



1. Introduction & Applicability

These Terms & Conditions (T&Cs) apply to all fixed-price subcontracts and purchase orders issued by FBC Enterprises LLC ("FBC Enterprises") in support of United States Government prime contracts. These clauses are incorporated by reference with the same force and effect as if set forth in full text. Applicability of each clause is subject to the nature of the work, contract value, and whether the items provided are non-commercial, commercial, or COTS.

For product quality, packaging, marking, documentation, and compliance obligations applicable to all suppliers, refer to **Appendix C – Supplier Quality & Compliance Requirements**.

2. Definitions

- **Prime Contract:** The contract between FBC Enterprises and the U.S. Government (or higher-tier contractor).
- **Subcontract:** Any agreement entered into by the SELLER to furnish supplies, materials, or services.
- **Contracting Officer:** The Government official authorized to administer the Prime Contract.
- **Contractor:** FBC Enterprises LLC.
- **Subcontractor / SELLER:** The party identified in the subcontract agreement.
- **Commercial Item / COTS:** As defined in FAR 2.101.

3. Incorporated FAR and DFARS Clauses

FAR and DFARS clauses that are mandatory or applicable based on value thresholds, contract type, or item classification are incorporated by reference. These include, but are not limited to:

A. General Contract Administration

FAR 52.203-6, 52.204-25, 52.209-6, 52.232-40

B. Ethics and Business Conduct

FAR 52.203-12, 52.203-13 (if >\$5.5M & >120 days), 52.203-17



C. Cost and Pricing (if applicable)

FAR 52.215-12, 52.215-13, 52.215-14, 52.215-23

D. Small Business Participation

FAR 52.219-8, 52.219-9 (if >\$750K, non-small business)

E. Labor and Equal Opportunity

FAR 52.222-26, 52.222-35, 52.222-36, 52.222-41, 52.222-50, 52.222-54

F. Trade Compliance and Country of Origin

FAR 52.225-1, 52.225-5, 52.225-13

G. Intellectual Property and Data Rights (if applicable)

FAR 52.227-1, 52.227-2, 52.227-14

H. Quality Assurance

FAR 52.246-2, 52.246-11, 52.246-26

I. Termination and Default

FAR 52.249-2, 52.249-8

J. Cybersecurity and Data Protection

DFARS 252.204-7012 applies to any subcontract involving the performance of work where the supplier will access, store, process, or transmit Covered Defense Information (CDI) or Controlled Unclassified Information (CUI). Compliance with NIST SP 800-171 safeguards and timely cyber incident reporting are required.

Additional applicable clauses are outlined in **Attachment A: FAR and DFARS Flowdown Matrix.**

4. Certifications and Representations

By accepting this subcontract, SELLER certifies that:

- It is not debarred, suspended, or proposed for debarment.
- It complies with applicable equal opportunity and affirmative action laws, including FAR 52.222-26, 52.222-35, and 52.222-36.
- It complies with DFARS 252.204-7012 where CUI is involved.



- No funds were used to influence federal transactions in violation of FAR 52.203-12.

SELLER must immediately notify FBC Enterprises of any change affecting these representations.

5. Communication, Flowdown, and Amendments

- All communications with the Government must be coordinated through FBC Enterprises.
- SELLER agrees to flow down applicable FAR and DFARS clauses to lower-tier subcontractors.
- SELLER agrees to reasonable contract modifications if required to comply with changes in the Prime Contract.



Attachment A: FAR and DFARS Flowdown Matrix

FAR Clause	Title	Threshold	Applies To	Flowdown Required
52.203-6	Restrictions on Subcontractor Sales to the Government	\$250,000	Gov-unique	Yes
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	\$250,000	Gov-unique	Yes
52.203-13	Contractor Code of Business Ethics and Conduct	\$5,500,000 and >120 days	Gov-unique	Yes
52.203-17	Contractor Employee Whistleblower Rights	\$250,000	Gov-unique	Yes
52.204-25	Prohibition on Contracting for Certain Telecom and Video Surveillance Services	All applicable	Gov-unique	Yes
52.209-6	Protecting the Government's Interest When Subcontracting with Debarred Contractors	\$35,000	Gov-unique	Yes
52.215-12	Subcontractor Certified Cost or Pricing Data	> FAR 15.403 threshold	Gov-unique	Yes
52.215-13	Subcontractor Certified Cost or Pricing Data - Modifications	> FAR 15.403 threshold	Gov-unique	Yes
52.215-14	Integrity of Unit Prices	Simplified Acquisition Threshold	Gov-unique	Yes
52.215-23	Limitation on Pass-Through Charges	\$250,000	Gov-unique	Yes
52.219-8	Utilization of Small Business Concerns	All applicable	Gov-unique	Yes
52.219-9	Small Business Subcontracting Plan	\$750,000 (unless small business)	Gov-unique	Yes
52.222-26	Equal Opportunity	All applicable	Gov-unique	Yes
52.222-35	Equal Opportunity for Veterans	\$250,000	Gov-unique	Yes
52.222-36	Affirmative Action for Workers with Disabilities	\$15,000	Gov-unique	Yes
52.222-41	Service Contract Act of 1965	If SCA applies	Gov-unique	Yes
52.222-50	Combating Trafficking in Persons	All applicable	Gov-unique	Yes
52.222-54	Employment Eligibility Verification	\$3,500	Gov-unique	Yes



