



**COMMUNICATIONS & POWER INDUSTRIES
("CPI")
TERMS AND CONDITIONS OF PURCHASE**

Supplement 1 – U.S. Government Contract Provisions from the Federal Acquisition Regulation (FAR)

1. When the materials or products furnished are for use in connection with a U.S. Government prime contract or subcontract, in addition to CPI's Terms and Conditions of Purchase, General Provisions, the following provisions shall apply. The effective version of each Federal Acquisition Regulation ("FAR") provision shall be the same version as that which appears in Buyer's prime contract or higher-tier subcontract under which this Purchase Order is a subcontract, where "Buyer" means "CPI." In the event of a conflict between these FAR provisions and CPI's Terms and Condition of Purchase, General Provisions, the applicable FAR provisions shall control. For the acquisition of commercial items under purchase orders placed in support of and charged to a U.S. Government prime contract or subcontract, only the FAR clauses annotated with "*" shall apply. For the definition of a commercial item, see FAR 2.101.
2. The following clauses set forth in the FAR in effect as of the date of the prime or higher-tier subcontract are incorporated herein by reference. In all clauses listed herein, the term "Government," "Contracting Officer," and "Contractor" shall be revised to suitably identify the contracting parties herein and affect the proper intent of the clause or provision except where further clarified or modified below. However, the words "Government" and "Contracting Officer" do not change: (1) When a right, act, authorization, or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative, such as in FARs 52.227-1 and 52.227-2, and (2) when title to property is to be transferred directly to the Government. "Subcontractor" shall mean "Seller's Subcontractor" under this Purchase Order. The listed FAR clauses are incorporated herein as if set forth in full text unless made inapplicable by its corresponding note if any. If any of the following FAR clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting.

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 (less paragraph (c)(1))
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
52.203-12	Limitation on Payments to Influence Certain Federal Transactions
52.203-13	Contractor Code of Business Ethics and Conduct
52.203-14	Display of Hotline Poster(s)
52.204-2	Security Requirements
52.204-9	Personal Identity Verification of Contractor Personnel
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards
52.204-21	Basic Safeguarding of Covered Contractor Information Systems
52.209-5	Certification Regarding Responsibility Matters
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment.
52.211-5	Material Requirements
52.211-15	Defense Priority and Allocation Requirements
52.214-26	Audit and Records – Sealed Bidding
52.214-27	Price Reduction for Defective Certified Cost or Pricing Data—Modifications – Sealed Bidding
52.214-28	Subcontractor Certified Cost or Pricing Data—Modifications – Sealed Bidding
52.215-2	Audit and Records Negotiation
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
52.215-14	Integrity of Unit Prices (less paragraph b)
52.215-15	Pension Adjustments and Asset Reversions
52.215-16	Facilities Capital Cost of Money
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 and Data Other than Certified Cost or Pricing Data
52.215-21	Requirements for Certified Cost or Pricing Data and Data Other than Certified Cost or Pricing Data—Modifications
52.215-22	Limitation of Pass-Through Charges – Identification of Subcontract Effort

52.215-23	Limitations on Pass-Through Charges
52.216-7	Allowable Cost and Payment (cost reimbursement)
52.216-8	Fixed Fee (applicable to cost plus fixed-fee order)
52.216-10	Incentive Fee (applicable to cost plus incentive-fee order)
52.216-11	Cost Contract—No Fee (applicable if this is a cost no-fee order)
52.216-12	Cost Sharing Contract—No Fee (applicable if this is a cost-sharing, no-fee order)
52.219-8*	Utilization of Small Business Concerns
52.219-9	Small Business Subcontracting Plan
52.222-1	Notice to the Government of Labor Disputes
52.222-2	Payment for Overtime Premiums
52.222-3	Convict Labor
52.222-4	Contract Work Hours and Safety Standards – Overtime Compensation
52.222-20	Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000
52.222-21	Prohibition of Segregated Facilities
52.222-22	Previous Contracts and Compliance Reports
52.222-26*	Equal Opportunity
52.222-35*	Equal Opportunity for Veterans
52.222-36*	Equal Opportunity for Workers with Disabilities
52.222-37	Employment Reports on Veterans
52.222-40	Notification of Employee Rights Under the National Labor Relations Act
52.222-41*	Service Contract Labor Standards
52.222-50*	Combating Trafficking in Persons
52.222-51*	Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Requirements
52.222-53*	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services—Requirements
52.222-54	Employment Eligibility Verification
52.223-3	Hazardous Material Identification and Material Safety Data—“Government” means “Government and Buyer”
52.223-7	Notice of Radioactive Materials
52.223-11	Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons
52.224-2	Privacy Act
52.225-1	Buy American Act—Supplies
52.225-3	Buy American Act—Free Trade Agreement—Israeli Trade Act
52.225-5	Trade Agreements
52.225-8	Duty-Free Entry
52.225-13	Restrictions on Certain Foreign Purchases
52.227-1	Authorization and Consent and Alternate 1 (use Alt 1 in all R&D work)
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
52.227-9	Refund of Royalties
52.227-10	Filing of Patent Applications—Classified Subject Matter
52.227-11	Patent Rights—Ownership by the Contractor
52.227-14	Rights in Data—General
52.228-5	Insurance—Work on a Government Installation
52.230-2	Cost Accounting Standards
52.230-3	Disclosure and Consistency of Cost Accounting Practices
52.230-4	Disclosure and Consistency of Cost Accounting Practices – Foreign Concerns
52.230-5	Cost Accounting Standards—Educational Institution
52.230-6	Administration of Cost Accounting Standards
52.232-7	Payments under Time and Materials and Labor Hour Contracts – “schedule” means “this order,” “voucher” means “invoices(s),” “Government” means “Buyer,” and “Contracting Officer” means “Buyer’s Purchasing Representative”

