



## Critical Suppliers FAR's and DFAR's Contract Flow Downs

[FAR | Acquisition.GOV](http://FAR | Acquisition.GOV)

[DFARS | Acquisition.GOV](http://DFARS | Acquisition.GOV)

### Incorporated for all Purchase Order Dollar amounts

FAR 52-246-4	DFARS – 252.227-7013	DFARS – 252.227-7014
DFARS – 252.227-7015	DFARS – 252.227-7016	DFARS – 252.227-7019
DFARS – 252.227-7025	DFARS – 252.227-7027	DFARS – 252.227-7030
DFARS – 252.227-7037	FAR – 52.227-13	FAR – 52.227-11
FAR – 52.227-10	FAR – 52.249-8	FAR – 52.202-1
DFARS – 252.223-7001	FAR – 52.203-19	FAR – 52.204-2
FAR – 52.204-21	FAR – 52.204-23	FAR – 52.204-25
FAR – 52.208-8	FAR – 52.211-5	FAR – 52.211-15
FAR – 52.219-28	FAR – 52.222-1	FAR – 52.222-4
FAR – 52.222-19	FAR – 52.222-26	FAR – 52.222-40
FAR – 52.222-50	FAR – 52.222-54	FAR – 52.222-62
FAR – 52.223-3	FAR – 52.223-7	FAR – 52.223-11
FAR – 52.223-18	FAR – 52.225-13	FAR – 52.227-9
FAR – 52.230-6	FAR – 52.232-16	FAR – 52.232-39
FAR – 52.232-40	FAR – 52.234-1	FAR – 52.242-13
FAR – 52.244-6	FAR – 52.245-1	FAR – 52.245-9
FAR – 52.246-16	FAR – 52.247-63	FAR – 52.247-64
FAR – 52.253-1	DFAR – 252.203-7002	DFAR – 252.203-7004
DFAR – 252.203-7008	DFAR – 252.203-7009	DFAR – 252.203-7015
DFAR – 252.203-7048	DFAR – 252.204-7010	DFAR – 252.204-7012
DFAR – 252.209-7004	DFAR – 252.223-7001	DFAR – 252.223-7008
DFAR – 252.225-7001	DFAR – 252.225-7002	DFAR – 252.225-7013
DFAR – 252.225-7016	DFAR – 252.223-7004	DFAR – 252.239-7018
DFAR – 252.244-7000	DFAR – 252.245-7002	DFAR – 252.246-7003
DFAR – 252.246-7007	DFAR – 252.246-7008	DFAR – 252.249-7002

### **INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING \$2,000.00 (Construction Contracts Only) and \$2,500.00 (Service Contracts Only)**

- 1 FAR 52.222-55, Minimum Wages under Executive Order 13658

### **INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING \$10,000.00**

- 1 FAR 52.222-21, Prohibition of Segregated Facilities
- 2 FAR 52.222-36, Equal Opportunity for Workers with Disabilities (Jul 2014)  
*(Note: See note following Paragraph 30 Section O on page 28.)*

### **INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING \$15,000.00**

- 1 FAR 52.222-20, Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING \$25,000.00**  
RESERVED

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING \$30,000.00**

- 1 FAR 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING \$35,000.00**

- 1 FAR 52.209-6, Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING \$150,000.00**

- 1 FAR 52.203-6, Restrictions on Subcontractor Sales to the Government
- 2 FAR 52.203-7, Anti-Kickback Procedures (but excepting subparagraph (c)(1))
- 3 FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions
- 4 FAR 52.215-2, Audit and Records – Negotiation
- 5 FAR 52.215-14, Integrity of Unit Prices
- 6 FAR 52.215.23, Limitation on Pass-Through Charges
- 7 FAR 52.219-8, Utilization of Small Business Concerns
- 8 FAR 52.227-1, Authorization and Consent and Alternate 1
- 9 FAR 52.227-2, Notice and Assistance Regarding Patent and Copyright Infringement
- 10 FAR 52.222-35, Equal Opportunity for Veterans (Note: See note following Section P on page 31.)
- 11 DFARS 252.203-7001, Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (not applicable to commercial orders)
- 12 DFARS 252.225-7008, Restriction on Acquisition of Specialty Metals
- 13 DFARS 252.225-7009, Restriction on Acquisition of Certain Articles Containing Specialty Metals
- 14 DFARS 252.247-7023, Transportation of Supplies by Sea
- 15 FAR 52.248-1, Value Engineering

