)**

- a) The Contractor, its employees, and its subcontractors shall comply with the conduct requirements in effect at the Government's work site. The Contracting Officer reserves the right to exclude or remove from the work site any employee of the contractor or of a subcontractor whom the Government deems careless, uncooperative, or whose continued employment on the work site is deemed by the Government to be contrary to the public interest.
- b) The Contractor shall inform its employees that the government has a zero tolerance policy for harassing behavior. Any Contractor or subcontractor employee determined by the Government to have engaged in harassing behavior shall be immediately escorted from the premises and denied further access to the worksite. The Contractor shall emphasize this requirement to its employees.
- c) Exclusion from the worksite under the circumstances described in this clause shall not relieve the Contractor from full performance of the contract, nor will it provide the basis for an excusable delay or any claims against the Government.

**6. Small Business Subcontracting Plan**

A Small Business Subcontracting Plan shall be submitted in accordance with FAR 52.219-9 and is applicable to this contract if the Contractor is not a small business and the Contract exceeds \$500,000 or \$1,000,000 for Construction Contracts.

**7. Special Notification and Approval Requirements (June 2003)**

- a) It is a material condition of this contract that the contractor notify and seek approvals as required in the following situations:
  - (1) Litigation or Requests for Information Relating to This Contract.
    - (i) The contractor hereby agrees to immediately give notice to the Contracting Officer of any anticipated or current litigation or request for information from a third party (including individuals, organizations, and federal, state, or local governmental entities) involving or in any way relating to this contract, pertinent subcontracts, or the Government's relationship with the contractor or subcontractor(s). Said notice shall include all relevant information with respect thereto.
    - (ii) The Contracting Officer shall have access to and the right to examine any pertinent books, documents, papers, and records of the prime contractor or subcontractor(s) related to any contract litigation.
  - (2) Utilization of Government Relationship for Publicity, Advertising, or Public Relations Purposes.
    - (i) The contractor agrees not to use or allow to be used any aspect of this contract for publicity, advertisement, or any other public relations purpose. This prohibition extends to announcements of contract award and of modifications adding value or time to the contract. It is further understood that this obligation shall not expire upon completion or termination of this contract, but will continue until rescinded by the U.S. Government.
    - (ii) The contractor may request a waiver or release from the Contracting Officer.
  - (3) Past Performance Information. The contractor may not provide past performance information regarding this contract to any Government Contracting Officer supporting Government source selection without the approval of Lockheed Martin and its customer.

**8. Subcontracting Reporting, Monitoring, and Consent (June 2008)**

- a) Definition. As used in this clause, a subcontractor is any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or to another subcontractor, regardless of dollar value. Efforts performed outside of the main contractor location/division/facility to which this contract was awarded are considered subcontractor for the purpose of this clause.
- b) Applicability. The requirements of this clause must be included in all subcontracts directly chargeable to this contract, *except for those subcontracts with US-owned companies to provide only unclassified commercial products and/or services on a fixed-price basis.*
- c) Reporting. The prime contractor shall submit an annual report of all subcontracts directly chargeable to this contract. The Government will not accept reports directly from subcontractors. Reports must be submitted electronically via the

Subcontractor Reporting Application on the Contractor Wide-Area Network by 30 June each year, and must include the following information in the data format specified in the application:

- Prime Contract Number
  - Subcontractor Tier
  - Subcontract Security Classification
  - Relationship Between Prime Contractor and Subcontractor
  - Legal Business Name, Full Address, and Country of Subcontractor
  - Subcontractor Data Universal Numbering System (DUNS) Number
  - Subcontractor Contractor and Government Entity (CAGE) Code
  - Subcontractor Business Type
  - Subcontractor Country of Ownership
  - Subcontractor's Parent Company
  - DUNS Number of Company Awarding Subcontract
  - Subcontract Number
  - Subcontract Value (Cumulative to Date)
  - Subcontract Period of Performance
  - Subcontract Place of Performance (City, State, Country)
  - Description of Subcontract Effort
  - Description of Subcontract Effort
  - Primary Subcontract Type
  - Method Used to Select Subcontractor (Competitive or Sole-Source)
- d) Monitoring. The contractor shall propose a subcontractor monitoring strategy specific to this contract which must be approved by the Contracting Officer. This strategy must include a process for notifying the Contracting Officer in advance of each significant test, meeting, review, and event at the prime and subcontractor level. The parties also agree that the Government shall have the right to:
- Review all documentation pertaining to source selections or other competitive sourcing activities, fact-finding, and negotiation sessions with or for subcontractors or potential subcontractors;
  - Observe any subcontractor test, verification, validations, shipment, or similar event;
  - Attend any subcontractor design review, milestone review, program review, or similar event.
- Unless expressly agreed to by the contractor and the Contracting Officer, the Government will not require the contractor to reschedule a subcontractor event due to the Government's inability to attend.
- e) Consent. The Government asserts its right for consent to subcontract on this contract.
- (1) Consent from the Contracting Officer or Government In-Plant Representative, in accordance with FAR Subpart 44.2, is required before awarding any subcontract that will exceed \$50 million.
- (2) The Contracting Officer's written consent is required before awarding any subcontract that will exceed \$3 million or five percent of prime contract value, whichever is less, to a company listed on the Lockheed Martin Customer's Subcontract Consent Registry. Contractors without access to this website may contact the Contracting Officer to learn which companies are listed. Requests for consent to subcontract must be submitted in writing, and provide the information specified in FAR 52.244-2(e), as well as evidence that the company meets the standards of responsibility defined in FAR 9.104.
- f) Privities. Government collection of subcontract information, surveillance of subcontractor performance, and consent to subcontract do not relieve the contractor of any responsibility for the effective management of all subcontracts and for the overall success of this contract. Actions taken under the authority of this clause does not establish privities of contract between the Government and subcontractors under this contract and the Government will not provide direction to or request action by any subcontractor. Notwithstanding other terms in the subcontract, all subcontractors must respond to direct requests for information from the Government.
- g) Security. The Government reserves the right to direct the removal of any subcontractor under this contract on the basis of Government security concerns. The contractor shall be responsible for any lack of due diligence or negligence in the selection of a subcontractor, and will not be entitled to an equitable adjustment if the Contracting Officer determines that the Government's need to remove the contractor for security reasons is the fault of the contractor or subcontractor.