



TEAM TECHNOLOGIES, INC.

STANDARD TERMS AND CONDITIONS OF PURCHASE

1. ACCEPTANCE OF PURCHASE ORDERS

This Purchase Order is TEAM Technologies' (hereinafter referred to as TEAM or Buyer) offer to purchase the goods and/or services specified according to the terms and conditions specified herein. The Purchase Order together with any attachments specifically incorporated or referenced along with these General Terms and Conditions contain the entire understanding between and among the parties and supersedes any prior understandings and agreements among them respecting the subject matter of this Agreement. Modifications hereto or additions hereto, to be effective, must be made in writing and signed by TEAM and the Seller. This Agreement shall be binding upon the successors and assigns of the parties. In the event that any TEAM Purchase Order does not state price or delivery, TEAM will not be bound to any prices or delivery date to which it has not specifically agreed in writing.

2. CHANGES

No changes, modifications or revisions to this order shall be valid unless in writing and signed by TEAM's Buyer. TEAM's Buyer may at any time, by written notice, make changes within the general scope of this order to drawings and specifications, shipping instructions, place of delivery, inspection or acceptance, quantities, and delivery schedules. If any such change causes an increase or decrease in the price or in the time required for its performance, Seller shall promptly notify TEAM thereof and assert its claim for equitable adjustment within thirty (30) days after the change is ordered, and an equitable adjustment in the price and/or delivery schedules will be made. Nothing contained in this provision shall relieve Seller from proceeding without delay in the performance of this order as changed.

3. PRICE

The prices established by this Purchase Order are firm fixed prices unless otherwise stated in the Purchase Order.

The Articles shipped or work performed against this Purchase Order must not be invoiced at a higher price than shown on the face of this order without the written consent of TEAM. The invoice must itemize transportation charges, including foreign inland freight and insurance and taxes separately, if applicable. If the price is omitted from the order, the price shall be the lowest prevailing market price. No charge will be allowed for packing, labeling, commissions, customs duties, storage, crating, or express handling unless indicated on this order.

4. ASSIGNMENT

Neither this order nor any interest under it shall be assigned by Seller without the prior written consent of TEAM, except that claims for monies due or to become due under this



order may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, by Seller without such consent. TEAM shall be furnished with two signed copies of any such assignment. Payment to an assignee of any such claim shall be subject to setoff for any present or future claim or claims which TEAM may have against Seller except to the extent that any such claims are expressly waived in writing by TEAM. TEAM reserves the right to make direct settlements and/or adjustments in price with Seller under the terms of this order, notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee.

5. PROPRIETARY RIGHTS

(a) Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order and subject to Paragraph 5(d) below, all specifications, information, data, drawings, software and other items supplied to Buyer by Seller shall be disclosed to Buyer on a non-proprietary basis and may be used and/or disclosed by Buyer without restriction.

(b) Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order and subject to Paragraph 5(d) below, all specifications, information, data, drawings, software and other items which are (i) supplied to Seller by Buyer or (ii) obtained or developed by Seller in the performance of this Purchase Order or paid for by Buyer shall be proprietary to Buyer, shall be used only for purposes of providing goods or services to Buyer pursuant to this Purchase Order, and shall not be disclosed to any third party without Buyer's express written consent. All such items supplied by Buyer or obtained by Seller in performance of this Purchase Order or paid for by Buyer shall be promptly provided to Buyer on request or upon completion of this Purchase Order.

(c) Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order and subject to Paragraph 5(d) below, any invention or intellectual property first made or conceived by Seller in the performance of this Purchase Order or which is derived from or based on the use of information supplied by Buyer shall be considered to be the property of Buyer; and Seller shall execute such documents necessary to perfect Buyer's title thereto. Unless otherwise expressly agreed in a contemporaneous or subsequent writing to the contrary or otherwise expressly set forth in this Purchase Order and subject to Paragraph 5(d) below, any work performed pursuant to this Purchase Order which includes any copyright interest shall be considered a "work made for hire". Subject to Paragraph 5(d) below, to the extent any of such works do not qualify as a "work made for hire", Seller hereby assigns to Buyer all its intellectual property rights, including its copyright rights, in such works effective immediately upon creation of such works, including when they are first fixed in a tangible medium.