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING \$250,000.00**

- 1 DFARS 252.225-7052, Restriction on the Acquisition of Certain Magnets and Tungsten

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING \$500,000.00**

- 1 DFARS 252.226-7001, Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
- 2 FAR 52.222-59, Compliance with Labor Laws
- 3 FAR 52.222-60, Paycheck Transparency (Executive Order 13673)

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING  
\$700,000.00**

- 1 DFARS 252.225-7004, Report of Intended Performance Outside the United States and Canada—Submission after Award
- 2 FAR 52.219-9, Small Business Subcontracting Plan

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING  
\$1,000,000.00**

RESERVED

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING  
\$1,500,000.00**

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING  
\$2,000,000.00 (IF NEGOTIATED) Note: For actions that are funded with pre-FY19  
funding, the threshold for incorporation of these clauses will remain at \$750,000  
instead of 2,000,000.**

- 1 FAR 52.230-2, Cost Accounting Standards
- 2 FAR 52.215-12, Subcontractor Certified Cost or Pricing Data
- 3 FAR 52.215-10, Price Reduction for Defective Certified Cost or Pricing Data
- 4 FAR 52.215-15, Pensions Adjustments and Asset Reversions
- 5 FAR 52.215-18, Reversion of Adjustment of Plans for Post-Retirement Benefit (PRB) Other Than Pensions
- 6 FAR 52.215-19 Notification of Ownership Changes
- 7 FAR 52.215-21, Requirements for Certified Cost or Pricing Data or Data Other than Certified Cost or Pricing Data - Modifications
- 8 FAR 52.215-23, Limitations on Pass-Through Charges

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING  
\$5,000,000.00 (and with a performance period of at least 120 days)**

- 1 DFARS 252.203-14, Display of Hotline Posters

**INCORPORATED IN PURCHASE ORDERS EQUAL TO OR EXCEEDING  
\$5,500,000.00**

- 1 FAR 52.203-13, Contractor Code of Business Ethics and Conduct
- 2 DFARS 252.203-7004, Display of Hotline Posters

**INCORPORATED IN PURCHASE ORDER EQUAL TO OR EXCEEDING  
\$50,000,000.00**

RESERVED

**NOTE:** With respect to FAR 52.222-36 – Equal Opportunity for Workers with Disabilities (Jul 2014), incorporated by reference at Paragraph 30 Section B, above, and FAR 52.222-35 -- Equal Opportunity for Veterans (Jul 2014), incorporated by reference at Section F, above, these clauses require the subcontractor to abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their

status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability or veteran status.

## **COST SUPPORT AND CERTIFICATION RELATIVE TO AMENDMENTS**

Note: For actions that are funded with pre-FY19 funding, the threshold will remain at \$750,000 instead of \$2,000,000.

Except where Seller demonstrates upon sufficient evidence that a FAR 15.403-1(b) exception applies, Seller shall furnish cost and pricing data via a properly executed NN-P47, Contract Pricing Proposal Cover Sheet, for (i) any proposed amendment to this Order with a price impact aggregating \$750,000 or more; (ii) support of final price agreements or termination settlement agreements which exceed \$750,000.

Seller shall furnish properly executed Standard Forms 1426 through 1440 in support of final price agreements and termination settlement agreements.

Upon completion of negotiations relative to the proposals described in A.(i) and (ii) above, Seller shall, within five working days, submit an updated NN-P47 and an NN-P34, Certificate of Current Cost or Pricing Data.

## **PRICING OF ADJUSTMENTS**

When costs are a factor in any determination of a purchase order price adjustment pursuant to Article 6, "Changes, Extras, and Substitutions", Article 31, "Suspension of Work for the Convenience of Buyer", Article 41, "Termination for Convenience" or any other article or provision of this purchase order, such costs shall be in accordance with the provisions of FAR Part 31 and DFARS Part 231 (and, to the extent any portion of the Order is funded with Department of Energy Appropriations, DEAR Part 931) in effect on the date of the Prime Contract under which this purchase order was placed.

## **LOWER TIER PROCUREMENTS OVER \$2,000,000**

Note: For actions that are funded with pre-FY19 funding, the threshold will remain at \$750,000 instead of \$2,000,000.

