



LOCKHEED MARTIN CORPORATION

SUPPLEMENTAL TERMS AND CONDITIONS FOR SUBCONTRACTS/PURCHASE ORDERS UNDER

F-22 Raptor Enhancement Development and Integration (REDI) Contract Number F33657-02-D-0009

For Use with the Most Recent Lockheed Martin CorpDocs

27 September 2011

The following are the provisional supplemental terms and conditions to be incorporated, in addition to those other terms and conditions (e.g., CorpDoc 3, CorpDoc 3a), into subcontracts issued under the F-22 REDI Prime Contract FA8611-09-C-2900

In the event of a conflict between the version or dates of a clauses set out in this documents 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 precedent.

The following FAR, DFARS and AFFARS clauses are added:

FAR	52.246-6 ALT I	Apr-84	Inspection--Time-and-Material and Labor-Hour.
DFAR	252.225-7012	Apr-02	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES
DFAR	252.225-7026	Jun-00	REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES
DFAR	252.228-7001	Sep-96	Ground and Flight Risk.
DFAR	252.239-7000	Dec-91	Protection Against Compromising Emanations.
DFAR	252.239-7016	Dec-91	Telecommunications Security Equipment, Devices, Techniques, and Services.
DFAR	252.242-7000	Dec-91	Postaward Conference.
DFAR	252.243-7002	Mar-98	Requests for Equitable Adjustment.
AFFARS	5352.223-9001	Jun-97	HEALTH AND SAFETY ON GOVERNMENT INSTALLATIONS
AFFARS	5352.223-9000	May-96	Elimination of Use of Class I Ozone Depleting Substances (ODS)
AFMC	5352.227-9000	Jul-97	Export-Controlled Data Restrictions

FAR	52.246-7	Aug-96	Inspection of Research and Development-- Fixed-Price.	<p>"Government" means "Lockheed Martin and the Government " in paragraphs (a), (b) and (c).  "Government" means "Lockheed Martin" in paragraphs (d), (e), and (f).  "Contracting Officer" means "Lockheed Martin."    For fixed price subcontracts, either a full text provision or</p>
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				<p>this clause should be included. FAR 52.246-2 may be used if supplies are acquired, and FAR 52.246-4 may be used if services are acquired.</p> <p>Cost reimbursement subcontracts should either include a full text inspection clause or FAR 52.246-3 (if supplies are acquired), FAR 52.246-5 (if services are acquired) or FAR 52.246-8 if research and development are acquired).</p> <p>Time and Materials subcontracts should contain a full text inspection clause or FAR 52.246-6.</p>
FAR	52.246-8	May-01	Inspection of Research and Development-- Cost-Reimbursement.	"Government" means "Lockheed Martin" except (1) in paragraphs (b), (c) and (d) where it means "Lockheed Martin and the Government" and in paragraph (k) where the term is unchanged.
DFAR	252.246-7000	Dec-91	Material Inspection and Receiving Report.	Applies if this contract requires delivery of Items directly to the Government.
FAR	52.242-15 ALT I	Apr-84	Stop-Work Order.	"Contracting Officer" and "Government" mean "Lockheed Martin."
FAR	52.209-6	Jul-95	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	Applies if this contract exceeds \$30,000. Does not apply if this contract is for commercial off the shelf items. Copies of notices provided by Seller to the Contracting Officer shall be provided to Lockheed Martin.
FAR	52.230-2	Apr-98	Cost Accounting Standards.	Applies when the contract states that it is subject to full CAS coverage. "United States" means "United States or Lockheed Martin." Paragraph (b) is deleted. The following is

				<p>added as a new paragraph (e): "Seller shall communicate and otherwise deal directly with the cognizant Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Lockheed Martin with copies of all communications concerning CAS between and the Contracting Officer if such are relevant to this contract; provided however, Seller shall not be required to disclose to Lockheed Martin such communications containing information which is privileged and confidential to Seller."</p>
FAR	52.232-7	Feb-02	Payments under Time-and-Materials and Labor-Hour Contracts.	<p>"Government" and "Contracting Officer" mean "Lockheed Martin." The third sentence of paragraph (a)(8) is deleted. In paragraph (f) "one year" is changed to "six months," and in paragraph (g)(2) "6 years" is changed to "five years." Paragraphs (c) and (i) are deleted. The reference to the Allowable Cost and Payment clause in paragraph (b)(4) means FAR 52.216-7 which is incorporated into this contract by reference.</p>
FAR	52.232-32	Feb-02	Performance-Based Payments.	<p>"Contracting Officer" and "Government" means "Lockheed Martin." Subparagraph (c)(2) is deleted.</p>
FAR	52.246-23	Feb-97	Limitation of Liability.	<p>In paragraph (a) the phrase "supplies delivered under this contract" means "supplies delivered under the prime contract "</p>
FAR	52.246-24 ALT I	Apr-84	Limitation of Liability--High-Value Items.	<p>Applies to high value line items only. For the purpose of this clause an item is a high value item if the unit cost of the item exceeds \$100,000. The reference to Government</p>

