

JGB ENTERPRISES

FEDERAL ACQUISITION REGULATION (FAR) AND DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) FLOWDOWN PROVISIONS FOR FIXED-PRICE SUBCONTRACTS/PURCHASE ORDERS FOR NON-COMMERCIAL ITEMS UNDER A U.S. DEPARTMENT OF DEFENSE PRIME CONTRACT

The FAR and DFARS clauses referenced below 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 this Contract. If the date or substance of any of the clauses listed below is different from the date or substance of the clause incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Contract, and nothing in this Contract grants SELLER a direct claim or cause of action against the U.S. Government. Any reference to a "Disputes" clause shall mean the "Disputes" clause of this Contract. SELLER shall include in each lower tier subcontract the appropriate flow down clauses as required by the FAR and FAR Supplement clauses included in this Contract. The FAR and Supplements thereto are available at:

<http://www.acquisition.gov/content/regulations>.

This Contract is entered into by the parties in support of a U.S. Government contract. As used in the FAR and DFARS clauses referenced below:

- "Commercial Item" means a commercial item as defined in FAR 2.101.
- "Commercially available off-the-shelf (COTS) item" means a COTS item as defined in FAR 2.101
- "Contract" means this contract.
- "Contracting Officer" shall mean the U.S. Government Contracting Officer for JGB Enterprises government prime contract under which this Contract is entered.
- "Contractor" and "Offeror" means the SELLER, which is the party identified on the face of the Contract or purchase order with whom JGB Enterprises is contracting, acting as the immediate subcontractor to JGB Enterprises.
- "Prime Contract" means the contract between JGB Enterprises and the U.S. Government or between JGB Enterprises and its higher-tier contractor who has a contract with the U.S. Government.
- "Subcontract" means any contract placed by SELLER or lower-tier subcontractors under this Contract.

The following notes apply to the clauses incorporated by reference below only when specified in the parenthetical phrase following the clause title and date.

1. Substitute "JGB ENTERPRISES" for "Government" or "United States" throughout this clause.
2. Substitute "JGB ENTERPRISES Procurement Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO" throughout this clause.
3. Insert "and JGB ENTERPRISES" after "Government" throughout this clause.
4. Insert "or JGB ENTERPRISES" after "Government" throughout this clause.
5. Communication/notification required under this clause from/to SELLER to/from the Contracting Officer shall be through JGB ENTERPRISES.
6. Insert "and JGB ENTERPRISES" after "Contracting Officer", throughout the clause.
7. If SELLER is an international contractor, this clause applies to this Contract only if Work under the Contract will be performed in the United States or Contractor is recruiting employees in the United States to Work on the Contract.

REFERENCE	CLAUSE
Federal Acquisition Regulations (FAR)	
52.201-1	Definitions
52.203-3	Gratuities. (The term “agency head” means Buyer). (Applicable if this Order exceeds the simplified acquisition threshold)
52.203-5	Covenant Against Contingent Fees. (Applicable if this Order exceeds the simplified acquisition threshold)
52.203-6	Restrictions on Subcontractor Sales to the Government. (Applicable if this Order exceeds the simplified acquisition threshold)
52.203-7	Anti-Kickback Procedures. (Applicable if this Order exceeds the simplified acquisition threshold). Paragraph (c)(4) is revised by deleting “The Contracting Officer may” and inserting “To the extent the Contracting Officer has effected an offset at the prime contract level or has directed Buyer to withhold any sum from the Seller, Buyer may”
52.203-8	Cancellation, Rescission and Recovery of Funds for Illegal or Improper Activity. (Applicable if this Order exceeds the simplified acquisition threshold)
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity. (Applicable if this Order exceeds the simplified acquisition threshold)
52.203-12	Limitation on Payments to Influence Certain Federal Transactions. (Applicable if this Order exceeds the simplified acquisition threshold)
52.203-13	Contractor Code of Business Ethics and Conduct. (Applicable if this Order exceeds \$5,500,000 and has a period of performance of 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 Poster(s). (Applicable if this Order exceeds \$5,500,000, unless performed entirely outside of U.S.)
52.203-17	Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights. (Applicable if this Order exceeds the simplified acquisition threshold)
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements
52.204-8	Annual Representations and Certifications
52.204-10	Reporting Executive Compensation and First Tier Subcontract Awards. (If SELLER meets the thresholds specified in paragraphs (d)(3) and (g)(2) of the clause, SELLER shall report required executive compensation by posting the information to the Government's System for Award Management (Beta-SAM) database. All information posted will be available to the general public.)
52.204-13	System for Award Management Maintenance
52.204-19	Incorporation by Reference of Representations and Certifications
52.204-21	Basic Safeguarding of Covered Contractor Information Systems
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities
52.209-6	Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment. (Applicable if this Order exceeds \$35,000.)
52.211-5	Material Requirements. (Applicable contracts for supplies that are not Commercial items)

