



AEROVIRONMENT, INC. FLOWDOWN PROVISIONS FOR CONTRACTS/PURCHASE ORDERS FOR NON-COMMERCIAL ITEMS UNDER A U.S. GOVERNMENT PRIME CONTRACT – FEDERAL ACQUISITION REGULATION (FAR) AND DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS)

A. GENERAL

1. Goods and services procured under this order are for use by the United States Government (“Government”). SELLER shall comply with all applicable Government provisions and clauses, including the Federal Acquisition Regulation (“FAR”), Defense Federal Acquisition Regulation Supplement (“DFARS”), and any other Government agency provisions and clauses (collectively, “USG Clauses”).

2. The USG 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 USG Clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the USG Clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Contract, and the SELLER shall have no right of direct action against the Government. SELLER shall include in each lower-tier subcontract the appropriate USG Clauses as required by the FAR and FAR Supplement clauses included in this Contract.

B. GOVERNMENT CONTRACT

1. “Contract” means any contract between AV and SELLER. “Subcontract” means any contract placed by SELLER or lower-tier subcontractors under this Contract. “Prime Contract” means the contract between AV and the Government or between AV and its higher-tier contractor who has a contract with the Government. “Commercial Item” means a commercial item as defined in FAR 2.101. “COTS item” means commercially available off-the-shelf item as defined in FAR 2.101.

2. In all clauses listed herein, terms shall be revised to suitably identify the party to establish SELLER’s obligations to AV and to the Government, and to enable AV to meet its obligations under the Prime Contract. *In the clauses listed herein*, and without limiting the generality of the foregoing, and except where further clarified or modified below, the term “Government” and equivalent phrases shall mean AV, the term “Contracting Officer” shall mean AV’s subcontracting or purchasing representative, the term “Contractor” or “Offeror” shall mean SELLER, “Subcontractor” shall mean SELLER’s subcontractor or supplier, and the term “Contract” shall mean this Contract or purchase order. For the avoidance of doubt, the words “Government” and “Contracting Officer” do not change (a) 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, or (b) when title to property is to be transferred directly to the Government. If any of the following USG Clauses do not apply to this Contract, such clauses are self-deleting. The SELLER, by signing its offer, hereby certifies compliance with the following USG Clauses and is, therefore, eligible for award. With respect to any applicable USG Clauses incorporated into this Contract relating to rights in noncommercial technical data and noncommercial computer software and noncommercial computer software documentation, the SELLER grants to AV the right to use, disclose,

modify, combine, integrate or make derivative works of any noncommercial technical data, noncommercial computer software and/or noncommercial computer software documentation delivered under this Contract to the extent necessary, and for such period as is required, for AV to complete its performance under AV’s Government programs.

C. PRESERVATION OF THE GOVERNMENT’S RIGHTS

If AV furnishes designs, drawings, special tooling, equipment, engineering data, or other technical or proprietary information (Furnished Items) which the Government owns or has the right to authorize the use of, nothing herein shall be construed to mean that AV, acting on its own behalf, may modify or limit any rights the Government may have to authorize SELLER’s use of such Furnished Items in support of other Government prime contracts.

D. FAR CLAUSES AND PROVISIONS

FAR CLAUSES APPLICABLE TO CONTRACTS WITHOUT REGARD TO DOLLAR VALUE:

- FAR 52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (Applies if the Contract is funded under ARRA.)
- FAR 52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements
- FAR 52.204-2 Security Requirements (Applies to Contracts that involve access to classified information.)
- FAR 52.204-9 Personal Identity Verification of Contractor Personnel (Applies to Contracts when SELLER’s employees are required to have routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system.)
- FAR 52.204-21 Basis Safeguarding of Covered Contractor Information Systems (Applies unless SELLER is furnishing COTS items.)
- FAR 52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (SELLER shall provide AV copies of any reports under this clause.)
- FAR 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.
- FAR 52.211-5 Material Requirements
- FAR 52.211-14 Notice of Priority Rating for National Defense, Emergency Preparedness, and Energy Program Use
- FAR 52.211-15 Defense Priority and Allocation Requirements
- FAR 52.215-9 Changes or Additions to Make-or-Buy Program
- FAR 52.215-22 Limitations on Pass-Through Charges – Identification of Subcontract Effort (Applies to solicitations for Contracts that will incorporate FAR 52.215-23 or 52.215-23 Alt I)
- FAR 52.217-9 Option to Extend Term of the Contract
- FAR 52.219-8 Utilization of Small Business Concerns
- FAR 52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation (Applies to Contracts that require or involve the employment of laborers and mechanics at any tier)
- FAR 52.222-41 Service Contract Labor Standards (Applies to Contracts for services)