(d) Applicable U.S. Government Procurement Regulations incorporated into this Purchase Order shall, when applicable, take precedence over any conflicting provision of this Section 5 to the extent that such Regulations so require. The incorporation by reference of such U.S.



Government Regulations dealing with subcontractors rights in Technical Data, subject inventions, copyrights, software and similar intellectual property are not intended to, and shall not, unless otherwise required by applicable law, obviate or modify any greater rights which Seller may have previously granted to Buyer pursuant to prior agreements between the Parties.

6. NEW MATERIAL AND PACKAGING AND SHIPPING INSTRUCTIONS

(a) All goods to be delivered hereunder shall consist of new materials.

(b) Seller shall prepare and package the goods in accordance with instructions or specifications on this Purchase Order. In the absence of any such instructions, Seller shall comply with the best commercial practice for packing and packaging of goods hereunder. No charges will be allowed for packing, crating, freight, local cartage, and/or any other services unless so specified in this Purchase Order.

(c) Unless otherwise stated in the Purchase Order, F.O.B. point shall be Destination.

(d) Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing lists, bills of lading, airbills, and invoices.

7. INVOICE AND FRIEGHT BILL

(a) Invoices may be mailed when Goods are shipped, but the time for payment shall not commence until Buyer's actual or scheduled receipt, whichever is later, of items at their destination or upon satisfactory completion of Services.

(b) Buyer shall promptly pay Seller the amount due within 45 days, except if identified elsewhere in the Purchase Order, unless the invoices amount is in dispute. Buyer may withhold payment for shortages and/or non-conforming Goods or Services. Payment shall not constitute acceptance of Products.

(c) Seller shall send a separate invoice for each shipment and shall include the following information taken from Buyer's Order: (a) Order number; (b) item number; (c) part serial number (if serialized); (d) part number; (e) unit of measure; (f) unit price; (g) current quantity invoiced and cumulative to date; (h) unit ECCN or ITAR designation, if applicable. Seller's invoice shall also include: (h) Seller's phone number and address; (i) invoice number; (j) date prepared; (k) item quantity; (l) extended item price; and (m) total invoice value. If Seller's "remit to" address is different than the address indicated on the Order, clearly identify the "remit to" address on the invoice. No invoice shall be issued prior to shipment of Products. Seller shall also provide documentation to support its invoice as Buyer may reasonably require. For each shipment made at Buyer's expense (i.e., FOB Origin), Seller shall include a copy of the freight bill (which shall include the weight of items shipped) with each invoice. Buyer reserves the right to return invoices failing to comply with these instructions for re-submittal of a correct invoice.



8. DELIVERY; NOTICE OF DELAY

TIME IS OF THE ESSENCE ON THIS ORDER. If goods are not delivered or services provided by the date specified, TEAM may terminate, without liability, this order as to items not yet shipped or services not yet rendered, by notice effective upon receipt by Seller. In such instance, TEAM may purchase substitute items or services elsewhere and charge Seller with any loss incurred. If in order to comply with TEAM's required delivery date it becomes necessary for Seller to ship by a more expensive method than specified in this Purchase Order, Sellers shall pay any increased transportation costs, unless the necessity for such rerouting or expedited handling has been caused by TEAM. Acceptance by TEAM of any items after delivery date shall not be deemed a waiver of any rights or any damages suffered, and shall only be an attempt by TEAM to mitigate such damages. Failure by Seller to complete delivery within the time specified shall in addition to other rights and remedies, relieve TEAM of obligation to accept and pay for goods and/or services ordered. Seller will be held liable for damages suffered by TEAM due late deliveries.

9. INSPECTION

(a) All goods and services shall be subject to inspection and test at all reasonable times and places by Buyer or Buyer's customer before, during and after performance and delivery. Buyer may require Seller to repair, replace or reimburse the purchase price of rejected goods or Buyer may accept any goods and upon discovery of nonconformance, may reject or keep and rework any such goods not so conforming. Cost of repair, rework, replacement, inspection, transportation, repackaging, and/or reinspection by Buyer shall be at Seller's expense. Buyer's acceptance of goods or services shall not be deemed to diminish Buyer's rights or be final or binding on Buyer if latent defects, fraud, or misrepresentation on the part of Seller exists.