				acceptance shall mean "acceptance by the Government of the prime contract end item containing Seller's items."
FAR	52.246-25	Feb-97	Limitation of Liability-- Services.	In paragraph (a) the phrase "services delivered under this contract" means "services delivered under the prime contract "
FAR	52.247-67	Jun-97	Submission of Commercial Transportation Bills to the General Services Administration for Audit.	Documents required by this clause will be provided by Seller to Lockheed Martin. This clause is not required to be included in Contractor's subcontracts.
DFAR	252.204-7000	Dec-91	Disclosure of Information.	In paragraph (b) "Contracting Officer" means "Lockheed Martin" and "45 days" means "60 days."
DFAR	252.219-7004	Jun-97	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (Test Program).	Applies if the SELLER participants in the DoD Test Program for the Negotiation of Comprehensive Small Business
DFAR	252.223-7006	Apr-93	Prohibition on Storage and Disposal of Toxic and Hazardous Materials.	"Government" means "Lockheed Martin and Government."
DFAR	252.244-7000	Mar-00	Subcontract for Commerical Items and Commercial Services (DOD Contracts)	Applies if this contract is for a Commerical Item.

H-002 - RELEASE OF INFORMATION

1. The Seller shall obtain approval from the Buyer 30 days prior to release of any information relating to this contract that has not been previously cleared or released by the U.S. Air Force or the Department of Defense. The Seller shall include this clause in any subcontract awarded as a result of this contract. "Information" includes, but is not limited to, news releases, articles,

manuscripts, brochures, advertisements, still and motion pictures, speeches, trade association meetings, symposia, published professional papers, briefings, etc. Briefings submitted using Microsoft Power Point shall be submitted in Note Page format.

2. All Seller requests must include a statement that full internal technical and security reviews have been accomplished and that the information being submitted for clearance is "unclassified, technically accurate, nonproprietary, and considered suitable for public release." A sample seller request letter with the required certification statements and other information may be obtained from the Security and Policy Review public web site at <http://ascpa.public.wpafb.af.mil>. Sellers must provide three (3) copies of each document or magnetic media (video, CD, floppy disk, etc.) and request letter by postal mail or package service. For security and administrative reasons, documents may not be submitted by electronic mail.

#### H-006 - AUTHORIZATION TO USE OTHER THAN NEW MATERIAL

(a) Support as a capability concept: A key aspect of the F/A-22 support program (Performance-based Agile Logistics Support (PALS)) is the concept of "Support as a Capability". This consists of "support services capability" and "support material capability." Support services capability is performance-based support of the flying hour program (e.g., field service representatives, heavy maintenance capability, support engineering, etc.). Support material capability provides spares as required to meet the flying hour program in a manner that is consistent with specific performance based results. In order to effectively implement this concept, the following authorization to use other than new material shall pertain to all F/A-22 contracts.

(b) Authorization to use other than new material: In order to implement the support material capability concept in a manner that ensures maximum flexibility and efficiency, it may become necessary to utilize "other than new" materials in the performance of one or more contracts in the F/A-22 program. "Other than new" material is defined on the Engineering and Manufacturing Development (EMD) contract (F33657-91-C-0006) under the clause at FAR 52.210-5, New Material (APR 1984) and FAR 52.210-7, Used or Reconditioned Material, Residual Inventory, and Former Government Surplus Property (APR 1984). On the PRTV/PRTV II contract (F33657-97-C-0030) it is defined under the clause at FAR 52.211-5, Material Requirements (OCT 1997), on the Lot 1, Lot 2 and Lot 3 contracts (F33657-99-C-0036, F33657-00-C-0020 and F33657-01-C-2095 respectively) it is defined under the clause at FAR 52.211-5, Material Requirements (AUG 2000), and on this contract it is defined under the clause at FAR 52.211-5, Material Requirements (AUG 2000). These clauses (and any substantially similar clauses in later contracts) require the use of new materials in the performance of the contract requirements, unless the use of "other than new" material is authorized in writing by Lockheed Martin. Subject to the conditions referenced in paragraph (c) below, Lockheed Martin hereby authorizes the use of "other than new" materials in the performance of this contract. To the extent

allowed by paragraph (c) below, this authorization includes the use of material previously available to or accepted by the Government and/or Lockheed Martin and returned to the Seller as Government Furnished Property (GFP) or Contractor Furnished Equipment (CFE).