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FAR 52.222-50	Combating Trafficking in Persons (Alternate I applies if it is included in the Prime Contract)	FAR 52.234-1	Industrial Resources Developed Under Defense Production Act Title III
FAR 52.222-55	Minimum Wages Under Executive Order 13658	FAR 52.236-13	Accident Prevention (Applies to fixed-price construction, fixed-price dismantling, demolition, or removal of improvements Contracts)
FAR 52.222-62	Paid Sick Leave Under Executive Order 13706		
FAR 52.223-3	Hazardous Material Identification and Material Safety Data ("Government" means "Government and AV" in this clause.)	FAR 52.237-2	Protection of Government Buildings, Equipment and Vegetation
FAR 52.223-5	Pollution Prevention and Right-to-Know Information (Applies to Contracts that provide for performance on a Federal facility)	FAR 52.241-15	Stop-Work Order
		FAR 52.242-13	Bankruptcy
FAR 52.223-7	Notice of Radioactive Materials	FAR 52.242-17	Government Delay of Work
FAR 52.223-11	Ozone-Depleting Substances	FAR 52.243-1	Changes – Fixed Price
FAR 52.224-1	Privacy Act Notification (Applies to Contracts when the design, development, or operation of a system of records on individuals is required to accomplish an agency function)	FAR 52.243-6	Change Order Accounting
		FAR 52.244-5	Competition in Subcontracting
		FAR 52.244-6	Subcontracts for Commercial Items
FAR 52.224-2	Privacy Act (Applies to Contracts that require the design, development, or operation of any system of records on individuals that is subject to the Privacy Act)	FAR 52.245-1	Government Property (Applies to Contracts issued under non-DoD Prime Contracts containing FAR 52.245-1 without Alternate I and the Contract is either a cost-reimbursement, time and materials, or labor-hour type, or is a fixed priced Contract awarded on the basis of submission of certified cost or pricing data (reference FAR 45.104); under DoD Prime Contracts containing FAR 52.245-1 without Alternate I, in addition to the contract types listed at FAR 45.104, the clause applies to negotiated fixed-price Contracts awarded on a basis other than submission of certified cost or pricing data.)
FAR 52.225-1	Buy American Act – Supplies		
FAR 52.225-5	Trade Agreements		
FAR 52.225-8	Duty-Free Entry		
FAR 52.225-13	Restrictions on Certain Foreign Purchases		
FAR 52.227-9	Refund of Royalties (Applies when reported royalty exceeds \$250. Substitute "AV" for "Government" or "United States" except for the first two times "Government" appears in paragraph (d). (Substitute "AV buyer" for "Contracting Officer", "Administrative Contracting Officer", and "ACO".)	FAR 52.245-1 Alt I	Government Property (Alternate I) (Applies to Contracts issued under Prime Contracts containing FAR 52.245-1 with Alternate I, and to Contracts issued under Prime Contracts containing FAR 52.245-1 without Alternate I when the Contract awarded is of a type other than those listed in FAR 45.104 or DFARS 245.104.)
FAR 52.227-10	Filing of Patent Applications – Classified Subject Matter (Applies if the work or any patent application may cover classified subject matter.)		
FAR 52.227-11	Patent Rights – Ownership by the Contractor (Applies if this Contract includes, at any tier, experimental, developmental, or research work and SELLER is a small business concern or domestic nonprofit organization. Reports required by this clause shall be filed with the agency identified in this Contract. FAR 52.227-13 applies in lieu of this clause if SELLER is not located in the United States or does not have a place of business located in the United States or is subject to the control of a foreign government.)	FAR 52.245-1 Alt II	Government Property (Alternate II) (Applies to Contracts for the conduct of basic or applied research at nonprofit institutions of higher education or at nonprofit institutions whose primary purpose is the conduct of scientific research.)
		FAR 52.246-4	Inspection of Services – Fixed-Price
		FAR 52.246-8	Inspection of Research and Development – Cost Reimbursable
		FAR 52.246-9	Inspection of Research and Development (Short Form)
FAR 52.227-13	Patent Rights – Ownership by the Government (Applies to Contracts for experimental, developmental or research work, and SELLER is not a U.S. business concern; Paragraph (g) is deleted.)	FAR 52.246-16	Responsibility of Supplies
		FAR 52.247-63	Preference for U.S.-Flag Air Carriers (Applies to Contracts that involve international air transportation.)
		FAR 52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels
FAR 52.227-14	Rights in Data – General (Does not apply if DFARS 252.227-7013 applies.)	FAR 52.249-2	Termination for Convenience of the Government (Fixed-Price) (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 may be subject to Contracting Officer approval.)
FAR 52.227-19	Commercial Computer Software License		
FAR 52.228-3	Workers' Compensation Insurance (Defense Base Act)		
FAR 52.228-4	Workers' Compensation Insurance and War Hazard Insurance Overseas		
FAR 52.228-5	Insurance – Work on a Government Installation		
FAR 52.232-40	Providing Accelerated Payments to Small Business Subcontractors (Applies if SELLER is a small business concern and if AV receives accelerated payments under the Prime Contract)	FAR 52.249-5	Termination for Convenience of the Government (Educational and Other Nonprofit Institutions) (Applies in lieu of FAR 52.249-2 if this Contract is for research and development work with an
FAR 52.233-3	Protest After Award (AV may direct SELLER to stop work if AV is so directed by the government)		

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FAR 52.249-8 educational or nonprofit institution on a no-profit or no-fee basis.)
FAR 52.251-1 Default (Fixed-Price Supply and Service)
Government Supply Source (Applies when the Contracting Officer authorizes use of Government supply sources for this Contract.)