(b) If inspection and test are made on the premises of Seller or Seller's lower-tier subcontractors, Seller shall furnish without additional charge all reasonable facilities, information and assistance necessary for the safe and convenient inspection and tests required by the inspectors in the performance of their duty. The foregoing provisions of this Section are supplementary to and not in lieu of the provisions of Paragraph 8 (a) above.

(c) Neither Buyer's inspection nor any Buyer failure to inspect shall relieve Seller of any responsibility to perform according to the terms of this Purchase Order.

10. WARRANTY

(a) Seller represents and warrants that the price charged for the goods and/or services purchased pursuant hereto shall be no higher than Seller's current price to any other customer for the same quality and quantity of such goods or services.

(b) Seller warrants the goods delivered pursuant to this Purchase Order, unless specifically stated otherwise in this Purchase Order, shall (i) be new (ii) be free from defects in workmanship, materials, and design and (iii) be in accordance with all the requirements of



this Purchase Order. Seller further warrants that the performance of work and services shall conform with the requirements of this Purchase Order and to high professional standards. All warranties in this Purchase Order shall survive inspection, test, final acceptance and payment of goods and services.

(c) Seller warrants that the goods delivered pursuant to this Purchase Order shall (i) be and only contain materials obtained directly from the Original Component Manufacturer (OCM) or the Original Equipment Manufacturer (OEM), (collectively, the Original Manufacturer (OM)) or an authorized OM reseller or distributor; (ii) not be or contain Counterfeit Items, as defined below; and (iii) contain only authentic, unaltered OM labels and other markings. Seller shall obtain and retain all documentation required to fully trace the distribution and sale of the goods delivered hereunder back to the relevant OM, and, on request of Buyer, shall provide such authenticating documentation. Counterfeit Items include, but are not limited to, goods or separately-identifiable items or components of goods that: (i) are an illegal or unauthorized copy or substitute of an OM item; (ii) are not traceable to an OM sufficient to ensure authenticity in OM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OM or are not constructed in accordance with OM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OM design but not disclosed as such or are represented as OM authentic or new; (v) have not passed successfully all OM required testing, verification, screening, and quality control processes; or (vi) an item with altered or disguised documentation, package labeling, or item marking intended to mislead a person into believing a non-OM item is genuine, or that an item is of better or different performance when it is not. Seller further warrants that it has and shall have an internal Counterfeit Item control process for goods delivered hereunder in accordance with the standards or instructions set forth in any Buyer's specifications, or other provisions incorporated into this Purchase Order. Buyer shall have the right to audit, inspect, and / or approve the processes at any time before or after delivery of the goods ordered hereunder. Buyer shall have the right to require changes to the processes to conform with Buyer's defined standards, if any. Failure of the Seller to conform its processes with Buyer's defined standards may result in the termination of this Purchase Order in accordance with the termination provisions set forth herein. Seller shall include the substance of this Section 9(b) in any agreement between Seller and its lower tier sellers.

(d) Seller warrants that any hardware, software and firmware goods delivered under this Purchase Order: (i) shall not contain any viruses, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: (a) damage, destroy or alter any software or hardware; (b) reveal, damage, destroy, or alter any data; (c) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware; (ii) shall not contain any third party software (including software that may be considered free software or open source software) that (a) may require any software to be published, accessed or otherwise made available without the consent of Buyer, or (b) may require distribution, copying or modification of any software free of charge; and (iii) shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party.



(e) This warranty entitlement shall inure to the benefit of both Buyer and Buyer's customers and shall cover a period of 12 months following delivery. As used in this Purchase Order, Buyer's customer(s) shall include its direct and indirect customers such as direct sale end-users, higher-tier subcontractors, prime contractors and the ultimate user under relevant prime contract(s).

