



**W R Systems, Ltd.**  
**Terms and Conditions of Purchase**  
**Addendum 2**

When materials, and products (“goods”) or services, including the products resulting from services hereby ordered, are for use in connection with a U.S. Government Prime Contract or higher-tier subcontract, in addition to the W R Systems, Ltd. Terms and Conditions of Purchase - Addendum 1, the following Federal Acquisition Regulation (FAR) clauses and provisions shall apply as required by the terms of the Prime Contract, or by operation of law or regulation. The effective version of each FAR provision shall be the same version as that which appears in Buyer’s Prime Contract, or higher-tier subcontract, under which this order is a subcontract. In the event of a conflict between the FAR provisions in this Addendum 2 and the W R Systems, Ltd. Terms and Conditions of Purchase - Addendum 1, the FAR provisions of this Addendum 2 shall control.

The following clauses set forth in the FAR in effect as of the date of the Prime Contract or higher-tier subcontract are incorporated herein by reference. In all clauses listed herein, the terms “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 FAR 52.227-1 and FAR 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.

**1. APPLICABLE TO ALL ORDERS:**

1. **52.203-3** “Gratuities”
2. **52.203-10** “Price or Fee Adjustment for Illegal or Improper Activity”
3. **52.204-2** “Security Requirements”
4. **52.204-9** “Personal Identity Verification of Contractor Personnel”
5. **52.211-5** “Material Requirements”
6. **52.211-15** “Defense Priority and Allocation Requirements”
7. **52.215-22** “Limitations on Pass-Through Charges – Identification of Subcontract Effort” (Excluding paragraph (c)(1), which is deleted from this provision.) (Applicable to solicitations for cost-reimbursement Purchase Orders that exceed the simplified-acquisition threshold issued under non-Department of Defense (DoD) Government solicitations issued after October 13, 2009, and to DoD solicitations issued after such date for Purchase Orders that exceed the threshold for obtaining cost of pricing data, except for solicitations for firm-fixed-price (FFP) Purchase Orders, fixed-price (FP) Incentive Purchase Orders, and FP Purchase Orders with economic price adjustment, all of the foregoing awarded on the basis of adequate price competition.)
8. **52.215-23 & Alt I** “Limitations on Pass-Through Charges” (Include Alternate I if it is included in the Prime Contract) (Applicable to cost-reimbursement Purchase Orders that exceed the simplified-acquisition threshold issued under non- DoD Government contracts awarded after October 13, 2009, and to Purchase Orders that exceed the threshold for obtaining cost of pricing data, issued under DoD contracts awarded after October 13, 2009 except for FFP Purchase Orders, FP Incentive Purchase Orders, and FP Purchase Orders with economic price adjustment, all of the foregoing awarded on the basis of adequate price competition.)
9. **52.219-8** “Utilization of Small-Business Concerns”
10. **52.222-1** “Notice to the Government of Labor Dispute”
11. **52.222-4** “Contract Worker Hours and Safety Standards Act-Overtime”
12. **52.222-41** “Service Contract Act of 1965”

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13. **52.222-50 & Alt 1** “Combating Trafficking in Persons and Alternate 1 (Include Alternate 1 if it is included in the Prime Contract.)”
14. **52.223-3** “Hazardous Material Identification and Material Safety Data” – (“Government” means “Government and Buyer”)
15. **52.223-5** “Pollution Prevention and Right-to-Know Information” (Applicable in contracts that provide for performance on a Federal facility.)
16. **52.223-7** “Notice of Radioactive Materials” (Applicable in contracts supplies which are, or which contain, radioactive materials.)
17. **52.223-11** “Ozone-Depleting Substances”
18. **52.224-2** “Privacy Act”
19. **52.225-1** “Buy American Act – Supplies”
20. **52.225-8** “Duty-Free Entry”
21. **52.225-13** “Restrictions on Certain Foreign Purchases”
22. **52.227-9** “Refund of Royalties”
23. **52.227-10** “Filing of Patent Applications – Classified Subject Matter”
24. **52.227-11** “Patent Rights – Ownership by the Contractor”
25. **52.227-14** “Rights in Data – General”
26. **52.227-19** “Commercial Computer Software License”
27. **52.228-3** “Workers’ Compensation Insurance” (Defense Base Act)
28. **52.228-4** “Workers’ Compensation and War Hazard Insurance Overseas”
29. **52.228-5** “Insurance-Work on a Government Installation”
30. **52.234-1** “Industrial Resources Developed Under Defense Production Act Title III”
31. **52.236-13** “Accident Prevention”
32. **52.237-2** “Protection of Government Buildings, Equipment, and Vegetation”
33. **52.242-13** “Bankruptcy”
34. **52.243-6** “Change Order Accounting”
35. **52.244-5** “Competition in Subcontracting”
36. **52.244-6** “Subcontracts for Commercial Items”
37. **52.245-1** “Government Property” (Applicable to Purchase Orders issued under Prime Contracts containing FAR 52.245-1 without Alternate I, other than FP Purchase Orders that are not awarded on the basis of adequate price competition or the submission of cost or pricing data.)
38. **52.245-1 Alt I** “Government Property” (Alternate I – Applicable to Purchase Orders issued under Prime Contracts containing FAR 52.245-1 with Alternate I, or to Purchase Orders issued under contracts containing FAR 52.245-1 without Alternate I, which are FP Purchase Orders that are not awarded on the basis of adequate price competition or the submission of cost or pricing data.)
39. **52.245-1 Alt II** “Government Property” (Alternate II – Applicable to Purchase Orders for the conduct of basic or applied research at non-profit institutions of higher education or at non-profit institutions whose primary purpose is the conduct of scientific research.)
40. **52.245-2** Government Property Installation Services (Applicable if the Purchase Order is a service contract to be performed on a Government installation when Government furnished property will be provided for initial provisioning only, and the Government is not responsible for repair or replacement.)
41. **52.245-9** “Use and Charges”