FAR 52.248-1 and (iii) have a performance period of 120 days or more)
FAR 52.249-9 Value Engineering
Default (Fixed-Price Research and Development)

FAR CLAUSES APPLICABLE TO CONTRACTS OVER THE MICRO-PURCHASE THRESHOLD (AS DEFINED AT FAR 2.101) ALSO INCLUDE:

FAR 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving

FAR CLAUSES APPLICABLE TO CONTRACTS OVER THE SIMPLIFIED ACQUISITION THRESHOLD (AS DEFINED AT FAR 2.101) ALSO INCLUDE:

FAR 52.203-5 Covenant against Contingent Fees
FAR 52.203-6 Restrictions on Subcontractor Sales to the government
FAR 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
FAR 52.215-2 Audit and Records – Negotiations (Applies to Contracts: (i) that are cost-reimbursement, incentive, time-and-materials, labor-hour, or price re-determinable type, or any combination of these; (ii) for which certified cost or pricing data are required; or (iii) that require SELLER to furnish reports as discussed in paragraph (e) of the clause)

FAR CLAUSES APPLICABLE TO CONTRACTS OVER \$10,000 ALSO INCLUDE:

FAR 52.222-21 Prohibition of Segregated Facilities
FAR 52.222-26 Equal Opportunity
FAR 52.222-40 Notification of Employee Rights under the National Labor Relations Act

FAR 52.215-14 Integrity of Unit Prices (except paragraph (b))
FAR 52.215-23 Limitations on Pass-Through Charges (Applies to cost-reimbursement Contracts that exceed the simplified acquisition threshold, except if the contract is with the Department of Defense, then this clause applies to all cost-reimbursement Contracts and fixed-price Contracts, except those identified in FAR 15.408(n)(2)(i)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4. Alternate I applies if it is included in the Prime Contract.)

FAR CLAUSES APPLICABLE TO CONTRACTS OVER \$15,000 ALSO INCLUDE:

FAR 52.222-20 Walsh-Healy Public Contracts Act
FAR 52.222-36 Affirmative Action for Workers with Disabilities

FAR 52.223-99 Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors (DEVIATION)
FAR 52.227-1 Authorization and Consent (and Alt I) (include Alternate I if it is included in the prime contract)
FAR 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (Substitute "AV buyer" for "Contracting Officer", "Administrative Contracting Officer", and "ACO".)

FAR CLAUSES APPLICABLE TO CONTRACTS OF \$30,000 OR MORE ALSO INCLUDE:

FAR 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (Applies to Contracts when AV is the prime contractor; the usual substitution of the parties is not applicable to this clause; SELLER shall report to AV the compensation information required under the clause, unless otherwise exempt under this clause.)

FAR CLAUSES APPLICABLE TO CONTRACTS OVER \$5,000,000 ALSO INCLUDE:

FAR 52.203-13 Contractor Code of Business Ethics and Conduct (In paragraph (b)(3)(i), the meaning of "agency office of the Inspector General" and "Contracting Officer" does not change; in paragraph (b)(3)(ii) the meaning of "Government" does not change; and in paragraphs (b)(3)(iii) and (c)(2)(ii)(F), the meanings of "OIG of the ordering agency," "IG of the agency," "agency OIG" and "Contracting Officer" do not change; Only applies if Contract performance period is 120 days or longer.)
FAR 52.203-14 Display of Hotline Poster(s)

FAR CLAUSES APPLICABLE TO CONTRACTS OVER \$35,000 ALSO INCLUDE:

FAR 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

FAR CLAUSES APPLICABLE TO CONTRACTS OVER \$700,000 ALSO INCLUDE:

FAR 52.219-9 Small Business Subcontracting Plan

FAR CLAUSES APPLICABLE TO CONTRACTS OF \$100,000 OR MORE ALSO INCLUDE:

FAR 52.222-37 Employment Reports on Veterans

FAR CLAUSES APPLICABLE TO CONTRACTS UNLESS OTHERWISE EXEMPT (SEE FAR 15.408) ALSO INCLUDE:

FAR 52.215-10 Price Reduction for Defective Certified Cost or Pricing Data (Rights and obligations under this

FAR CLAUSES APPLICABLE TO CONTRACTS OVER \$150,000 ALSO INCLUDE:

FAR 52.202-1 Definitions
FAR 52.203-3 Gratuities
FAR 52.203-7 Anti-Kickback Procedures (except subparagraph (c)(1) of the clause)
FAR 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
FAR 52.203-16 Preventing Personal Conflicts of Interest (Applies to Contracts that include a requirement for services that involve performance of acquisition functions closely associated with inherently governmental functions for, or on behalf of, a Federal Government agency or department)
FAR 52.222-35 Equal Opportunity for Veterans (unless exempted by rules, regulations, or orders of the Secretary of Labor)
FAR 52.222-54 Employment Eligibility Verification (Applies to Contracts that (i) are for construction or services; (ii) include work performed in the United States);

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clause shall survive completion and final payment under this Contract)

FAR 52.215-11 Price Reduction for Defective Certified Cost or Pricing Data – Modifications (Rights and obligations under this clause shall survive completion and final payment under this Contract)