52.232-20	Limitation of Cost (if fully funded)
52.232-22	Limitation of Funds (if incrementally funded)
52.233-3	Protest After Award
52.234-1	Industrial Resources Developed Under Title III Defense Production Act
52.236-13	Accident Prevention
52.237-2	Protection of Government Buildings, Equipment, and Vegetation
52.242-1	Notice of Intent to Disallow Costs
52.242-3	Penalties for Unallowable Costs
52.242-13	Bankruptcy
52.243-2	Changes—Cost Reimbursement (applicable to such orders)
52.243-3	Changes—Time and Material or Labor Hours (applicable to such orders)
52.243-6	Change Order Accounting
52.244-2	Subcontracts
52.244-6	Subcontracts for Commercial Items
52.245-1	Government Property
52.245-1 Alt 1	Government Property (Alt 1) – Insert in contracts other than those identified in FAR 45.104(a)
52.245-1 Alt II	Government Property – Insert when a contract for the conduct of basic or applied research
52.246-2	Inspection of Supplies—Fixed Price
52.246-3	Inspection of Supplies – Cost Reimbursement—“Contracting Officer” means “Buyer Purchasing Representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer) and where “Government” first appears in paragraph (k), it shall mean “Government and/or Buyer.” The provisions in this clause of access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.
52.246-5	Inspection of Services – Cost Reimbursement—“Contracting Officer” means “Buyer Purchasing Representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer). The provisions in this clause of access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.
52.246-23	Limitation of Liability
52.246-24	Limitation of Liability – High Value Items
52.246-25	Limited of Liability – Services
52.246-6	Inspection – Time and Material and Labor Hour—“Contracting Officer” means “Buyer Purchasing Representative” and “Government” means “Buyer and Government” (provided that an inspection system accepted by the Government will be deemed accepted by the Buyer) and where “Government” first appears in paragraph (k), it shall mean “Government and/or Buyer.” The provisions in this clause of access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.
52.247-63	Preference for U.S.-Flag Air Carriers
52.247-64*	Preference for Privately Owned U.S.-Flag Commercial Vessels
52.248-1	Value Engineering
52.249-2	Termination for Convenience of the Government (Fixed Price)—“Government” shall mean “Buyer.” In paragraph (d), the term “45 days” is changed to “90 days.” The term “one year” in paragraph (e) is changed to “six months.” The term “90 days” in paragraph (l) is changed to “forty-five days.”
52.249-6	Termination (Cost Reimbursement)—“Government” means “Buyer” and “Contracting Officer” means “Buyer’s Purchasing Representative.” Alternative IV is applicable to time and material or labor hour orders only.
52.249-14	Excusable Delays

3. CERTIFICATIONS

Seller, by accepting this Purchase Order, hereby certifies compliance with the following clauses and, therefore, is eligible for award:

52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
52.209-5	Certification Regarding Responsibility Matters
52.222-22	Previous Contracts and Compliance Reports

4. ADDITIONAL CLAUSES

A. Cost Accounting Standards (applicable unless otherwise exempt)

52.230-2	Cost Accounting Standards
52.230-3	Disclosure and Consistency of Cost Accounting Practices
52.230-5	Cost Accounting Standards—Educational Institution
52.230-6	Administration of Cost Accounting Standards