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- 42. **52.246-2** "Inspection of Supplies – Fixed Price"
- 43. **52.246-16** "Responsibility for Supplies"
- 44. **52.247-63** "Preference for U.S.-Flag Air Carriers"
- 45. **52.247-64** "Preference for Privately-Owned U.S.-Flag Commercial Vessels"
- 46. **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.")

**1.1 ORDERS OVER THE MICRO-PURCHASE THRESHOLD (AS DEFINED AT FAR 2.101) ALSO INCLUDE THE FOLLOWING:**

- 1. **52.223-18** "Encouraging Contractor Policies to Ban Text Messaging while Driving"

**1.2 ORDERS OVER \$10,000 ALSO INCLUDE THE FOLLOWING:**

- 1. **52.222-21** "Prohibition of Segregated Facilities"
- 2. **52.222-26** "Equal Opportunity"
- 3. **52.222-40** "Notification of Employee Rights Under the National Labor Relations Act" (Applicable to Purchase Orders issued under Prime Contracts resulting from solicitations issued after December 12, 2010.)

**1.3 ORDERS OVER \$15,000 ALSO INCLUDE:**

- 1. **52.222-20** "Walsh-Healy Public Contracts Act"
- 2. **52.222-36** "Affirmative Action for Workers with Disabilities"

**1.4 ORDERS OF \$25,000 OR MORE ALSO INCLUDE:**

**1.5 ORDERS OVER \$35,000 ALSO INCLUDE:**

**1.6 ORDERS OVER \$100,000 ALSO INCLUDE THE FOLLOWING:**

- 1. RESERVED

**1.7 ORDERS OVER \$150,000 ALSO INCLUDE THE FOLLOWING:**

- 1. **52.203-5** "Covenant Against Contingent Fees"
- 2. **52.203-6** "Restrictions on Subcontractor Sales to the Government"
- 3. **52.203-7** "Anti-Kickback Procedures" (less paragraph (c)(1))
- 4. **52.203-12** "Limitation on Payments to Influence Certain Federal Transactions"
- 5. **52.215-2** "Audit and Records Negotiation"
- 6. **52.215-14** "Integrity of Unit Prices" (less paragraph (b))
- 7. **52.222-35** "Equal Opportunity for Veterans"
- 8. **52.222-37** "Employment Reports on Veterans"
- 9. **52.227-1** "Authorization and Consent and Alternate I" (Include Alternate 1 if it is included in the Prime Contract.)
- 10. **52.227-2** "Notice and Assistance Regarding Patent and Copyright Infringement"
- 11. **52.248-1** "Value Engineering"
- 12. **52.203-16** "Preventing Personal Conflicts of Interest" (Applicable to Purchase Orders 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 agency or department.)