FAR 52.215-12 Subcontractor Certified Cost or Pricing Data

FAR 52.215-13 Subcontractor Certified Cost or Pricing Data – Modifications

FAR 52.215-15 Pension Adjustments and Asset Reversions

FAR 52.215-18 Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) Other Than Pensions

FAR 52.215-19 Notifications of Ownership Changes

FAR 52.215-20 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data

FAR 52.215-21 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications

FAR 52.246-5 Inspection Of Services – Cost-Reimbursement (“Contracting Officer” means AV’s purchasing representative, and “Government” means AV and the Government, provided that an inspection system accepted by the Government will be deemed accepted by AV, and the provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to AV and the Government)

FAR 52.246-6 Inspection – Time-And-Materials And Labor-Hour (“Contracting Officer” means AV’s purchasing representative and “Government” means AV and the Government, provided that an inspection system accepted by the Government will be deemed accepted by AV, and where “Government” first appears in paragraph (k) it means Government and/or AV; the provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to AV and the Government)

FAR 52.247-67 Submission of Transportation Documents for Audit (provided transportation will be reimbursed as a direct charge to the contract)

FAR 52.249-6 Termination (Cost-Reimbursement) (“Government” means AV and “Contracting Officer” means AV’s purchasing representative; in paragraph (e) change “15 days” and “45 days” to “30 days” and “90 days”, respectively; in paragraph (f) change “1 year” to “six months”; Alternate IV applies to time-and-materials or labor-hour Contracts only)

FAR 52.249-14 Excusable Delays

FAR COST REIMBURSEMENT, TIME & MATERIAL OR LABOR HOUR CONTRACTS MUST ALSO INCLUDE:

FAR 52.215-16 Facilities Capital Cost Of Money

FAR 52.215-17 Waiver of Facilities Capital Cost of Money

FAR 52.216-7 Allowable Cost and Payment (SELLER agrees to execute assignment documents in order to comply with subsection (h); this clause is not applicable to labor-hour Contracts)

FAR 52.216-8 Fixed Fee (Applies if this is a cost-plus-fixed-fee Contract)

FAR 52.216-10 Incentive Fee (Applies if this is a cost-plus-incentive-fee Contract)

FAR 52.216-11 Cost Contract – No Fee (Applies if this is a cost-no-fee Contract)

FAR 52.216-12 Cost-Sharing Contract – No Fee (Applies if this is a cost-sharing, no fee Contract)

FAR 52.222-2 Payment for Overtime Premiums (insert “0%” in paragraph (a) unless indicated otherwise in the Contract)

FAR 52.232-7 Payments under Time-And-Materials and Labor-Hour Contracts (“schedule” means this Contract, “voucher(s)” means invoice(s))

FAR 52.232-20 Limitation of Cost (Applies to fully-funded Contracts)

FAR 52.232-22 Limitation of Funds (Applies to incrementally-funded Contracts)

FAR 52.243-2 Changes – Cost-Reimbursement (Applies to cost-reimbursement Contracts)

FAR 52.243-3 Changes – Time-And-Materials or Labor-Hour Contracts (Applies to time-and-materials or labor-hour Contracts)

FAR 52.244-2 Subcontracts (paragraphs (g) and (h) only apply)

FAR 52.246-2 Inspection of Supplies – Fixed-Price

FAR 52.246-3 Inspection Of Supplies – Cost-Reimbursement (“Contracting Officer” means AV’s purchasing representative, and “Government” means AV and the Government, provided that an inspection system accepted by the Government will be deemed accepted by AV, and where “Government” first appears in paragraph (k) it means “Government and/or Buyer”; the provisions in this clause for access, right to inspect, safety protection, and relief from liability apply equally to AV and the Government)

E. DFARS CLAUSES AND PROVISIONS

DFARS CLAUSES APPLICABLE TO ALL CONTRACTS WITHOUT REGARD TO DOLLAR VALUE:

DFARS 252-203-7002 Requirement to Inform Employees of Whistleblower Rights

DFARS 252-203-7003 Agency Office of the Inspector General Disclosure of Information (Applies to Contracts when SELLER will have access to or generate unclassified information that may be sensitive and inappropriate for release to the public.)

DFARS 252.204-7000

DFARS 252.204-7008 Compliance with Safeguarding Covered Defense Information Controls

DFARS 252.204-7009 Limitations on the Use or Disclosure of Third Party Contractor Reported Cyber Incident Information

DFARS 252.204-7012 Safeguarding of Unclassified Controlled Technical Information (Applies if this order is for operationally critical support or for which performance will involve covered defense information. SELLER will provide AV copies of notices provided to the Contracting Officer at the time such notices are sent, including copies of any reports SELLER receives from its lower tier subcontractors.)