(f) Seller shall be liable for and save Buyer harmless from any loss, damage, or expense whatsoever that Buyer may suffer from breach of any of these warranties. Remedies shall be at Buyer's election, including, but not limited to, the prompt repair, replacement or reimbursement of the purchase price of nonconforming goods and, in the case of services either the prompt correction of the defective services at no cost or reimbursement of the amounts paid for such services. Return to Seller of defective or nonconforming goods and redelivery to Buyer of repaired or replaced goods shall be at Seller's expense. Goods or services required to be corrected, repaired or replaced shall be subject to this Section and the Inspection Section of this Purchase Order in the same manner and to the same extent as goods or services originally delivered under this Purchase Order, but only as to the repaired or replaced goods or parts thereof or the corrected service thereof. Seller shall promptly comply with Buyer's direction to (i) repair, rework or replace the goods, (ii) furnish any material or parts and installation required to successfully correct the defect or nonconformance or (iii) successfully correct the defective or nonconforming service.

11. TERMINATION FOR CONVENIENCE

(a) Buyer may, by written notice, terminate this Purchase Order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under the Purchase Order.

(b) In the event of termination for convenience by Buyer, Seller shall be reimbursed for actual, reasonable, substantiated and allocable costs, plus a reasonable profit for work performed to date of termination. Any termination settlement proposal shall be submitted to Buyer promptly, but no later than thirty (30) days from the effective date of the termination. In no event shall the amount of any settlement be in excess of the Purchase Order value. Buyer may take immediate possession of all goods, complete or incomplete, and all products resulting from services upon written notice of termination to Seller. TEAM shall have the right to audit all elements of any termination claim, and Seller shall make available to TEAM on request all books, records and papers relating thereto.

12. TERMINATION FOR DEFAULT

(a) Buyer may, by notice in writing, terminate this Purchase Order in whole or in part at any time for (i) breach of any one or more of its terms, (ii) failure to deliver goods or services within the time specified by this Purchase Order or any written extension, (iii) failure to make progress so as to endanger performance of this Purchase Order, (iii) deliveries of products which are defective or which do not conform to this order, or (v) failure to provide adequate assurance of future performance. Buyer may also terminate this Purchase Order in



whole or in part in the event of Seller's suspension of business, insolvency, appointment of a receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of its creditors. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under the Purchase Order.

(b) In the event of Seller's default hereunder, Buyer may exercise any or all rights and remedies accruing to it, both at law, including without limitation, those set forth in Article 2 of the Uniform Commercial Code, or in equity. In addition, in the event Buyer terminates for default all or any part of this Purchase Order, Seller shall be liable for Buyer's re-procurement costs.

(c) If this Purchase Order is terminated for default, Buyer may require Seller to transfer title to, and deliver to Buyer, as directed by Buyer, any (1) completed supplies, and (2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this Section) that Seller has specifically produced or acquired for the terminated portion of this Purchase Order. Upon direction of Buyer, Seller shall also protect and preserve property in its possession in which Buyer has an interest.

13. FORCE MAJEURE

Neither Buyer nor Seller shall be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence. Such causes include, but are not limited to, acts of God or of the public enemy, acts of the government in its sovereign or contractual capacity, fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In the event that performance of this Purchase Order is hindered, delayed or adversely affected by causes of the type described above ("Force Majeure"), then the Party whose performance is so affected shall so notify the other Party's authorized representative in writing and, at Buyer's option, this Purchase Order shall be completed with such adjustments to delivery schedule as are reasonably required by the existence of Force Majeure or this Purchase Order may be terminated for convenience pursuant to Section 11.

14. BUYER'S PROPERTY

(a) All drawings, tools, jigs, dies, fixtures, materials, and other property supplied or paid for by Buyer shall be and remain the property of Buyer; and if Seller fails to return such property upon Buyer's demand, Buyer shall have the right, upon reasonable notice, to enter Seller's premises and remove any such property at any time without being liable for trespass or damages of any sort.

(b) All such items shall be used only in the performance of work under this Purchase Order unless Buyer consents otherwise in writing.

(c) Goods made in accordance with Buyer's specifications and drawings shall not be furnished or quoted by Seller to any other person or concern without Buyer's prior written consent.



(d) Seller shall have the obligation to maintain any and all property furnished by Buyer to Seller and all property to which Buyer acquires an interest by this Purchase Order and shall be responsible for all loss or damage to said property except for normal wear and tear.

(e) Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss or damage.