52.211-15	Defense Priority and Allocation Requirements. If this Order is a “rated order” as indicated by a DPAS rating elsewhere in this Order, Seller will follow all the provisions of the Defense Priorities and Allocation System Regulations (15 CFR 700).
52.215-2	Audit and Records — Negotiation. (Applicable if this Order exceeds the simplified acquisition threshold and if: (1) SELLER is required to furnish cost or pricing data, or (2) the Contract requires SELLER to furnish cost, funding, or performance reports, or (3) this is an incentive or re-determinable type contract).
52.215-10	Price Reduction for Defective Cost or Pricing Data. (Applicable to Orders for which it is contemplated cost or pricing data will be required.) Notes 2 and 4 apply except the first time "Contracting Officer" appears in paragraph (c)(1). "Government" means "JGB ENTERPRISES" in paragraph (d)(1). Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)
52.215-11	Price Reduction and Defective Cost of Pricing Data — Modifications. (Applicable to Orders for which it is contemplated cost or pricing data will be required for modifications and the Order includes FAR 52.215-10.) Notes 2 and 4 apply except the first time "Contracting Officer" appears in paragraph (d)(1). "Government" means "JGB ENTERPRISES" in paragraph (e)(1). Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)
52.215-12	Subcontractor Certified Cost or Pricing Data. (Applies if this Contract exceeds the threshold under FAR 15.403 and is not otherwise exempt).
52.215-13	Subcontractor Certified Cost or Pricing Data — Modifications. (Applies if this Contract exceeds the threshold under FAR 15.403 and is not otherwise exempt).
52.215-14	Integrity of Unit Prices. (Applicable if this Order exceeds the simplified acquisition threshold.)
52.215-19	Notification of Ownership Change. (Applicable in solicitations and purchase orders for which it is anticipated that cost or pricing data will be required or for which any pre-award or post-award cost determination will be subject to FAR Part 31.2)
52.215-20	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data. (Applicable to Orders if it is reasonably certain that cost or pricing data or data other than certified cost or pricing data will be required.) (Note 2 applies in paragraph (a)(1).)
52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications. (Applicable to Orders if it is reasonably certain that cost or pricing data or data other than certified cost or pricing data will be required for modifications.) (Note 2 applies in paragraphs (a)(1) and (b).)
52.215-22	Limitations on Pass-Through Charges-Identification of Subcontract Effort. (Applicable in solicitations containing FAR clause 52.215-23).
52.215-23	Limitations on Pass-Through Charges. (Applicable to fixed-price subcontracts exceeding the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4 under Department of Defense prime contracts) Notes 4 and 6 apply.)
52.219-8	Utilization of Small Business Concerns. (Applicable if this Order offers further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$700,000 (\$1.5 million for construction of any public facility), the subcontractor must include 52.219–8 in lower tier subcontracts that offer subcontracting opportunities. (Note 7 applies.)