At least three weeks prior to placement, Seller shall submit to Buyer written notice of any sub-tier purchase order which, when placed, will equal or exceed \$2,000,000 in price. Except as provided otherwise within this Article, such orders may not be placed absent the successful sub-tier offeror's submission or certified cost or pricing data. The successful sub-tier offeror need not submit certified data provided (i) a FAR 15.403-1(b) exception applies and (ii) Seller's notice satisfies the following:

Where basis of award is on competition such notice shall be accompanied by the factors utilized by the Seller in determining the existence of adequate competition

and shall include copies of all competitive quotations upon which award of each purchase order will be based. Such notice need not be submitted if the proposed sub-tier procurement action was previously identified in Seller's proposal to Buyer and no significant changes have occurred in either prices or other competitive factors than previously disclosed.

Where a basis of award is other than competition such notice shall include information sufficient to demonstrate the applicability of the exception utilized. Buyer reserves the right to unilaterally reject any Seller assertion that a cost or pricing data exception applies to a Seller sub-tier procurement at or in excess of \$750,000 where Buyer in good faith believes the criteria for exception have not been satisfied.

### **TERMINATION FOR CONVENIENCE**

Without limiting Buyer's right to terminate this purchase order for the default of Seller as provided in the article entitled, "Default", Buyer may terminate all or any part of the work under this purchase order in accordance with the provisions of FAR 52.249-2, Termination for Convenience of the Government (Fixed Price), less subparagraph (j) in effect on the date of the Prime Contract under which this purchase order was placed, except that (i) the meanings at Article 1, Definitions and Article 37 (1<sup>st</sup> paragraph) to these terms and conditions shall specifically apply and (ii) the time limit for submittal of termination settlement proposal as specified in paragraph (e) of such article is changed to read "four months from the effective date of termination or such further period as may be mutually agreed upon." For the requirements of certifying a termination settlement proposal refer to Article 6.D(3).

### **COMPLIANCE WITH LAW; INDEMNIFICATION**

Compliance With Law – Seller shall comply with all Federal, state and local laws, regulations, rules, ordinances, and other requirements applicable to the performance of the work under this Order. Indemnification – Seller agrees to defend, hold harmless and indemnify the Buyer and its officers, directors, employees, representatives, subcontractors and agents, their successors and assigns, against any and all losses, claims, damages and allegations, including all expenses relating thereto, arising out of or relating to Seller violations of any Federal, state or local laws, regulations, rules, ordinances, or other requirements (including without limitation permits and license obligations), including but not limited to Section 27 of the Office of Federal Procurement Policy Act (41 U.S.C. 423), and all regulations issued thereunder.

### **SUSPECT AND COUNTERFEIT ITEMS (S&CI)**

Buyer enforces a zero tolerance policy pertaining to S&CI.

Definition: S&CI is defined as a part or Item whose documentation, appearance, performance, material, or other characteristics are knowingly or negligently misrepresented by the vendor, supplier, distributor, or other manufacturer. S&CI are also parts or items whose documentation, appearance, performance, material, or characteristics may have been knowingly or negligently misrepresented by the vendor, supplier, distributor, or manufacturer.

It is the Seller's responsibility to avoid any use of S&CI (i) in the fabrication of component deliverables under this Order or (ii) otherwise in the performance of its obligations under this Order. Seller shall maintain evidence (e.g., sub-tier certifications and/or other records) necessary to demonstrate its compliance with this responsibility. It is also the Seller's responsibility to immediately report to Buyer any known or suspected use or planned use of S&CI in anything delivered or Intended to be delivered to, or installed on the Buyer site, by the Seller or any of its subcontractors or suppliers. Seller shall promptly replace or have replaced such items at no cost to Buyer.

It is part of Buyer's regulatory requirements to report the circumstances involving the use or attempted use of S&CI. The Seller's adherence to these requirements, including controls used to ensure no S&CI are delivered to or utilized in any work for Buyer; the timeliness of action(s) taken by Seller in reporting even the potential existence of S&CI and replacement of all S&CI with the new (not refurbished) and authentic (not counterfeit) items; and the thoroughness with which it proceeds with these actions, will be noted by Buyer in fulfilling its reporting duty to the Federal authorities.

Seller is advised that contractors, subcontractors and suppliers not adhering to these requirements may have payment withheld and are subject to penalties up to and including debarment from contracting with the Federal Government. Under certain circumstances, civil and criminal penalties may also apply.

## **REIMBURSEMENT FOR UNALLOWABLE COSTS**

Definition – "Proposal" means the definition of "proposal" at FAR 52.242-3(a), except (i) "Seller" and "purchase order" shall respectively replace the references to "Contractor" and "Contract", and (ii) "proposal" shall include any other adjustment to the price of the order based on costs incurred (e.g., requests for equitable adjustment pursuant to Article 6, Changes, Extras and Substitutions, Article 31, Suspension or Work for the Convenience of the Buyer and Article 41, Termination for Convenience).