Seller shall communicate and otherwise deal directly with the Contracting Officer to the extent practicable and permissible as to all matters relating to Cost Accounting Standards. Seller shall provide Buyer with copies of all communications between Seller and the Contracting Officer in respect to Cost Accounting Standards. FAR 52.230-2 and FAR 52.230-6, Administration of Cost Accounting Standards, provide that Seller shall not be required to disclose to Buyer such communications containing information which is privileged and confidential to the Seller. In addition to any other remedies provided by law or under this Purchase Order, Seller agrees to indemnify and hold Buyer harmless to the full extent of any loss, damage, or expense if Buyer is subjected to any liability as the result of a failure of the Seller or its lower-tier subcontractors to comply with the requirements of FAR 52.230-2, 52.230-3, 52.230-5, or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses, except in FAR 52.230-6.

B. Truth in Negotiations (Cost or Pricing Data)

Unless exempt, Seller shall submit a FAR Part 15-compliant cost proposal inclusive of appropriate updates throughout the negotiation process. At the conclusion of negotiations, and regardless of any prior certification, Seller must certify that to the best of its knowledge and belief, the cost or pricing data were accurate, complete, and current in accordance with the required Certificate of Current Cost or Pricing Data in the format specified in FAR [15.406-2](#).

1. Indemnification

If any price payable to Buyer (including profit or fee) as defined in FAR Subpart 15.4—Contract Pricing, or any reimbursable cost of Buyer, is reduced because of Seller's noncompliance with FAR 52.214-28, 52.215-10, 52.215-11, 52.215-12, 52.215-13, or related contract clauses that require cost or pricing data, because the cost or pricing data furnished by Seller in connection with any proposal submitted by Buyer relating to Buyer's contract with the Seller or in connection with this Purchase Order, was not accurate, complete, or current as required by any such provisions or by the Certificate of Current Cost or Pricing Data ("defective cost or pricing data"), Seller shall indemnify and defend Buyer against any claim of damages or liability, and hold Buyer harmless from any loss or damages Buyer may suffer, arising or resulting from any action taken by Seller, the U.S. Government ("Government"), or a Government prime contractor or subcontractor to reduce Buyer's contract price, or any costs reimbursable to Buyer, because Seller or any of its subcontractors furnished defective cost or pricing data in connection with this Purchase Order.

"Cost or pricing data" as used herein includes any data that relates to a lower-tier prospective or actual subcontract, at any level, submitted by the Seller or which it procured by submission of such cost or pricing data, in connection with the aforesaid proposal or this Purchase Order in support of its cost estimate.

If any reduction in the contract price under this clause reduces the price of items for which payment was made prior to the date of the modification that reflects the price reduction, the Seller shall be liable and shall pay the Buyer at the time such overpayment is repaid:

- a. Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the Seller to the date the Buyer is repaid by the Seller at the applicable underpayment rate effective for each quarter prescribed by the Secretary of the Treasury under 26 U.S.C. 6621(a)(2); and
- b. For Department of Defense contracts only, a penalty equal to the amount of the overpayment, if the Seller knowingly submitted cost or pricing data that was incomplete, inaccurate, or noncurrent.

2. Cost or Pricing Data for Changes

Prior to the pricing of any change or other modification to this Purchase Order, which involves increases and/or decreases in costs plus applicable profit expected to exceed the threshold for submission of cost or pricing data, subcontractors shall submit cost or pricing data and shall certify that the data, as defined in FAR 15.406-2, submitted either actually or by specific identification in writing, is accurate, complete, and current as of the date of the completion of negotiations.

When required to obtain cost or pricing data from its subcontractors, pursuant to the provisions of this Purchase Order, Seller shall obtain such data.

C. Disputes

In the event of a Dispute between the U.S. Government and CPI, as the Prime Contractor, that may affect the liability of Seller, upon request by Seller, CPI may elect to proceed under the Government Disputes article, to either (a) proceed to appeal on behalf of the Seller under the applicable prime contract, in which case Seller shall participate to protect its interests and each party shall pay its own costs without prejudice to any right each may otherwise have to recovery or allowance, or (b) permit Seller to appeal, in the name of the Prime Contractor, under the Disputes article of the prime contract with the Government, in which case CPI shall provide reasonable assistance to Seller, and all costs of Seller's appeal and such assistance shall be paid by Seller without prejudice to any right Seller may otherwise have to recovery or allowance. Between CPI and Seller, disposition of any dispute under such appeal procedure (or a final judgment of a court of competent jurisdiction on any appeal) shall be final and conclusive. Pending final disposition of any Dispute, Seller shall proceed diligently with the performance of this Purchase Order in accordance with these CPI Purchase Terms.