52.219-9	Small Business Subcontracting Plan & Alt II. (Applicable only if this Order exceeds \$700,000, and Seller is not a Small Business Concern.) (Note 2 is applicable to paragraph (c) only. SELLER's subcontracting plan is incorporated herein by reference. Note 7 applies.)
52.219-16	Liquidated Damages — Subcontracting Plan. (Applicable in all solicitations and contracts containing the FAR clause 52.219-9).
52.222-1	Notice to the Government of Labor Disputes
52.222-3	Convict Labor
52.222-4	Contract Work Hours and Safety Standards -Overtime Compensation. (Note 7 applies.)
52.222-19	Child Labor - Cooperation with Authorities and Remedies. (Applicable to all solicitations and contracts for the acquisition of supplies that are expected to exceed the micro-purchase thresholds).
52.222-20	Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000
52.222-21	Prohibition of Segregated Facilities. (Applicable when a contract is contemplated that will include the clause at 52.222-26, Equal Opportunity). (Note 7 applies.)
52.222-22	Previous Contracts and Compliance Reports. (Applicable when a contract is contemplated that will include the clause at 52.222-26, Equal Opportunity).
52.222-26	Equal Opportunity. (Note 7 applies.)
52.222-35	Equal Opportunity for Veterans. (Applicable if the Order is for \$150,000 or more.) (Note 7 applies.)
52.222-36	Equal Opportunity for Workers with Disabilities. (Applicable if this Order exceeds \$15,000.) (Note 7 applies.)
52.222-37	Employment Reports on Veterans. (Applicable if the clause at 52.222-35 is applicable.) (Note 7 applies.)
52.222-40	Notification of Employee Rights Under the National Labor Relations Act. (Applicable if this Order exceeds the simplified acquisition threshold, unless performed entirely outside of U.S.) (Note 7 applies.)
52.222-50	Combating Trafficking in Persons. (Note 2 applies. In paragraph (e) Note 3 applies.)
52.222-54	Employment Eligibility Verification. (Applicable in all solicitations and contracts that exceed the simplified acquisition threshold, and for which none of the exceptions at FAR 22.1803 apply). (Note 7 applies.)
52.223-3	Hazardous Material Identification and Material Safety Data. (Notes 2 and 3 apply, except for paragraph (f) where Note 4 applies.)
52.223-6	Drug-Free Workplace
52.223-11	Ozone Depleting Substances and High Global Warming Potential Hydrofluorocarbons
52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving. (Note 7 applies.)
52.225-1	Buy American Act – Supplies. (Applies if the Goods contain other than domestic components.) (Note 2 applies to the first time "Contracting Officer" is mentioned in paragraph (c).)
52.225-5	Trade Agreements. (Applies if the Goods contain other than U.S. made or designated country end products as specified in the clause.)
52.225-8	Duty Free Entry. (Applies if Work will be imported into the Customs Territory of the United States. Note 2 applies.)
52.225-13	Restrictions on Certain Foreign Purchases

52.227-1	Authorization and Consent. (Applicable if this Order exceeds the simplified acquisition threshold).
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement. (Applicable if this Order exceeds the simplified acquisition threshold). (Notes 2 and 4 apply.)
52.227-3	Patent Indemnity
52.229-3	Federal, State and Local Taxes. (Applicable if this order exceeds the simplified acquisition threshold).
52.230-2	Cost Accounting Standards. (Applies only when referenced in this Contract that full CAS coverage applies. "United States" means "United States or JGB ENTERPRISES." Delete paragraph (b) of the clause.)
52.230-3	Disclosure and Consistency of Cost Accounting Practices. (Applies only when referenced in this Contract that modified CAS coverage applies. "United States" means "United States or JGB ENTERPRISES." Delete paragraph (b) of the clause.)
52.230-6	Administration of Cost Accounting Standards. (Applies if FAR 52.230-2, FAR 52.230-3, FAR 52.230-4 or FAR 52.230-5 applies.)
52.232-17	Interest. (Applicable if this Order exceeds the simplified acquisition threshold).
52.232-40	Providing Accelerated Payment to Small Business Subcontractors. (Applicable if this Order is placed with Small Business Concerns.) (Applies if SELLER is a small business concern. Note 1 applies. This clause does not apply if JGB ENTERPRISES does not receive accelerated payments under the prime contract. Not all agencies provide accelerated payments.)
52.233-3	Protest After Award. (In the event JGB ENTERPRISES's customer has directed JGB ENTERPRISES to stop performance of the Work under the Prime Contract under which this Contract is issued pursuant to FAR 33.1, JGB ENTERPRISES may, by written order to SELLER, direct SELLER to stop performance of the Work called for by this Contract. "30 days" means "20 days" in paragraph (b)(2). Note 1 applies except the first time "Government" appears in paragraph (f). In paragraph (f) add after "33.104(h) (1)" the following: "and recovers those costs from JGB ENTERPRISES".)
52.242-13	Bankruptcy. (Notes 1 and 2 apply).
52.242-15	Stop-Work Order. (Notes 1 and 2 apply).
52.243-1	Changes – Fixed Price. (Notes 1 and 2 apply).
52.244-6	Subcontracts for Commercial Items
52.245-1	Government Property. (Applicable to all subcontracts that involve government furnished property). ("Contracting Officer" means "JGB ENTERPRISES" except in the definition of Property Administrator and in paragraphs (h)(1)(iii) where it is unchanged, and in paragraphs (c) and (h)(4) where it includes JGB ENTERPRISES. "Government" is unchanged in the phrases "Government property" and "Government furnished property" and where elsewhere used except in paragraph (d)(1) where it means "JGB ENTERPRISES" and except in paragraphs (d)(2) and (g) where the term includes JGB ENTERPRISES. The following is added as paragraph (n) "SELLER shall provide to JGB ENTERPRISES immediate notice if the Government or other customers (i) revokes its assumption of loss under any direct contracts with SELLER, or (ii) makes a determination that SELLER's property management practices are inadequate, and/or present an undue risk, or that SELLER has failed to take corrective action when required.")
52.246-2	Inspection of Supplies - Fixed Price. (Applicable if this order exceeds the simplified acquisition threshold). (Note 2 applies. Note 3 applies, except in paragraph (b) the second time "Government" appears; (f), (h), (j), and (l) where Note 1 applies.)