Seller shall not include in any proposal any cost which FAR Part 31 or DFARS Part 231 (in its form at the time the cost is submitted in a Seller proposal) makes unallowable.

Should Seller include within any proposal any cost made unallowable by FAR Part 31 or DFARS Part 231, and should Seller thereafter receive any payment on the basis of such unallowable cost, then Seller shall, upon its own initiative or at Buyer's request, reimburse Buyer the full amount of such unallowable cost it received plus interest as determined in accordance with FAR 52.232-17, Interest.

FAR 52.242-3, Penalties for Unallowable Costs, being inapplicable to Government subcontracts, Seller shall in no manner be liable for any penalty or amount in excess of the amount of reimbursement determined pursuant to paragraph (C) above.

## **NOTIFICATION OF CHANGE IN SUBCONTRACTED EFFORT**

Seller shall establish and maintain procedures to timely notify the Buyer in writing if Seller changes the amount of subcontract effort after award such that it exceeds 70 percent of the total cost of the work to be performed under it subcontract. The notification shall identify the revised cost of the subcontract effort and shall include verification that the Seller will provide added value as related to the work to be performed by the lower-tier subcontractors.

## **CONFLICT MINERALS PROHIBITION AND CERTIFICATION**

### **A. Definitions:**

Adjoining Countries: means a country that shares an internationally recognized border with the DRC (i.e., Angola, Zambia, Tanzania, Burundi, Rwanda, Uganda, Sudan, Central African Republic, and Congo).

Conflict Minerals: means (i) Columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, which are limited to tantalum, tin, and tungsten, unless the Secretary of State determines that additional derivatives are financing conflict in any of the Covered Countries; or (ii) any other mineral or its derivatives determined by the Secretary of State to be financing conflict in any of the Covered Countries.

Covered Countries: means the DRC and the Adjoining Countries.

DRC: means the Democratic Republic of the Congo.

DRC Conflict Free: - means that a product does not contain conflict minerals necessary to the functionality or production of that product that directly or indirectly finance or benefit armed groups, as defined in paragraph (d)(2) of Securities and Exchange Commission's final rule on Conflict Minerals, 17 CFR Parts 240 and 249(b), promulgated pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protections Act. (the "Rule"), in the Covered Countries. Conflict minerals that a registrant obtains from recycled or scrap sources, as defined in paragraph (d)(6) of the "Rule", are considered DRC conflict free.

Nationally or internationally recognized due diligence framework: means a nationally or internationally recognized due diligence framework established following due-process procedures, including the broad distribution of the framework for public comment, and is consistent with the criteria standards in the Government Auditing Standards established by the Comptroller General of the United States.

### **B. Seller Certifications. Supplier certifies and warrants that:**

1. Regardless of whether Seller is publicly traded or not, Seller does not procure Conflict Minerals from Covered Countries, as those terms are defined by and consistent with the "Rule."
2. All products that will be delivered to Buyer by Seller under this Order are DRC Conflict Free, as defined by and consistent with the Rule.

C. Seller Agreements. Seller agrees that:

1. If required by the Rule, it has: (i) made, and will continue to make, good faith inquiries reasonably designed to determine whether any Conflict Mineral that is included in any product delivered to Buyer pursuant to this Order originated in any of the Covered Countries, or is from Recycled or Scrap Sources, as defined in the Rule; and (ii) performed, and will continue to perform, due diligence on the source and chain of custody of any Conflict Mineral that is included in any product delivered to Buyer pursuant to this Order, and that such due diligence conforms to a nationally or internationally recognized due diligence framework, if such framework is available for the Conflict Mineral; and that all inquiries and diligence performed shall be consistent with the requirements of the Rule.
2. It shall require its own subcontractors and suppliers (at any tier in the supply chain for a product delivered to Buyer under this Order) to furnish information to Seller necessary to support Seller's obligations under this clause.
3. It will maintain records reviewable by Buyer to support its certifications above.
4. It acknowledges that Buyer may utilize and disclose Conflict Minerals information provided by Seller in order to satisfy its disclosure obligations under the Rule.

D. Buyer Rights. If Buyer determines that any certification made by Seller under this clause is inaccurate or incomplete in any respect, then Buyer may terminate this Order pursuant to the provision of this Order titled "Default (Fixed-Price Supply and Service)"

END OF ARTICLES