

FEDERAL CONTRACT TERMS AND CONDITIONS

VERSION 1.1, REVISED JANUARY 1, 2022

The following clauses apply to Work funded in whole or in part by federal funds. To the extent these clauses conflict with any term or condition in the *Standard Terms and Conditions*, the Parties shall (i) endeavor to interpret the clauses in harmony, otherwise (ii) these *Federal Contract Terms and Conditions* take precedence.

When necessary to make the language of the FAR clauses applicable to the Subcontract, the term “contractor” means “Subcontractor”, the term “contract” means the “Subcontract”, and the terms “government”, “contracting officer”, and equivalent terms and phrases mean “Contractor”.

The full text of the FAR clauses may be found at <http://www.arnet.gov/far/>

Subcontractor agrees to flow down and incorporate all applicable FAR clauses to its Lower Tier Subcontractors and its Lower Tier Suppliers.

1. CLAUSES APPLICABLE TO THE WORK.

FAR 52.202-1	Definitions	(Dec. 2001)
FAR 52.203-6	Restrictions on Subcontractor Sales to the Government	(July 1995)
FAR 52.203-7	Anti-Kickback Procedures	(July 1995)
FAR 52.203-12	Limitation on Payments to Influence Certain Federal Transactions	(June 2003)
FAR 52.209-6	Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	(July 1995)
FAR 52.211-5	Material Requirements	(Aug. 2000)
FAR 52.211-15	Defense Priority and Allocation Requirements	(Sept. 1990)
FAR 52.214-27	Price Reduction for Defective Cost or Pricing Data—Modifications— Sealed Bidding	(Oct. 1997)
FAR 52.215-2	Audit and Records—Negotiation	(June 1999)
FAR 52.215-10	Price Reduction for Defective Cost or Pricing Data	(Oct. 1997)
FAR 52.215-11	Price Reduction for Defective Cost or Pricing Data—Modifications	(Oct. 1997)
FAR 52.219-8	Utilization of Small Business Concerns	(Oct. 2000)
FAR 52.222-4	Contract Work Hours and Safety Standards Act—Overtime Compensation	(Sept. 2000)
FAR 52.222-6	Davis-Bacon Act	(Feb. 1995)
FAR 52.222-7	Withholding of Funds	(Feb. 1988)
FAR 52.222-8	Payrolls and Basic Records	(Feb. 1988)
FAR 52.222-9	Apprentices and Trainees	(Feb. 1988)
FAR 52.222-10	Compliance with Copeland Act Requirements	(Feb. 1988)
FAR 52.222-11	Subcontracts (Labor Standards)	(Feb. 1988)
FAR 52.222-12	Contract Termination—Debarment	(Feb. 1988)
FAR 52.222-13	Compliance with Davis-Bacon and Related Act Regulations	(Feb. 1988)
FAR 52.222-14	Disputes Concerning Labor Standards	(Feb. 1988)
FAR 52.222-15	Certification of Eligibility	(Feb. 1988)
FAR 52.222-17	Labor Standards for Construction Work—Facilities Contracts	(Feb. 1988)
FAR 52.222-20	Walsh-Healey Public Contracts Act	(Dec. 1996)
FAR 52.222-27	Affirmative Action Compliance Requirements for Construction	(Feb. 1999)
FAR 52.222-36	Affirmative Action for Workers with Disabilities	(June 1998)
FAR 52.223-13	Certification of Toxic Chemical Release Reporting	(June 2003)
FAR 52.223-14	Toxic Chemical Release Reporting	(June 2003)
FAR 52.225-1	Buy American Act—Supplies	(June 2003)
FAR 52.225-3	Buy American Act—North American Free Trade Agreement—Israeli Trade Act	(June 2003)
FAR 52.225-5	Trade Agreements	(June 2003)
FAR 52.225-11	Buy American Act—Construction Materials Under Trade Agreements	(June 2003)
FAR 52.225-15	Sanctioned European Union Country End Products	(Feb. 2000)
FAR 52.227-1	Authorization and Consent	(July 1995)
FAR 52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	(Aug. 1996)
FAR 52.227-14	Rights in Data—General	(June 1987)
FAR 52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions	(Apr. 1991)
FAR 52.208-8	Required Sources for Helium and Helium Usage Data	(Apr. 2002)