FBC Enterprises LLC
Standard Terms & Conditions for Fixed-Price Subcontracts

Form No.: 47401

Revision: **3**

52.225-1	Buy American Act - Supplies	All applicable	Gov-unique	Yes
52.225-5	Trade Agreements	If TAA applies	Gov-unique	Yes
52.225-13	Restrictions on Certain Foreign Purchases	All applicable	Gov-unique	Yes
52.227-1	Authorization and Consent	If in prime contract	Gov-unique	Yes
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	\$250,000	Gov-unique	Yes
52.227-14	Rights in Data - General	If data rights apply	Gov-unique	Yes
52.232-40	Providing Accelerated Payments to Small Business Subcontractors	If small business	Gov-unique	Yes
52.246-2	Inspection of Supplies - Fixed Price	All applicable	Gov-unique	Yes
52.246-11	Higher-Level Contract Quality Requirement	All applicable	Gov-unique	Conditional
52.246-26	Reporting of Nonconforming Items	If item listed in clause	Gov-unique	Yes
52.249-2	Termination for Convenience of the Government (Fixed-Price)	All applicable	Gov-unique	Yes
52.249-8	Default (Fixed-Price Supply and Service)	All applicable	Gov-unique	Yes
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting	If CUI involved	Gov-unique	Yes
252.225-7001	Buy American and Balance of Payments Program	All applicable	Gov-unique	Yes
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	If specialty metals apply	Gov-unique	Yes
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System	If electronic components	Gov-unique	Yes
252.246-7008	Sources of Electronic Parts	If electronic components	Gov-unique	Yes



Appendix C: Supplier Quality & Compliance Requirements

Order of Precedence

- If any requirement(s) in this document conflict with the Purchase Order, the Purchase Order shall take precedence.
- If any requirement(s) in the Purchase Order conflict with associated U.S. Government contract requirements, the contract requirements shall take precedence.

Acceptance

The Supplier's acceptance of this Purchase Order constitutes agreement to all stated terms and conditions, including but not limited to:

- Purchase Order price and quantity
- Delivery terms
- Product specifications
- Quality and regulatory compliance
- Packaging and documentation requirements

Acknowledgement and Order Confirmation

Supplier shall acknowledge receipt of each Purchase Order and confirm acceptance by sending confirmation to: **mary@fbcenterprises.com**

Agreement

Acknowledgment and acceptance of the Purchase Order constitutes a binding agreement between the Supplier and FBC Enterprises. Any changes to the terms must be approved in writing by both parties. FBC Enterprises reserves the right to withdraw a Purchase Order at no cost if requirements are not met.



Cancellation of Purchase Order

If the Supplier becomes aware of any delivery delay beyond the Contract Delivery Date(s), they must:

- Notify FBC Enterprises immediately in writing
- Provide the reason for delay and a proposed revised delivery date
- Understand that revised terms are subject to written approval

Delays, nonconforming product, or deficient documentation may result in cancellation of the Purchase Order at no cost to FBC Enterprises. In such cases, the Supplier may also be liable for additional costs or penalties incurred.

Corrections and Exceptions

- If a correction or exception to a Purchase Order is needed, submit a written request referencing the PO number and related contract.
- Revised Purchase Orders replace all prior versions and must be used moving forward.

Flow Down Requirements

The Supplier must flow down all applicable terms from the Purchase Order to sub-tier suppliers. This includes:

- Technical specifications and drawings
- Key characteristics and safety items
- Regulatory requirements
- FBC Enterprises' customer (government) contract clauses

Right of Access

FBC Enterprises, our customers, and Government representatives reserve the right to access the Supplier's and any sub-tier supplier's relevant facilities, records, and work for inspection or audit purposes. This requirement must be flowed down to all sub-tier suppliers.