**1.8 ORDERS OVER \$250,000 ALSO INCLUDE:**

- 1. **52.223-99 (OCT 2021) (Deviation)** – "Ensuring adequate Coronavirus Disease 2019 (COVID-19) Safety Protocols for Federal Contractors" (This clause is applicable to services when the contract amount is expected to be at or above \$250,000. "Covered contractors must immediately designate one or more persons to coordinate implementation of, and compliance with, the guidance and the required workplace-safety protocols." This clause

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does not include contracts or subcontracts under \$250,000 in value, or contracts or subcontracts “solely for the manufacturing of products.” Contracts and subcontracts with Indian Tribes under the Indian Self-Determination and Education Assistance Act are excluded from this requirement, but procurement contracts or subcontracts under the FAR with Indian-owned or tribally-owned business entities are considered Covered Contracts. Further, solicitations and contracts where employees are performing work only outside the U.S. or its outlying areas are excluded from the applicability of FAR 52.233-99. All employees, except those with a permitted medical or religious accommodation, must be fully vaccinated for COVID-19 by Dec. 8; 2021, and all individuals, including employees and visitors, must immediately comply with published CDC guidance for masking and physical distancing in the workplace/sites.” This clause does not include contracts or subcontracts under \$250,000 in value, or contracts or subcontracts “solely for the manufacturing of products.” Contracts and subcontracts with Indian Tribes under the Indian Self-Determination and Education Assistance Act are excluded from this requirement, but procurement contracts or subcontracts under the FAR with Indian-owned or tribally-owned business entities are considered Covered Contracts. Further, solicitations and contracts where employees are performing work only outside the U.S. or its outlying areas are excluded from the applicability of FAR 52.233-99.)

**1.9 ORDERS OVER \$650,000 ALSO INCLUDE:**

1. **52.219-9** “Small-Business Subcontracting Plan” (Note to Seller: This clause requires adoption of small-business subcontracting plan and reporting.)

**1.10 UNLESS OTHERWISE EXEMPT, ALSO INCLUDE THE FOLLOWING:**

1. **52.215-10** “Price Reduction for Defective Certified Cost or Pricing Data”
2. **52.215-11** “Price Reduction for Defective Certified Cost or Pricing Data – Modifications”
3. **52.215-12** “Subcontractor Certified Cost or Pricing Data”
4. **52.215-13** “Subcontractor Certified Cost or Pricing Data – Modifications”
5. **52.215-15** Pension Adjustments and Asset Reversions
6. **52.215-18** “Reversion or Adjustment of Plans for Post-Retirement Benefits, Other Than Pensions”
7. **52.215-19** “Notification of Ownership Changes”
8. **52.215-20** “Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data”
9. **52.215-21** “Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications”

**1.11 APPLICABLE TO COST REIMBURSEMENT, TIME AND MATERIAL, OR LABOR-HOUR ORDERS:**

1. **52.215-16** “Facilities Capital Cost of Money”
2. **52.216-7** “Allowable Cost and Payment” (Seller agrees to execute assignment documents in order to comply with subsection (h).)
3. **52.216-8** “Fixed Fee” (Applicable if this is a cost plus fixed fee order.)
4. **52.216-10** “Incentive Fee” (Applicable if this is a cost plus incentive fee order.)
5. **52.216-11** “Cost Contract – No Fee” (Applicable if this is a cost no-fee order.)
6. **52.216-12** “Cost Sharing Contract – No Fee” (Applicable if this is a cost sharing, no-fee order.)
7. **52.222-2** “Payment for Overtime Premiums” – Insert “0%” in paragraph (a), unless indicated otherwise on the face of this order.
8. **52.232-7** “Payments under Time-and-Materials and Labor-Hour Contracts” – (“Schedule” means this Purchase Order, “voucher(s)” means invoice(s), “Government” means Buyer, and “Contracting Officer” means Buyer’s Purchasing Representative.)
9. **52.232-20** “Limitation of Cost” (if fully funded)
10. **52.232-22** “Limitation of Funds” (if incrementally funded)

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11. **52.243-2** “Changes – Cost Reimbursement” (Applicable if this is a cost-reimbursement order.)
12. **52.243-3** “Changes – Time and Material or Labor-Hours” (Applicable if this is a time and material or labor-hour order.)
13. **52.244-2** “Subcontracts” (Paragraphs (h) and (i) only apply.)
14. **52.246-3** “Inspection of Supplies (Cost Reimbursement)” – (“Contracting Officer” means Buyer’s 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 for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.)
15. **52.246-5** “Inspection of Services (Cost Reimbursement)” – (“Contracting Officer” means Buyer’s 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 for access, right to inspect, safety protection, and relief from liability apply equally to Buyer provisions and the Government.)
16. **52.246-6** “Inspection of Time and Material and Labor Hour” – (“Contracting Officer” means Buyer’s 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 for access, right to inspect, safety protection, and relief from liability apply equally to Buyer and the Government.)
17. **52.249-6** “Termination (Cost Reimbursement)” – (“Government” means “Buyer,” and “Contracting Officer” means Buyer’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 is applicable to time and material, or labor-hour orders only.)
18. **52.249-14** “Excusable Delays”

**1.12 APPLICABLE TO ORDERS OVER \$5,000,000:**

1. **52.203-14** “Display of Hotline Poster(s)”

**1.13 APPLICABLE TO ORDERS THAT HAVE A VALUE OF MORE THAN \$5,000,000; AND THAT HAVE A PERFORMANCE PERIOD OF MORE THAN 120 DAYS:**

1. **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 meaning of “OIG of the ordering agency,” “IG of the agency”, “agency OIG,” and “Contracting Officer” do not change.)

