

# TELEDYNE SPECIAL TERMS AND CONDITIONS OF PURCHASE – SUPPLEMENT 4

## FIXED-PRICE TYPE PROCUREMENTS FOR COMMERCIAL ITEMS

### UNDER U.S. GOVERNMENT PRIME CONTRACTS

The Federal Acquisition Regulation (FAR) and Department of Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced below in effect as of the date of the applicable prime contract or higher-tier subcontract are incorporated herein by reference with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to the Buyer's Order. The Contracts Disputes Act shall have no application to the Buyer's Order. Any reference to a "Disputes" clause shall mean the "Disputes and Arbitration" section of Buyer's General Terms and Conditions of Purchase. Except as noted herein, in the event of a conflict between any terms and/or set forth herein and Buyer's General Terms and Conditions of Purchase, the terms and conditions of these Special Terms and Conditions shall take precedence.

In all clauses listed herein, terms shall be revised to suitably identify the party to establish Seller's obligations to Buyer and to the U.S. Government and to enable Buyer to meet its obligations under its prime contract or subcontract. Without limiting the generality of the foregoing, and except where further clarified or modified below, the term "Government" and equivalent phrases shall mean "Buyer", the term "Contracting Officer" shall mean "Buyer's Purchasing Representative", the term "Contractor" or "Offeror" shall mean "Seller", the term "Subcontractor" shall mean "Seller's Subcontractor" under Buyer's Order, and the term "Contract" shall mean "Buyer's Order". The Contracts Disputes Act shall have no application to the Buyer's Order. Any reference to a "Disputes" clause shall mean the "Disputes and Arbitration" section of Buyer's General Terms and Conditions of Purchase. If any of the following FAR or DFARS clauses do not apply pursuant to the associated FAR or DFARS prescribing criteria, such clauses shall be considered to be self-deleting.

#### 1. FAR Clauses

In accordance with 52.252-2, the following clauses are incorporated by reference and apply to the Buyer's Order as defined by the respective FAR clause:

(a) **The following FAR clauses apply as defined by the respective FAR clause regardless of dollar value:**

- 52.202-1 Definitions
- 52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements of Statements
- 52.204-2 Security Requirements (applicable if access to classified information is required)
- 52.204-21 Basic Safeguarding of Covered Contractor Information Systems (applicable if subcontractor may have Federal contract information residing in or transiting through its information system)
- 52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities
- 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment
- 52.219-8 Utilization of Small Business Concerns
- 52.222-26 Equal Opportunity
- 52.222-41 Service Contract Act of 1965 (applicable if Buyer's Order is for services subject to the Service Contract Labor statute)
- 52.222-50 Combating Trafficking in Persons
- 52.222-55 Minimum Wages under Executive Order 13658 (applies if subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute)
- 52.222-62 Paid Sick Leave under Executive Order 13706 (applies if subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute)
- 52.223-7 Notice of Radioactive Materials (Seller shall notify Buyer if any goods under this Purchase Order contain any of the material as described in the clause. Insert 45 days in the blank in paragraph (a) of the clause unless otherwise indicated in the Purchase Order.)
- 52.224-3 Privacy Training (Applicable only if subcontractor is handling personally identifiable information under the Buyer's Order.)
- 52.225-1 Buy American – Supplies (Applies if the Work/product contains other-than U.S. made/domestic products.)
- 52.225-13 Restrictions on Certain Foreign Purchases
- 52.225-26 Contractors Performing Private Security Functions Outside the United States (applicable to Purchase Orders that will be performed outside the United States in areas of (i) combat operations, as designated by the Secretary of Defense, or (ii) other significant military operations, upon agreement of the Secretaries of Defense and State that the clause applies in that area.)
- 52.232-40 Providing Accelerated Payments to Small Business Subcontractors (applies if Seller is classified as a small business)
- 52.233-4 Applicable Law for Breach of Contract Claim
- 52.244-6 Subcontracts for Commercial Items
- 52.245-1 Government Property (applicable if Government furnished property will be used in performance of Buyer's Order)
- 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels
- 52.249-2 Termination for Convenience of the Government (Fixed-Price) (excluding any references to the Disputes Clause) (in paragraph (c) "120 days" is changed to "60 days", in paragraph (d) "15 days" is changed to "30 days" and "45 days" is changed to "60 days", in paragraph (e) "1 year" is changed to "6 months", paragraph (j) is deleted, paragraph (l) "90 days" is changed to "45 days". Settlements and payments under this clause may be subject to the approval of the
- 52.249-8 Termination for Default (Fixed-Price Supply and Service) (excluding any references to the Disputes Clause)