DFARS 252.204-7015 Notice of Authorized Disclosure of Information to Litigation Support Contractors

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DFARS 252.204-7018	Prohibition On The Acquisition Of Covered Defense Telecommunications Equipment Or Services	DFARS 252.223-7008	Prohibition of Hexavalent CHROMIUM (Applies to all Contracts for supplies, maintenance and repair services, or construction materials.)
DFARS 252.204-7020	NIST SP 800-171 DOD Assessment Requirements	DFARS 252.225-7001	Buy American Act and Balance Of Payments Program
DFARS 252.204-7021	Cybersecurity Maturity Model Certification Requirements (Applies if the Contract, statement of work or Prime Contract requires a specific CMMC level.)	DFARS 252.225-7002	Qualifying Country Sources as Subcontractors
DFARS 252.208-7000	Intent To Furnish Precious Metals As Government-Furnished Material (Applies to Contracts when the item being purchased contains precious metals.)	DFARS 252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (Applies to Contracts for the acquisition of items covered by the United States Munitions List of the International Traffic in Arms Regulation.)
DFARS 252.211-7003	Item Identification and Valuation (SELLER's obligations under this clause are limited to cooperating with AV's efforts to comply with the clause, including granting AV access to SELLER's deliverables at its facilities and to appropriate property records.)	DFARS 252.225-7008	Restriction On Acquisition Of Specialty Metals (Applies to Contracts for the delivery of specialty metals as end items to AV or SELLER to the extent necessary to ensure compliance of the end products that AV will deliver to the Government when DFARS 252.225-7009 is in the Prime Contract.)
DFARS 252.211-7007	Reporting Of Government-Furnished Property (Applies to Contracts when FAR 52.245-1 is in the Prime Contract, and SELLER is in possession of Government Property; SELLER will comply with paragraph (d) of this clause.)	DFARS 252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals (excluding paragraph (d), applies to Contracts for items containing specialty metals to the extent necessary to ensure compliance of the end products that will be delivered to the Government.)
DFARS 252.215-7000	Pricing Adjustments (Applies to Contracts when FAR 52.215-11, FAR 52.215-12 or FAR 52.215-13 applies to this Contract.)	DFARS 252.225-7010	Commercial Derivative Military Article – Specialty Metals Compliance Certificate (Applies to solicitations for Contracts that will incorporate DFARS 252.225-7009.)
DFARS 252.216-7009	Allowability of Legal Costs Incurred in Connection with a Whistleblower Proceeding	DFARS 252.225-7012	Preference for Certain Domestic Commodities
DFARS 252.223-7001	Hazard Warning Labels (Applies to Contracts for goods that require submission of hazardous material data sheets (see FAR 23.302(c).)	DFARS 252.225-7013	Duty-Free Entry
DFARS 252.223-7002	Safety Precautions for Ammunition and Explosives ("Government" means the Government and/or AV)	DFARS 252.225-7015	Restriction on Acquisition of Hand or Measuring Tools
DFARS 252.223-7003	Change In Place Of Performance – Ammunition and Explosives	DFARS 252.225-7016	Restriction on Acquisition of Ball and Roller Bearings
DFARS 252.223-7006	Prohibition On Storage And Disposal Of Toxic And Hazardous Materials(Applies to Contracts that require, may require, or permit SELLER to treat or dispose of non-DoD-owned toxic or hazardous materials as defined in this clause; Alternate I applies if it is in the Prime Contract.)	DFARS 252.225-7021	Trade Agreements (Applies if the Contract contains other than U.S.-made, qualifying country, or designated country end products, in lieu of FAR 52.225-5.)
DFARS 252.223-7007	Safeguarding Sensitive Conventional Arms, Ammunition, And Explosives (Applies to Contracts for (i) the development, production, manufacture, or purchase of arms, ammunition, and explosives (AA&E), or (ii) when AA&E will be provided to SELLER as Government-furnished property.)	DFARS 252.225-7025	Restriction on Acquisition of Forgings
		DFARS 252.225-7027	Restriction on Contingent Fees For Foreign Military Sales
		DFARS 252.225-7028	Exclusionary Policies and Practices of Foreign Governments
		DFARS 252.225-7030	Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate
		DFARS 252.225-7031	Secondary Arab Boycott of Israel
		DFARS 252.225-7039	Defense Contractors Performing Private Security Functions Outside of the United States
		DFARS 252.225-7040	Contractor Personnel Supporting U.S. Armed Forces Deployed Outside The United States (Applies to Contracts that will be performed outside the United States in areas of combat and other

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Table with 3 columns: DFARS Reference Number, Description of Provision, and Summary of Provision. Rows include DFARS 252.225-7043, 252.225-7048, 252.225-7052, 252.225-7972, 252.225-7993, 252.225-7994, 252.227-7013, 252.227-7014, 252.227-7015, 252.227-7016, 252.227-7017, 252.227-7018, 252.227-7019, 252.227-7025, 252.227-7026, 252.227-7027, and 252.227-7028.