52.246-15	Certificate of Conformance
52.246-16	Responsibility for Supplies
52.246-9000	Certificate of quality compliance
52.247-1	Commercial Bill of Lading Notations. The term "Government" does not change in paragraphs (a) and (b).
52.247-63	Preference for U.S. Flag Carriers. (Applicable if this order may involve international air transportation.)
52.247-64	Preference for Privately Owned U.S. Flag Commercial Vessels
52.249-1	Termination for Convenience of the Government (Fixed-Price) (Short Form). (Applicable for fixed-price contracts that do not exceed the simplified acquisition threshold).
52.249-2	Termination for Convenience of the Government — Fixed Price. (Notes 1 and 2 apply. Note 4 applies to the first time "Government" appears in paragraphs (b)(4) and (b)(6), it applies to all of paragraph (b)(8) and it applies to the second time "Government" appears in paragraph (d). In paragraph (n) "Government" means "JGB ENTERPRISES and the Government". 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. In paragraph (l) "90 days" is changed to "45 days." Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)
52.249-8	Default (Fixed-Price Supply and Service1984). (Notes 1 and 2 apply, except Note 1 is not applicable to paragraph (c). Note 4 applies to the second and third time "Government" appears in paragraph (e). Timely performance is a material element of this Contract.)
Defense Federal Acquisition Regulation Supplement (DFARS)	
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense- Contract- Related Felonies. (Applicable to all solicitations and contracts exceeding the simplified acquisition threshold, except solicitations and contracts for commercial items. "Government" is not changed in this clause.) The terms "contract," "contractor," and "subcontract" shall not change in meaning in paragraphs (a) and (d). Delete paragraph (g). In paragraph (e), the remedies described in subparagraphs (2) and (3) are available to JGB ENTERPRISES not the Government. In paragraph (f), note 5 applies.)
252.203-7002	Requirement to Inform Employees of Whistleblower Rights
252.203-7003	Agency Office of the Inspector General
252.203-7004	Display of Fraud Hotline Posters. (Applies in lieu of FAR 52.203-14.)
252.204-7000	Disclosure of Information
252.204-7012	Safeguarding of Covered Defense Information and Cyber Incident Reporting. (Applies if this Contract is for operationally critical support or for which performance will involve covered defense information. SELLER shall furnish JGB ENTERPRISES copies of notices provided to the Contracting Officer at the time such notices are sent. SELLER shall also furnish JGB ENTERPRISES copies of any reports SELLER receives from its lower tier subcontractors.)
252.215-7010	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data. (This clause applies in lieu of FAR 52.215-20. Contracting Officer means "JGB ENTERPRISES" Paragraph (b)(ii)(E) is deleted).