(f) Seller shall clearly mark, maintain in inventory, and keep segregated or identifiable all of Buyer's property.

15. RECORDS AND AUDITS

Buyer reserves the right to audit Seller's records to assure compliance with the terms of this Purchase Order. Seller shall make available all data reasonably requested by Buyer.

16. TAXES

Unless this Purchase Order specifies otherwise, the price of this Purchase Order includes, and Seller is liable for and shall pay, all taxes, impositions, charges and exactions imposed on or measured by this Purchase Order except for applicable sales and use taxes that are separately stated on Seller's invoice. Prices shall not include any taxes, impositions, charges or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption.

17. INFRINGEMENT

Seller warrants that all goods and services (for purposes of this Section 17 hereinafter "items"), provided by Seller pursuant to this Purchase Order, which are not of Buyer's design, shall be free from claims of infringement (including misappropriation) of third party intellectual property rights and that any use or sale of such items by Buyer or any of Buyer's customers shall be free from any claims of infringement. Seller shall indemnify and save Buyer, and its customers harmless from any and all expenses, liability, and loss of any kind (including all costs and expenses including attorneys' fees) arising out of claims, suits, or actions alleging such infringement, which claims, suits, or actions Seller, hereby, agrees to defend, at Seller's expense, if requested to do so by Buyer. Seller may replace or modify infringing items with comparable items acceptable to Buyer of substantially the same form, fit, and function so as to remove the source of infringement, and Seller's obligations under this Purchase Order including those contained in Section 10 and in this Section 17 shall apply to the replacement and modified items. If the use or sale of any of the above items is enjoined as a result of such claim, suit or action, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item.

18. INDEMNIFICATION

(a) Seller shall indemnify, hold harmless, and at Buyer's request, defend Buyer, its officers, directors, customers, agents and employees, against all claims, liabilities, damages, losses and expenses, including attorneys' fees and cost of suit arising out of or in any way connected with the Goods or Services provided under this Purchase Order, including, without limitation: (i) the breach of any warranty contained herein; (ii) any claim based on the death or bodily injury to any person, destruction or damage to property, or contamination of the environment and any associated clean up costs; (iii) Seller failing to satisfy the Internal Revenue Service's guidelines for an independent contractor; (iv) any claim based on the negligence, omissions or willful misconduct of Seller or any of Seller's agents, subcontractors, employees or anyone acting on behalf of Seller; and, (v) any claim by a third party against Buyer alleging that the Goods or Services (including but not limited to software), the results of such Services, or any other products or processes provided under this Purchase Order, infringe a patent, copyright, trademark, trade secret or other proprietary right of a third party, whether such are provided alone or in combination with other products, software or processes. Seller shall not settle any such suit or claim without Buyer's prior written approval. Seller agrees to pay or reimburse all costs that may be incurred by Buyer in enforcing this indemnity, including attorneys' fees.

(b) Should Buyer's use, or use by its distributors, subcontractors or customers, of any Goods or Services purchased from Seller be enjoined, be threatened by injunction, or be the subject of any legal proceeding, Seller shall, at its sole cost and expense, either: (i) substitute fully equivalent non-infringing Goods or Services; (ii) modify the Goods or Services so that they no longer infringe but remain fully equivalent in functionality; (iii) obtain for Buyer, its distributors, subcontractors or customers the right to continue using the Goods or Services; or, (iv) if none of the foregoing is possible, refund all amounts paid for the infringing Goods or Services.

(c) Seller shall without limitation as to time, defend, indemnify and hold Buyer harmless from all liens which may be asserted against property covered hereunder, including without limitation mechanic's liens or claims arising under Worker's Compensation or Occupational Disease laws and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by Buyer's negligence.

(d) Seller shall without limitation as to time, defend, indemnify and hold Buyer harmless from all Worker's Compensation or Occupational Disease laws claims for bodily injury including death to employees of the seller brought forth by the Seller's employees and/or their family arising out of or in connection with this Purchase Order.