(b) **The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order is over \$3,500.00 :**

- 52.222-54 Employment Eligibility Verification (commercial services that are part of the purchase of a commercial off-the-shelf (COTS) item are exempt)

(c) **The following additional clauses apply as defined by the respective FAR clause if the value of the Buyer's Order equals or exceeds the "micro-purchase threshold (\$10,000)**

- 52.222-19 Child Labor-Cooperation with Authorities and Remedies
- 52.222-21 Prohibition of Segregated Facilities
- 52.222-40 Notification of Employee Rights under the National Labor Relations Act

(d) **The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds \$15,000:**

- 52.222-36 Equal Opportunity for Workers with Disabilities

(e) **The following additional clause applies if the Buyer is the Prime Contractor with the United States Government and the Buyer's Order equals or exceeds \$30,000:**

- 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (applicable if Supplier meets thresholds specified in clause)

(f) **The following additional clause applies as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds \$35,000:**

- 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Copies of notices provided to USG Contracting Officer are to be provided concurrently to Teledyne. Does not apply to commercially available off-the-shelf items.)

(g) **The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds \$150,000:**

- 52.222-4 Contract Work Hours and Safety Standards -- Overtime Compensation
- 52.222-35 Equal Opportunity for Veterans (unless exempted by the rules, regulations, or order of the Secretary of Labor)
- 52.222-37 Employment Reports on Veterans
- 52.225-5 Trade Agreements (applies if WTO GPA and FTAs apply and Work is not a U.S.-made end product)

- (h) **The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds the "simplified acquisition threshold" (\$250,000):**
- 52.203-3 Gratuities
  - 52.203-5 Covenant Against Contingent Fees
  - 52.203-6 Restrictions on Subcontractor Sales to the Government
  - 52.203-7 Anti-Kickback Procedures (except subparagraph (c)(1) of the clause)
  - 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity
  - 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
  - 52.203-16 Preventing Personal Conflicts of Interest (applicable if performing acquisition functions closely associated with inherently governmental functions)
  - 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
  - 52.215-14 Integrity of Unit Prices (excluding paragraph (b))
  - 52.248-1 Value Engineering (except as specified in FAR 48.201(a))
- (i) **The following additional clauses apply as defined by the respective FAR clause if the Seller is classified as a Large Business and the value of Buyer's Order equals or exceeds \$700,000:**
- 52.219-9 Small Business Subcontracting Plan
- (j) **The following additional clauses apply as defined by the respective FAR clauses if the value of Buyer's Order is equal to or greater than \$2,000,000: applicable unless Seller is otherwise exempt:**
- 52.214-26 Audit and Records-Sealed Bidding (applicable to sealed bids only)
  - 52.214-27 Price Reduction for Defective Cost or Pricing Data-Modifications (applicable to sealed bids only)
  - 52.214-28 Subcontractor Certified Cost or Pricing Data-Modifications (applicable to sealed bids only)
  - 52.215-10 Price Reduction for Defective Certified Cost or Pricing Data
  - 52.215-11 Price Reduction for Defective Certified Cost or Pricing Data-Modifications
  - 52.215-12 Subcontractor Certified Cost or Pricing Data
  - 52.215-13 Subcontractor Certified Cost or Pricing Data-Modifications
  - 52.215-15 Pension Adjustments and Asset Reversions
  - 52.215-16 Facilities Capital Cost of Money (applicable if Contract is subject to the Cost Principles of FAR Subpart 31.2 and Seller is proposing facilities capital cost of money in its Offer)
  - 52.215-17 Waiver of Facilities Capital Cost of Money (applicable if Contract is subject to the Cost Principles of FAR Subpart 31.2 and Seller did not propose facilities capital cost of money in its Offer)
  - 52.215-18 Reversion or Adjustment of Plans for Post-retirement Benefits (PRB) Other than Pensions
  - 52.215-19 Notification of Ownership Changes
  - 52.215-20 Requirements for Certified Cost or Pricing Data or Information Other than Cost or Pricing Data
  - 52.215-21 Requirements for Certified Cost or Pricing Data or Information Other than Cost or Pricing Data-Modifications
  - 52.230-2 Cost Accounting Standards (when full CAS coverage applies)
  - 52.230-3 Disclosure and Consistency of Cost Accounting Practices (when modified CAS coverage applies)
  - 52.230-4 Disclosure and Consistency of Cost Accounting Practices-Foreign Concerns (when modified CAS coverage applies)
  - 52.230-5 Cost Accounting Standards – Educational Institutions (except paragraph (b) of this clause)
  - 52.230-6 Administration of Cost Accounting Standards (applies with 52.203-2, 52.203-3, 52.203-4 or 52-203-5 apply)
- (k) **The following additional clauses apply as defined by the respective FAR clause if the value of Buyer's Order equals or exceeds \$5,500,000:**
- 52.203-13 Contractor Code of Business Ethics and Conduct (applies if the period of performance is more than 120 days. Disclosures made under this clause shall be made directly to the Government entities identified in the clause.)
  - 52.203-14 Display of Hotline Posters (applies if period of performance is more than 120 days)