**2. CERTIFICATIONS:**

The Offeror, by signing its offer, hereby certifies compliance with the following clauses and is, therefore, eligible for award.

1. **52.203-11** “Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions” (over \$150,000)
2. **52.209-5** “Certification Regarding Responsibility Matters” (over \$30,000)
3. **52.222-22** “Previous Contracts and Compliance Reports” (over \$10,000)
4. **RESERVED**

**3. ADDITIONAL CLAUSES:**

**Cost-Accounting Standards** (Applicable if noted in the Purchase Order.):

1. **52.230-1** “CAS - Cost Accounting Standards Notices and Certification”
2. **52.230-2** “Cost-Accounting Standards”
3. **52.230-3** “Disclosure and Consistency of Cost-Accounting Practices”

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4. **52.230-4** "CAS - Disclosure and Consistency of Cost Accounting Practices--Foreign Concerns"
5. **52.230-5** "Cost-Accounting Standards – Educational Institution"
6. **52.230-6** "Administration of Cost-Accounting Standards"
7. **52.230-7** "CAS - Proposal Disclosure—Cost Accounting Practice Changes"
8. **51.215-9** "Make or Buy"

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 respecting the applicable Cost-Accounting Standards clause, and the Administration of Cost-Accounting Standards clause, provided Seller shall not be required to disclose to Buyer such communications containing information 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, 52.230-4, 52.230-5 or 52.230-6. Paragraph (b) is deleted in each of the foregoing clauses, except in FAR 52.230-6.

**TRUTH IN NEGOTIATIONS (Cost and 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 as to the accuracy, currency, and completeness of its information in accordance with (IAW) the FAR-required Certificate of Current Cost or Pricing Data.

**1. Indemnification**

If any price (including profit or fee) negotiated in connection with the Prime Contract between the Government and the Buyer, 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 the Buyer relating to said contract, or in connection with this Purchase Order, was not accurate, complete, or current, the Seller shall indemnify the Buyer 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 which it procured by submission of, 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 reflecting the price reduction, the Seller shall be liable and shall pay the Buyer at the time such overpayment is repaid:

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

For DoD 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.

**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 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 Purchase Order, Seller shall obtain such data.

**4. DISPUTES – GOVERNMENT CONTRACTS**

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

1. Any dispute arising under this Purchase Order relating to any decision of the Contracting Officer under the Prime

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Contract shall be resolved IAW paragraph 2, below. All other disputes will be resolved by the Disputes and Governing Law Section in the General Terms and Conditions of Purchase.

2. Notwithstanding any other provisions in this Purchase Order, any decision of the Contracting Officer under the Prime Contract which binds Buyer shall bind both Buyer and Seller to the extent that it relates to this Purchase Order, provided that:
  - a. The Buyer notifies with reasonable promptness the Seller of such decision and,
  - b. The Buyer, at its sole discretion, authorizes in writing the Seller to appeal in the name of the Buyer such decision at its own expense, or
  - c. If Buyer should appeal such decision, Buyer at its sole discretion offers to the Seller the opportunity at its own expense to join Buyer in such appeal.
3. Any decision upon such appeal, when final, shall be binding upon the Seller, and Seller shall have no recourse against Buyer for any damages that allegedly resulted from the decision of the Contracting Officer.
4. The Seller shall keep Buyer informed of any appeal it makes by providing copies of all pertinent documents to Buyer.
5. The Seller shall indemnify and save harmless Buyer from any and all liability of any kind incurred by or imputed to Buyer under Section 5, "Fraudulent Claims," of the Contract Disputes Act of 1978, as amended, 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.
6. Pending any prosecution, appeal, or final decision, or settlement of any dispute arising under this Purchase Order, the Seller shall proceed diligently, as directed by Buyer, with the performance of this Purchase Order.
7. Nothing in this Section 4, nor any authorization or offer that may be made, shall be deemed to constitute acceptance or acknowledgment by Buyer of the validity of Seller's claim or any part thereof, nor be deemed to limit, or in any way restrict, Buyer from taking any actions, including available remedies, it deems appropriate to protect its own interests.
8. As used in this Section 4, the word "appeal" means an appeal taken under the Contract Disputes Act of 1978, as amended.

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