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whether acquired as a service or as a supply; insert "or AV" after "Government" throughout)

DFARS 252.243-7001 Pricing of Contract Modifications

DFARS 252.244-7000 Subcontracts for Commercial Items

DFARS 252.244-7001 Contractor Purchasing System Administration

DFARS 252-246-7000 Material Inspection and Receiving Report

DFARS 252.246-7001 Warranty of Data (Applies to solicitations and resulting Contracts that will include DFARS 252.227-7013)

DFARS 252.246-7003 Notification Of Potential Safety Issues (Applies to Contracts for (i) repairable or consumable 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)

DFARS 252.246-7007 Contractor Counterfeit Electronic Part Detection And Avoidance System (Applies to solicitations and resulting Contracts for (i) electronic parts; (ii) end items, component parts, or assemblies containing electronic parts; and (iii) services where the SELLER will supply electronic parts or components, parts, or assemblies containing electronic parts as part of the service)

DFARS 252.247-7024 Notification of Transportation of Supplies by Sea

DFARS 252.223-7999 Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors (Deviation 2021-00009)

DFARS CLAUSES APPLICABLE TO CONTRACTS OVER \$500,000

ALSO INCLUDE:

DFARS 252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns

DFARS CLAUSES APPLICABLE TO CONTRACTS OVER \$700,000

ALSO INCLUDE:

DFARS 252.219-7003 Small Business Subcontracting Plan (DoD Contracts (Applies to Contracts under Prime Contracts that contain FAR 52.219-9; include Alternate I if it is included in the Prime Contract)

DFARS 252.219-7004 Small Business Subcontracting Plan (Test Program) (Applies to Contracts that offer further subcontracting possibilities)

DFARS 252.225-7004 Quarterly Reporting of Actual Contract Performance outside the United States (Applies to Contracts when SELLER is a first-tier subcontractor)

DFARS CLAUSES APPLICABLE TO CONTRACTS OVER \$1,000,000 ALSO INCLUDE:

DFARS 252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements (Applies to Contracts issued under prime contracts containing the clause)

DFARS CLAUSES APPLICABLE TO CONTRACTS OF \$30,000 OR MORE ALSO INCLUDE:

DFARS 252.209-7004 Subcontracting With Firms That Are Owned or Controlled By the Government of a Terrorist Country

DFARS CLAUSES APPLICABLE TO CONTRACTS OF \$150,000 OR MORE ALSO INCLUDE:

DFARS 252.249-7002 Notification of Anticipated Contract Terminations or Reductions (except paragraph (d)(1))

DFARS CLAUSES APPLICABLE TO CONTRACTS OVER THE SIMPLIFIED ACQUISITION THRESHOLD (AS DEFINED AT FAR 2.101; CURRENTLY \$250,000) ALSO INCLUDE:

DFARS 252.203-7001 Prohibition on Persons Convicted Of Fraud or Other Defense-Contract-Related Felonies

DFARS 252.247-7023 Transportation of Supplies by Sea (applies in lieu of FAR 52.247-64; in the first sentence of paragraph (g), insert a period after "Contractor" and delete the balance of the sentence; paragraphs (f) and (g) shall not apply if the Contract is valued at or below the simplified acquisition threshold)

CERTIFICATION Regarding Compliance with DFARS 252.222-7006

If this clause is included in AV's Prime Contract, this certification applies to Contracts over \$1,000,000 issued under DoD contracts, except for Contracts for the acquisition of Commercial Items or COTS items.

By SELLER's acceptance of this Contract:

- (i) SELLER certifies that it shall not enter into, and shall not take any action to enforce any provision of, any agreement with any of its employees or independent contractors performing work related to this Contract or purchase order that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under Title VII of the Civil Rights Act of 1964, or any tort related to or arising out of a sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention; and
- (ii) SELLER certifies that it requires each of its lower-tier subcontractors that performs work under this Contract and that is a "covered subcontractor" as defined in DFARS 252.222-7006, to agree not to enter into, and not to take any action to enforce any provision of, any agreement with any of its employees or independent contractors performing work related to this Contract that requires, as a condition of employment, that the employee or independent contractor agree to resolve through arbitration any claim under Title VII of the Civil Rights Act of 1964, or any tort related to or arising out of a sexual assault or harassment, including assault and battery, intentional infliction of emotional distress, false imprisonment, or negligent hiring, supervision, or retention.

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DFARS 252.225-7033 Waiver of United Kingdom Levies (Applies to Contracts where a lower-tier subcontract exceeding \$1 million with a U.K. firm is anticipated)

DFARS CLAUSES APPLICABLE TO CONTRACTS OVER \$1,500,000 ALSO INCLUDE:

DFARS 252.211-7000 Acquisition Streamlining

DFARS CLAUSES APPLICABLE TO CONTRACTS OVER \$2,000,000 ALSO INCLUDE:

DFARS 252.215-7009 Proposal Adequacy Checklist

DFARS CLAUSES APPLICABLE TO CONTRACTS OVER \$5,000,000 ALSO INCLUDE:

DFARS 252.203-7003 Agency Office of the Inspector General (Applies if FAR 52.203-13 is included in this Contract)
DFARS 252.203-7004 Display Of Fraud Hotline Poster(s) (Applies to all Contracts except those that are for acquisition of Commercial Items, or that will be performed entirely outside the United States; if applicable, used in lieu of FAR 52.203-14 "Display of Hotline Poster(s)")

F. NASA FEDERAL ACQUISITION REGULATION SUPPLEMENT ("NFS")

For Contracts/Purchase Orders issued under a NASA Prime Contract, the following NFS Provisions and Clauses shall apply:

- NFS 1852.208-81 Restrictions on Printing and Duplicating
- NFS 1852.223-74 Drug- and Alcohol-Free Workforce
- NFS 1852.225-70 Export Licenses NFS 1852.228-76 Cross-Waiver of Liability for Space Station Activities
- NFS 1852.228-78 Cross-Waiver of Liability for NASA Expendable Launch Vehicle Launches
- NFS 1852.244-70 Geographic Participation in the Aerospace Program

G. SELLER CERTIFICATIONS AND REPRESENTATIONS

SELLER acknowledges that AV will rely upon SELLER's certifications and representations, including representations as to business size and socio-economic status as applicable, contained herein and in any written offer, proposal or quote, or company profile submission, which results in award of a Contract to SELLER. By entering into such Contract, SELLER republishes the certifications and representations submitted with its written offer, including company profile information, and oral offers/quotations made at the request of AV, and SELLER makes those certifications and representations set forth below. SELLER shall immediately notify AV of any change of status regarding any certification or representation.

1. FAR 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Applies to solicitations and contracts exceeding \$150,000)

(a) Definitions. As used in this provision--
"Lobbying contact" has the meaning provided at 2 U.S.C. 1602(8). The terms "agency," "influencing or attempting to influence," "officer or employee of an agency," "person," "reasonable compensation," and "regularly employed" are defined in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal

Transactions" (52.203-12).
(b) Prohibition. The prohibition and exceptions contained in the FAR clause of this solicitation entitled "Limitation on Payments to Influence Certain Federal Transactions" (52.203-12) are hereby incorporated by reference in this provision.
(c) Certification. SELLER hereby certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on its behalf in connection with the awarding of this contract.
(d) Disclosure. If any registrants under the Lobbying Disclosure Act of 1995 have made a lobbying contact on behalf of the offeror with respect to this contract, SELLER shall complete and submit, with its offer, to AV OMB Standard Form LLL, Disclosure of Lobbying Activities, to provide the name of the registrants. SELLER need not report regularly employed officers or employees of the offeror to whom payments of reasonable compensation were made.
(e) Penalty. Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by 31 U.S.C. 1352. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure required to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

2. FAR 52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters

- (a)(1) SELLER certifies, to the best of its knowledge and belief, that--
 - (i) SELLER and/or any of its Principals--
 - (A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
 - (B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state, or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property;
 - (C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision; and
 - (ii) SELLER has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.
 - (D) Have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied.
- (1) Federal taxes are considered delinquent if both of the following criteria apply:
 - (i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.
 - (ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.
- (2) Examples. (i) The taxpayer has received a statutory notice of deficiency, under I.R.C. Sec. 6212, which entitles the taxpayer to seek

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Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(ii) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. Sec. 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(iii) The taxpayer has entered into an installment agreement pursuant to I.R.C. Sec. 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(iv) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. 362 (the Bankruptcy Code).

(2) Principal, for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a division, or business segment; and similar positions).

(b) SELLER shall provide immediate written notice to AV if, at any time prior to contract award, SELLER learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that SELLER knowingly rendered an erroneous certification, in addition to other remedies available, AV may terminate this contract for default.

3. FAR 52.222-22 Previous Contracts and Compliance Reports

(a) SELLER represents that if SELLER has participated in a previous contract or subcontract subject to the Equal Opportunity clause (FAR 52.222-26): (1) SELLER has filed all required compliance reports and (2) that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained before subcontract awards.

(b) Paragraph (a) applies only to the extent (1) SELLER performs work in the United States, or (2) recruits employees in the United States to work on this Contract.

4. FAR 52.222-25 Affirmative Action Compliance

(a) SELLER represents: (1) that SELLER has developed and has on file at each establishment, Affirmative Action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (2) that in the event such a program does not presently exist, SELLER will develop and place in operation such a written Affirmative Action Compliance Program within one-hundred twenty (120) days from the award of this Contract.

(b) Paragraph (a) applies only to the extent (1) SELLER performs work in the United States, or (2) recruits employees in the United States to work on this Contract.

H. ADDITIONAL CLAUSES:

1. COST ACCOUNTING STANDARDS (Applies to modified and full

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CAS-covered contracts)

FAR 52.230-2	Cost Accounting Standards
FAR 52.230-3	Disclosure and Consistency of Cost Accounting Practices
FAR 52.230-4	Disclosure and Consistency of Cost Accounting Practices – Foreign Concerns
FAR 52.230-5	Cost Accounting Standards – Educational Institution
FAR 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 AV with copies of all communications between SELLER and the Contracting Officer respecting the applicable Cost Accounting Standards clause, and the Administration of Cost Accounting Standards clause, provided that SELLER shall not be required to disclose to AV such communications containing information confidential to the SELLER. In addition to any other remedies provided by law or under this Contract, SELLER agrees to indemnify and hold AV harmless to the full extent of any loss, damage, or expense if AV 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, 52.230-4, 52.230-5 or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses, except in FAR 52.230-6.