## **2. DFARS Clauses (Applicable to Department of Defense (DoD) orders only.)**

The following DFARS clauses are incorporated by reference and apply to Buyer's Order as defined by the respective DFARS clause:

- (a) **The following DFARS clauses apply as defined by the respective DFARS clause regardless of dollar value:**
- 252.203-7002 Requirement to Inform Employees of Whistleblower Rights
  - 252.204-7009 Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information (applies if Buyer's Order is for services that include support for the Government's activities related to safeguarding covered defense information and cyber incident reporting.)
  - 252.204-7012 Safeguarding of Covered Defense Information and Cyber Incident Reporting
  - 252.204-7015 Notice of Authorized Disclosure of Information to Litigation Support
  - 252.209-7004 Subcontracting with Firms That Are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism
  - 252.211-7003 Item Unique Identification and Valuation
  - 252.223-7001 Hazard Warning Labels (applicable if submission of hazardous material data sheets is required under Buyer's Order)
  - 252.223-7002 Safety Precautions for Ammunition and Explosives (applies if ammunition or explosives are furnished, including liquid and solid propellants)
  - 252.223-7006 Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials (applies if Buyer's order requires, may require, or permit Seller access to a DoD installation. Alternate I applicable if included in Prime Contract)
  - 252.223-7007 Safeguarding Sensitive Conventional Arms, Ammunition and Explosives
  - 252.223-7008 Prohibition of Hexavalent Chromium
  - 252.225-7001 Buy American and Balance of Payments Program (applies in lieu of FAR 52.225-1)
  - 252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies
  - 252.225-7008 Restriction on Acquisition of Specialty Metals (applicable to Purchase Orders for the delivery of specialty metals as end items to Buyer or Seller to the extent necessary to ensure compliance of the end products that Buyer will deliver to the Government when DFARS clause 252.225-7009 is in the prime contract.)
  - 252.225-7021 Trade Agreements (Applies if the Work contains other than U.S.-made or qualifying country or designated country-end produces. Applies in lieu of FAR 52.225-5.)
  - 252.225-7040 Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States (applicable to Purchase Orders that will be performed when Seller's personnel or Seller's subcontractors are supporting U.S. Armed Forces deployed outside the United States in contingency operations, peace operations consistent with Joint Publication 3-07.3, or other military operations or military exercises, when designated by the Combatant Commander or as directed by the Secretary of Defense.)
  - 252.225-7048 Export-Controlled Items
  - 252.227-7013 Rights in Technical Data - - Noncommercial Items (applies in lieu of FAR 52.227-14)
  - 252.227-7014 Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (applies in lieu of FAR 52.227-14)

252.227-7015	Technical Data – Commercial Items (applicable whenever any technical data related to commercial items developed in any part at private expense will be provided under this Purchase Order for delivery to the Government.)
252.227-7037	Validation of Restrictive Markings on Technical Data (applicable to Purchase Orders requiring the delivery of technical data.)
252.239-7010	Cloud Computing Services (applicable to Purchase Orders that involve or may involve cloud services)
252.239-7018	Supply Chain Risk (applicable to Purchase Orders involving the development or delivery of any information technology, as defined in the clause, as a service or a supply.)
252.244-7000	Subcontracts for Commercial Items
252.246-7003	Notification of Potential Safety Issues (applicable if Buyer's Order is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system. Seller shall provide notifications to Buyer and the contracting officer if identified to Seller.)
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System (Introductory text does not apply. Paragraphs (a) through (e) apply to all Buyer Orders.)
252.246-7008	Sources of Electronic Parts (Applies if Order is for electronic parts or assemblies containing electronic parts, unless Seller is the original manufacturer of said parts.)
252.247-7023	Transportation of Supplies by Sea (applies in lieu of FAR 52.246-64 in all Orders for ocean transportation of supplies)
252.247-7024	Notification of Transportation of Supplies by Sea