(c) Conditions on the authorization to use other than new material: The above authorization to use "other than new" material in the performance of this contract is subject to the conditions listed below. Any potential use of "other than new" material that does not meet all the conditions listed below shall be evaluated on a case by case basis by Lockheed Martin in accordance with the applicable clause(s) referred to in paragraph (b) above.

(1) Suitability for the intended use: The "other than new" material to be used in the performance of this contract must be suitable with respect to form, fit, function, and interface, and may not create limitations to the weapon system performance, supportability, or effectiveness in performance of the assigned mission.

(2) Condition: The "other than new" material to be used in the performance of this contract must be in a serviceable condition without creating additional operational limitations. All Time Change without creating additional operational limitations. All Time Change Items (TCIs) to be used as "other than new material" shall have at least 40% or not less than 400 flight hours of useful life remaining whichever is higher. Parts or components identified as "bad actors" (as defined by Chapter 8, T.O. 00-35D-54) shall not be used.

(3) Safety of flight: The "other than new" material to be used in the performance of this contract must not create a safety of flight risk.

(4) Proper configuration: The "other than new" material to be used in the performance of this contract must conform to the authorized configuration of the end item for which such material is to be used. If a preferred sparing activity applies, the "other than new" material must conform to the preferred configuration.

(d) Asset Management Prioritization: The Seller shall make the day to day decisions and authorize the movement of assets in accordance with the Uniform Material Movement and Issue Priority System (UMMIPS) defined by Air Force Manual (AFMAN) 23-110. When the minimum requirements of the production program conflict with those of the field support or test programs (or vice versa), the Seller shall notify Lockheed Martin prior to utilizing an asset otherwise needed to fulfill the minimum requirements of the affected program. Deviation from or exceptions to the above priority requirements shall require written direction from Lockheed Martin. Any equitable adjustments to the contract(s) price and/or schedule (if appropriate) shall be executed in accordance with the "Changes" clause of this contract. This clause in no way relieves the Seller of any responsibilities or obligations under this or any other contract in the F/A-22 program.

H-012 - EXCLUSION OF COBB COUNTY AND GEORGIA STATE TAXES

For the purpose of SECTION I contract clause FAR 52.229-4 Federal, State, and Local Taxes (Noncompetitive Contract) (Jan 1991), the contract price excludes any taxes assessed, for any period after the date of this contract, by Cobb County, Georgia and the state of Georgia on the Seller's interest in or use of Government property, including special tooling to which title or the right thereto is vested in the Government, and any sales or use tax assessed (1) by reason of the sale of supplies hereunder directly to the Government, or (2) by reason of purchase or use of property incorporated into supplies sold to, owned by or manufactured for the Government.

H-014 - NON-INTERFERENCE USE OF SPECIAL TEST EQUIPMENT, SPECIAL TOOLING AND GOVERNMENT FURNISHED PROPERTY

On a non-interference basis, the Seller may use Special Tooling, Special Test Equipment and/or Government Furnished Property (GFP) accountable or approved for use under the F/A-22 EMD and Production programs in the performance of this contract

H-022 - SUBCONTRACTOR WARRANTIES

In addition to any other remedies provided in this contract, the Seller agrees that if any written subcontractor warranties available to the Air Force or Lockheed Martin for accessories, equipment and/or parts installed in an end item or provided as part of this contract, the Seller shall promptly notify Lockheed Martin in writing upon the acquisition of such warranties providing warranty coverage for the Air Force or Lockheed Martin specifying the details thereof. The Seller shall price its warranty administration costs associated with such subcontractor warranties as part of its proposal preceding an affected delivery order. The Seller will, upon receiving a written request from Lockheed Martin, exercise warranty administration efforts to enforce these warranties on behalf of the Government or Lockheed Martin consistent with Lockheed Martin's direction and the terms of the applicable warranty so long as such warranties remain in effect. The Seller shall not be required to incur warranty litigation or alternative dispute resolution costs relative to a subcontractor warranty on behalf of the Air Force or Lockheed Martin unless such efforts are funded by Lockheed Martin.