FAR 52.222-21	Prohibition of Segregated Facilities	(Feb. 1999)
FAR 52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	(Dec. 2001)
FAR 52.222-26	Equal Opportunity	(Apr. 2002)
FAR 52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	(Dec. 2001)
FAR 52.225-13	Restrictions on Certain Foreign Purchases	(June 2003)
FAR 52.228-3	Workers' Compensation Insurance (Defense Base Act)	(Apr. 1984)
FAR 52.228-5	Insurance—Work on a Government Installation	(Jan. 1997)
FAR 52.244-6	Subcontracts for Commercial Items	(Apr. 2003)
FAR 52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels	(Apr. 2003)
FAR 52.248-1	Value Engineering	(Feb. 2000)

2. OMB CIRCULAR A-110 CLAUSES.

The following selected clauses from OMB Circular A-110 are incorporated into and form a part of the terms and conditions of the Subcontract.

The full text of OMB Circular A-110 may be found at <http://www.whitehouse.gov/omb/circulars/a110/a110.html>.

Subcontractor agrees to flow down all applicable clauses from OMB Circular A-110 to Lower Tier Subcontractors and Lower Tier Suppliers.

2.1 Equal Employment Opportunity

Subcontractor agrees to comply with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The Contractor is a federal government contractor and, as such, the provisions of 41 CFR § 60-1.4(a) are, if applicable, incorporated by reference. In addition, the Subcontractor shall abide by the requirements of 41 CFR § 60-300.5(a) and 41 CFR § 60 741.5(a). These regulations prohibit, respectively, discrimination against qualified protected veterans and qualified individuals on the basis of disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities.

2.2 Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c).

Subcontractor shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides in part that Subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which it is otherwise entitled.

2.3 Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7)

Subcontractor shall comply with the Davis-Bacon Act (40 U.S.C. 276a to a-7) as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, Subcontractor is required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, Subcontractor shall be required to pay wages not less than once a week.

2.4 Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333)

Subcontractor shall comply with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, Subcontractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work week of forty (40) hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half (1-1/2) times the basic rate of pay for all hours worked in excess of forty (40) hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous.

2.5 Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended

Subcontractor shall comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency ("EPA").

2.6 Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)

Subcontractor and its Lower Tier Subcontractors and Lower Tier Suppliers shall file the certification required by the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) and associated regulations. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to Contractor.

2.7 Debarment and Suspension (E.O.s 12549 and 12689)

Subcontractor represents and warrants that it is not listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Subcontractor shall provide to Contractor the required certification regarding its exclusion status and that of its principal employees.

2.8 Cybersecurity Maturity Model Certification Requirements (NOV 2020)

If this applies to the Prime Contract, Subcontractor agrees to and understands the following:

(a) *Scope.* The Cybersecurity Maturity Model Certification ("CMMC") CMMC is a framework that measures a subcontractor's cybersecurity maturity to include the implementation of cybersecurity practices and institutionalization of processes (see <https://www.acq.osd.mil/cmmc/index.html>).

(b) *Requirements.* The Subcontractor shall have a current (i.e. not older than 3 years) CMMC certificate at the CMMC level required by this Agreement and maintain the CMMC certificate at the required level for the duration of the Agreement.

(c) *Subcontracts.* The Subcontractor shall—(1) Insert the substance of this clause, including this paragraph (c), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items, excluding commercially available off-the-shelf items; and (2) Prior to awarding to a subcontractor, ensure that the subcontractor has a current (i.e., not older than 3 years) CMMC certificate at the CMMC level that is appropriate for the information that is being flowed down to the subcontractor.

By signing the Subcontract Agreement, Subcontractor acknowledges and agrees that has a current CMMC certificate at the level appropriate for the information it will receive under the terms of the Agreement.

3. PROMPT PAYMENT.

3.1 Contractor shall pay Subcontractor for satisfactory performance under its Subcontract not later than seven days from receipt of payment out of such amounts as are paid to Contractor under its contract with the Government. Additionally, Contractor shall pay Subcontractor an interest penalty for each payment not made in accordance with the foregoing: (i) for the period beginning on the day after the required payment date and ending on the date on which payment of the amount due is made; and (ii) computed at the rate of interest established by the Secretary of the Treasury and published in the Federal Register for interest payments under Section 12 of the Contracts Disputes Act of 1978 (41 U.S.C. 611) in effect at the time Contractor accrues the obligation to pay an interest penalty.