(b) **The following additional clauses apply as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds the "simplified acquisition threshold" (\$250,000):**

252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense Contract Related Felonies
252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Government of a Country that is a State Sponsor of Terrorism
252.215-7010	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals (applicable if work contains specialty metals; excludes paragraph (d) and (e)(1).
252.225-7012	Preference for Certain Domestic Commodities
252.225-7015	Restriction on Acquisition of Hand or Measuring Tools
252.249-7002	Notification of Anticipated Contract Termination or Reduction

(c) **The following additional clause applies as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds \$500,000:**

252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
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(d) **The following additional clauses apply as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds \$700,000:**

252.219-7003	Small Business Subcontracting Plan (DoD Contracts) (supplement if Buyer's Order includes FAR clause 52.219-9)
252.219-7004	Small Business Subcontracting Plan (Test Program) (applies to subcontractors participating in the Test Program described in DFARS 219.702-70)

(e) **The following additional clause applies as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds \$1,000,000:**

252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements
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(f) **The following additional clause applies as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds \$1,500,000:**

252.211-7000	Acquisition Streamlining
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(g) **The following additional clauses apply as defined by the respective DFARS clause if the value of Buyer's Order equals or exceeds \$5,500,000:**

252.203-7003	Agency Office of the Inspector General (applies if FAR clause 52.203-13 applies)
252.203-7004	Display of Fraud Hotline Poster(s)

### **3. Additional Requirements**

- (a) **For orders issued under the American Recovery and Reinvestment Act**, the Seller shall comply with the reporting requirements of FAR 52.204-11, American Recovery and Reinvestment Act Reporting Requirements and FAR 52.203-15, Whistleblower Protections under ARRA, and shall ensure compliance with the Buy American provisions cited in the Quality Terms cited in the Order.
- (b) Seller covenants and agrees that if Buyer's contract price or a cost allowance is reduced by reason of Seller's failure to comply with an applicable Cost Accounting Standard or to follow any practice disclosed in its Disclosure Statement, Buyer shall be entitled to:
- (i) reduce the price of Buyer's Order by an amount commensurate with the reduction in Buyer's contract price or cost allowance together with interest computed at the applicable Treasury rate; or
  - (ii) in the event Seller shall already have been paid the full Order price or essentially the full Order price, Seller shall reimburse and indemnify Buyer in an amount commensurate with the reduction in Buyer's contract price or cost allowance together with interest computed at the applicable Treasury rate.
- (c) Notwithstanding any other clauses in the Buyer's Order, Seller shall not impose any restrictions on the Government's use of tooling, designs, and/or drawings provided or received during the performance of Buyer's Order that the Government independently owns or has a right to use.
- (d) Notwithstanding any other clauses in the Buyer's Order, in no event shall the Seller acquire any direct claim or course of action against the U. S. Government.
- (e) Seller shall flow down all required FAR and DFARS clauses to Seller's subcontractors, suppliers and vendors in accordance with the applicable FAR and DFARS requirements.

### **4. Government Inspection**

The Government has the right to perform Government quality assurance at Seller's plant as may be necessary to determine conformance with the requirements specified for all services and/or supplies ordered under Buyer's Order.

### **5. Government-Owned Facilities**

If Government-owned facilities are to be used by Seller to perform work prescribed in Buyer's Order, the Seller shall provide two (2) prices: one based on rent-free use and one based on rental payments (applicable to request for quote only).

### **6. Order Completion and Closeout**

Seller agrees to close out this order within the following schedule:

- (1) Firm fixed price orders: Final invoice must be submitted no later than 45 days following final delivery and must be marked as FINAL INVOICE
- (2) Fixed Price/Labor Hour orders: Final invoice must be submitted no later than 45 days following final delivery of services and must be marked as FINAL INVOICE.
- (3) Special Note for Delivery/Task Order Contracts: Completion vouchers and documents shall be submitted on each delivery order separately.

Failure to submit the invoice within the specified period may result in a unilateral closeout of the order by the Buyer at the price shown as paid in the Buyer's records.

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