Government Contracts

If the order supports a U.S. Government contract, this will be indicated on the Purchase Order along with any applicable **DPAS rating**. In such cases:

- Supplier must comply with **15 CFR 700** (DPAS regulations)
- Product must be **new, unused, and of domestic manufacture**, unless otherwise specified
- Relevant **FAR, DFARS, and DLAD** clauses apply and shall be considered incorporated

Counterfeit / Fraudulent Electronic Parts

If the order includes electronic components or assemblies:

- Supplier must maintain a counterfeit part detection and avoidance system in accordance with **AS6496** and/or **AS5553**
- Supplier must notify FBC Enterprises prior to sourcing from non-authorized distributors
- Supplier systems should align with **DFARS 252.246-7007 and 252.246-7008**, even if not formally flowed down

Nonconforming Product

All delivered product is subject to inspection upon receipt. Product must:

- Meet all applicable specifications, drawings, and Purchase Order terms
- Be free from defects in materials or workmanship

If product is found to be nonconforming:

- FBC Enterprises will notify the Supplier and initiate return and correction
- All costs for removal and return will be the Supplier's responsibility
- The Supplier must immediately disclose any known nonconformance prior to shipment
- The use of "use-as-is" or "repair" dispositions requires FBC Enterprises' written authorization



- FBC Enterprises reserves the right to request a formal corrective action

Prohibited Sources

Suppliers and sub-tier suppliers may not use sources listed on the **Excluded Parties List System (EPLS)**. Suppliers must verify eligibility status using [SAM.gov](https://sam.gov) in accordance with **FAR 52.209-6**.

First Article Inspection (FAI)

Where specified, FBC Enterprises will require First Article Inspection (FAI) or First Article Testing (FAT). Purchase Orders will identify:

- Location of the inspection
- First piece or full lot qualification
- Reporting requirements, test criteria, and documentation deliverables

Unless otherwise agreed in writing, the Supplier is responsible for the cost of first article activities.

Government Source Inspection (GSI)

If Government Source Inspection is required, the details and inspection point(s) will be clearly stated in the Purchase Order. The Supplier must coordinate with FBC Enterprises to schedule inspection.

Certifications and Traceability

At the time of shipment, the Supplier must provide all certifications and documentation required by the Purchase Order, including:

- Certificates of Conformance
- Test Reports
- Safety Data Sheets (if applicable)
- Full traceability back to the original manufacturer (if Supplier is not the manufacturer)

Records must be retained and made available upon request.



Calibration

Any tools, gages, or equipment used to inspect or verify final product acceptance must be calibrated per the latest version of:

- **ANSI/NCSL Z540.3**
- **ISO 10012-1** or **ISO/IEC 17025**
- And be traceable to the **National Institute of Standards and Technology (NIST)**

Shelf Life Materials

Unless otherwise specified, products requiring shelf life must have **at least 90% shelf life remaining** at the time of delivery.

- Shelf life and cure dates must be clearly labeled on packaging and documented on the certification.

Foreign Object Debris (FOD) Control

Supplier shall maintain a documented **FOD prevention program** appropriate to the product and manufacturing environment to ensure no contamination or debris is introduced into the end item.

Marking and Labeling

Products must be marked/labeled in accordance with:

- The latest revision of the technical drawing
- The government contract (if applicable)
- Any special PO instructions

Packaging

Products shall be packaged to prevent damage, contamination, or corrosion. Unless otherwise stated, packaging must:

- Conform to drawing or Purchase Order requirements



- Comply with applicable **MIL-STD** or **commercial best practices**
- Ensure safe handling through shipping and receiving

Hazardous Material

When applicable, shipments must comply with:

- **RoHS** (Restriction of Hazardous Substances)
- **REACH** (Registration, Evaluation, Authorization and Restriction of Chemicals)

Each chemical shipment must include a **Safety Data Sheet (SDS)**.

Export Compliance / ITAR

If the product is subject to **ITAR**, the Supplier must:

- Comply with all U.S. export regulations under **22 CFR §§ 120–130**
- Clearly identify the part as **"ITAR PART"** on the packing slip and certifications
- Prevent unauthorized transfer or export of controlled information

Affirmative Action Compliance

FBC Enterprises is an **Equal Opportunity Employer**. Suppliers must comply with affirmative action and nondiscrimination laws, including:

- **FAR 52.222-26** Equal Opportunity
- **FAR 52.222-35** Equal Opportunity for Veterans
- **FAR 52.222-36** Affirmative Action for Workers with Disabilities