3.2 Subcontractor shall include a payment clause and an interest penalty clause conforming to the standards set forth in the subparagraph above in each of its subcontracts and require each of its subcontractors to include such clauses in their subcontracts with each lower tier subcontractor or supplier.

3.3 The clauses required by the subparagraphs of this clause above shall not be construed to impair the right of the Contractor or a subcontractor at any tier to negotiate, and to include in the Agreement, DOA or subcontract, provisions that permit Contractor or Subcontractor to withhold retainage without incurring an interest penalty and provisions that permit Contractor or Subcontractor to make a determination that part of a request for payment may be withheld in accordance with the Agreement, subcontract or other agreement without incurring an interest penalty. (FAR 52.232-27).

4. RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT.

4.1 Except as provided in 4.2 below, CCE shall not enter into any agreement with an actual or prospective subcontractor, nor otherwise act in any manner which has or may have the effect of restricting sales by such subcontractors directly to the Government of any item or process (including computer software) made or furnished by the subcontractor under this contract or under any follow-on production contract.

4.2 The prohibition in 4.1 above does not preclude the CCE from asserting rights that are otherwise authorized by law or

regulation.

- 4.3 The Subcontractor agrees to incorporate the substance of this clause, including this subparagraph 4.3, in all subcontracts under this contract which exceed the simplified acquisition threshold. (FAR 52.203-6).

5. ANTI-KICKBACK PROCEDURES.

- 5.1 The Anti-Kickback Act of 1986 (411 U.S.C. 51-58)(the Act), prohibits any person from providing or attempting to provide or offering to provide any kickback; soliciting, accepting, or attempting to accept any kickback; or including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.
- 5.2 When Contractor has reasonable grounds to believe that a violation described in subparagraph 5.1 above of this clause may have occurred, Contractor will promptly report in writing the possible violation. Such reports shall be made to the inspector general of the contracting agency, the head of the contracting agency if the agency does not have an inspector general, or the Department of Justice.
- 5.3 Contractor shall cooperate fully with any Federal agency investigating a possible violation described above.
- 5.4 The Contracting Officer may (i) offset the amount of the kickback against any monies owed by the United States under the prime contract and/or (ii) direct that Contractor withhold, from sums owed a subcontractor under the prime contract, the amount of any kickback. The Contracting Officer may order the monies withheld be paid over to the Government unless the Government has already offset those monies against monies owed under the prime contract. In either case, Contractor must notify the Contracting Officer when the monies are withheld.
- 5.5 Subcontractor agrees to incorporate the substance of this clause, including this subparagraph, in all subcontracts which exceed \$100,000. (FAR 52.203-7).

6. CONTRACTOR CODE OF BUSINESS ETHICS.

- 6.1 Within thirty days after issuance of a Subcontract, Subcontractor shall (i) have a written code of business ethics and conduct; and provide a copy of the code to each employee engaged in performance of the contract.
- 6.2 If Subcontractor maintains a company website as a method of providing information to employees, Subcontractor shall display an electronic version of the poster(s) at the website.
- 6.3 Any required posters may be obtained from the Contracting Officer or agency or website identified in the Contract Documents.
- 6.4 If Subcontractor has implemented a business ethics and conduct awareness program, including a reporting mechanism, such as a hotline poster, then Subcontractor need not display any agency fraud hotline posters as required in FAR 52.203-14(b), other than any required DHS posters.
- 6.5 Subcontracts. This clause, including this subparagraph 6.5, shall be included in all subcontracts that exceed \$5,500,000, except when the subcontract (i) is for the acquisition of a commercial item; or (ii) is performed entirely outside the United States. (FAR 52.203-14).

7. INSURANCE.

Unless Certificates of Insurance and the underlying insurance policies procured by the Subcontractor must contain the following provision:

“Cancellation or any material change in the policies adversely affecting the interest of the Government in such insurance shall not be effective for such period as may be prescribed by the laws of the state in which this contract is to be performed and in no event less than thirty (30) days written notice to Centennial Contractors Enterprises, Inc.”