2. DEFECTIVE COST OR PRICING DATA

Unless otherwise exempt, SELLER shall submit a FAR Part 15 compliant proposal inclusive of appropriate updates throughout the negotiation process. At the conclusion of negotiations, and regardless of any prior certification, SELLER must certify as to the accuracy, currency and completeness of its information in accordance with the FAR required Certificate of Current Cost or Pricing Data.

a. Indemnification

If any price (including profit or fee) negotiated in connection with the Prime Contract between the Government and AV or any cost that is reimbursable under said contract is reduced because cost or pricing data furnished by the SELLER in connection with any proposal submitted by AV relating to said contract or in connection with this Contract was not accurate, complete, or current, the SELLER shall indemnify AV in the amount of said reduction.

The phrase “cost or pricing data” as used herein shall be deemed to include any such data which related to a lower-tier prospective or actual subcontract, at any level, which was submitted by the SELLER or the submission of which SELLER procured, in connection with the aforesaid proposal or this Contract 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 reflecting the price reduction, the SELLER shall be liable and shall pay to AV at the time such overpayment is repaid:

i. Simple interest on the amount of such overpayment to be computed from the date(s) of overpayment to the SELLER to the date AV is repaid by 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

ii. For Department of Defense contracts only, a penalty equal to the amount of the overpayment, if the SELLER knowingly submitted cost or pricing data which were incomplete, inaccurate, or non-current.

b. Cost or Pricing Data for Changes

Prior to the pricing of any change or other modification to this Contract which involves increases and/or decreases in costs plus applicable profit expected to exceed the threshold for submission of cost or pricing data, SELLER shall submit cost or pricing data and shall certify

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that the data, as defined in Federal Acquisition Regulation 15.406-2, submitted either actually or by specific identification in writing are accurate, complete, and current as of the date of completion of negotiations.

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

3. BUSINESS SYSTEMS RULE

SELLER shall communicate and otherwise deal directly with the United States Government Contracting Officer to the extent practicable and permissible as to all matters relating to any of SELLER's business systems under any of the following applicable Business Systems clauses: DFARS 252.215-7002 "Cost Estimating System Requirements," DFARS 252.234-7002 "Earned Value Management System," DFARS 252.242-7004 "Material Management and Accounting System," DFARS 252.242-7006 "Accounting System Administration," DFARS 252.244-7001 "Contractor Purchasing System Administration," and DFARS 252.245-7003 "Contractor Property Management System Administration" (hereinafter referred to collectively as "Business Systems clauses"). SELLER shall promptly provide AV with copies of communications with the United States Government related to significant deficiencies in any of SELLER's business systems under the applicable Business Systems clauses, provided that SELLER shall not be required to disclose to AV information confidential to SELLER contained in any such communications. In addition to any other remedies provided by law or under this Contract, SELLER hereby indemnifies and holds AV harmless to the full extent of any loss, damage, or expense, including without limitation any withholds under DFARS 252.242-7005, "Contractor Business Systems," to AV that result from any government action, claim, withhold or similar action against AV that results in a loss or expense to AV of any type, including, but not limited to, lost profit or fee, legal costs, interest, and indirect cost markups, because of a failure of SELLER or its lower-tier subcontractors to comply with any of the Business Systems clauses.

I. DISPUTES – GOVERNMENT CONTRACTS:

Any reference to "Disputes" in any applicable USG Clause contained herein shall mean this paragraph, Disputes – Government Contracts.

1. Any dispute arising under this Contract relating to any decision of the Contracting Officer under the Prime Contract shall be resolved in accordance with paragraph 2 below. All other disputes will be resolved by the Disputes and the Applicable Laws provisions of the "AeroVironment, Inc. Terms and Conditions for Subcontracts/Purchase Orders under a U.S. Government Prime Contract (All Agencies)."

2. Notwithstanding any other provisions in this Contract, any decision of the Contracting Officer under the Prime Contract that binds AV shall bind both AV and SELLER to the extent that it relates to this CONTRACT, provided that:

(a) AV notifies SELLER with reasonable promptness of such decision; and

(b) AV, at its sole discretion, authorizes SELLER in writing to appeal in the name of AV such decision at its own expense, or if AV should appeal such decision, AV at its sole discretion offers to SELLER the opportunity at SELLER's own expense to join AV in such appeal.

3. Any decision upon such appeal, when final, shall be binding upon SELLER, and SELLER shall have no recourse against AV for any damages to SELLER that allegedly resulted from the decision of the

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Contracting Officer.

a. SELLER shall keep AV informed of any appeal it makes by providing copies of all pertinent documents to AV.

b. SELLER shall indemnify and save harmless AV from any and all liability of any kind incurred by or imputed to AV under Section 5, "Fraudulent Claims," of the Contract Disputes Act of 1978, as amended, (41 U.S.C. 7103(c) (2)) if SELLER is unable to support any part of its claim and it is determined that such inability is attributable to fraud or misrepresentation of fact on the part of SELLER.

4. Pending any prosecution, appeal, or final decision or settlement of any dispute arising under this Contract, the SELLER shall proceed diligently, as directed by AV, with the performance of this Contract.

5. Nothing in this Paragraph I nor any authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgment by AV of the validity of SELLER's claim or any part thereof, nor be deemed to limit or in any way restrict AV from taking any actions, including available remedies, it deems appropriate to protect its own interests.

6. As used in this Paragraph I, the word "appeal" means an appeal taken under the Contract Disputes Act of 1978, as amended.