252.219-7003	Small Business Subcontracting Plan. (Applies if FAR 52.219-9 applies to this Contract.)
252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements. (Applicable if this Order exceeds \$1.0 million)
252.225-7001	Buy American Act and the Balance of Payments Program. (Applicable if the goods furnished under this Order contain other than domestic components. Applies in lieu of FAR 52.225-1 for DoD programs.)
252.225-7002	Qualifying Country Sources as Subcontractors
252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies. (Applicable if this Order is for items that are covered by the United States Munitions List or the 600 series of the Commerce Control List.)
252.225-7009	Restrictions on Acquisition of Certain Articles Containing Specialty Metals
252.225-7012	Preference for Certain Domestic Commodities.
252.225-7013	Duty Free Entry. Paragraph (e) is modified to read "The Buyer will obtain from the Government duty free entry of qualifying country supplies for which the shipping documents bear the notation specified in paragraph (f) of this clause." No change to "Contracting Officer," "Government," "prime contractor," or "prime contract" in paragraphs (c), (d), (i) or (k); except change "Contracting Officer administering the prime contract" and "contract administration office" in paragraph (i) to "Buyer's Purchasing Representative" and "Contracting Officer" in paragraph (i)(10) to "Government."
252.225-7015	Restrictions on Acquisitions of Hand or Measuring Tools. (Applicable if this Order exceeds the simplified acquisition threshold).
252.225-7016	Restriction on Acquisition of Ball and Roller Bearings. (Note 1 applies to subparagraph (a) (2).)
252.225-7021	Trade Agreements. (Applies if the Work contains other than U.S. made, qualifying country, or designated country end products. Applies in lieu of FAR 52.225-5 for DoD programs.)
252.225-7028	Exclusionary Policies and Practices of Foreign Governments
252.225-7048	Export Controlled Items
252.226-7001	Utilization of Indian Organizations, Indian Owned Economic Enterprises and Native Hawaiian Small Business Concerns. (Applies if this Contract exceeds \$500,000. Note 2 applies to paragraph (c) the first time "Contracting Officer" appears.) In subparagraph (f)(1) "Contractor" shall mean "JGB ENTERPRISES." JGB ENTERPRISES shall have no liability to SELLER for any incentive payment under this clause unless and until the Government provides said incentive payment to JGB ENTERPRISES.)
252.227-7013	Rights in Technical Data – Noncommercial Items
252.227-7015	Technical Data – Commercial Items
252.227-7016	Rights in Bid or Proposal Information
252.227-7037	Validation of Restrictive Markings on Technical Data
252.231-7000	Supplemental Cost Principles
252.243-7001	Pricing of Contract Modifications
252.244-7000	Subcontracts for Commercial Items
252.246-7003	Notification of Potential Safety Issues. (Applicable to subcontracts for parts identified as critical safety items; systems and subsystems, assemblies, and subassemblies integral to a system; and repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and

	parts integral to a system). Subcontractor must notify JGB ENTERPRISES, the Administrative Contracting Officer, and the Procuring Contracting Officer of non-conformances or deficiencies within the scope of paragraph (b).
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System. (Paragraphs (a) through (e) apply. In paragraph (c)(2) Note 3 applies. In paragraph (c)(6) Note 6 applies.)
252.246-7008	Sources of Electronic Parts. (Applies if this contract is for electronic parts or assemblies containing electronic parts, unless SELLER is the original manufacturer. Note 1 applies except in paragraph (d). Note 2 applies).
252.247-7023	Transportation of Supplies by Sea. (Applies in lieu of FAR 52.247-64 in all Contracts for ocean transportation of supplies. In the first sentence of paragraph (g), insert a period after “Contractor” and delete the balance of the sentence. Paragraph (f) and (g) shall not apply if this Contract is at or below the simplified acquisition threshold. Notes 1 and 2 apply to paragraph (g).)
252.247-7024	Notification of Transportation of Supplies by Sea. (Notes 1 and 2 apply).
252.249-7002	Notification of Anticipated Contract Termination or Reduction. (Applies if this Contract is for a major defense program (as defined in 10 U.S.C. 2302(5)). Note 2 applies. Delete paragraph (d) (1) and the first five words of paragraph (d) (2).)