19. INSURANCE

Seller shall comply with all the rules and regulations established by Buyer for access to and activities in and around premises controlled by Buyer or Buyer's customer. Seller shall be responsible for the actions and failure to act of all parties retained by, through, or under Seller in connection with the performance of this Purchase Order. Seller shall also maintain, and cause its sub-supplier's to maintain, such General Liability, Property Damage,



Employer's Liability, and Workers' Compensation Insurance, Professional Errors and Omissions Insurance, and Motor Vehicle Liability (Personal Injury and Property Damage) Insurance as are specified in this Purchase Order or, if none are specified, such amount as will protect Seller (and its sub-supplier's) and Buyer from said risks and from any claims under any applicable Workers' Compensation, Occupational Disease, and Occupational Safety and Health statutes. Seller shall provide Buyer with certificates evidencing required insurance upon Buyer's request.

20. ELECTRONIC TRANSMISSIONS

(a) The parties agree that if this Purchase Order is transmitted electronically, neither party shall contest its validity, or any acknowledgment thereof, on the basis that this Purchase Order or acknowledgment contains an electronic signature.

(b) Seller shall, at Buyer's request and Seller's expense, send and receive business transactions by electronic means using Web-based technologies. Such Web-based technologies for electronic transmissions may include, but not be limited to: (a) email and (b) the Internet directly between Buyer and Seller.

21. RELEASE OF INFORMATION

Seller shall not publish, distribute, or use any information developed under or about the existence of this Purchase Order, or use the TEAM name (or the name of any division, affiliate or subsidiary thereof), logo, trademark, service mark, or trade dress for the purpose of advertising, making a news release, creating a business reference, creating a website content or for goods or service endorsement without prior written approval of Buyer.

22. EXPORT/IMPORT CONTROLS

(a) If Seller is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services Seller hereby certifies that it has registered with the U.S. Department of State Directorate of Defense Trade Controls and understands its obligations to comply with International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR").

(b) Seller shall control the disclosure of and access to technical data, information and other items received under this Purchase Order in accordance with U.S. export control laws and regulations, including but not limited to the ITAR. Seller agrees that no technical data, information or other items provided by Buyer in connection with this Purchase Order shall be provided to any foreign persons or to a foreign entity, including without limitation, a foreign subsidiary of Seller, without the express written authorization of Buyer and Seller's obtaining of the appropriate export license, technical assistance agreement or other requisite documentation for ITAR-controlled technical data or items. It shall be the sole responsibility of Seller to determine whether the information provided by Buyer is technical data as outlined in the ITAR (22 CFR 120-130) prior to any release to a third party abiding by the terms outlined herein. Seller shall indemnify Buyer for all liabilities, penalties, losses,



damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Seller.

(c) Seller shall immediately notify Buyer if it is or becomes listed on any Excluded or Denied Party List of an agency of the U.S. Government or its export privileges are denied, suspended or revoked.

(d) Should Seller's goods or services originate from a foreign location, those goods may also be subject to the export control laws and regulations of the country in which the articles or services originate. Seller agrees to abide by all applicable export control laws and regulations of that originating country. Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Seller, its officers, employees, agents, suppliers or subcontractors at any tier. Buyer shall be responsible for complying with any laws or regulations governing the importation of the articles into the United States of America.

(e) Buyer may be required to obtain information concerning citizenship or export status of Seller's personnel. Seller agrees to provide such information as necessary and certifies the information to be true and correct.

23. DISPUTES

The provisions of this Purchase Order shall be interpreted in accordance with the laws of the State of New Mexico without resort to said state's Conflict of Law rule, and in accordance with its fair meaning and not strictly against either party. Pending final resolution of a dispute hereunder, Seller shall proceed diligently with the performance of this Purchase Order and in accordance with all the Terms and Conditions contained herein and with the Buyer's direction thereof. Buyer and Seller shall each bear its own costs of processing any dispute hereunder. In no event shall the Seller acquire any direct claim or direct course of action against the United States Government.

24. REMEDIES

(a) Except as otherwise provided herein, the rights and remedies of both Parties hereunder shall be in addition to their rights and remedies at law or in equity. Failure of either Party to enforce any of its rights shall not constitute a waiver of such rights or of any other rights and shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect.

(b) Buyer shall be entitled at all times to set off any amount owing at any time from Seller or any of its affiliated companies to Buyer, against any amount payable at any time by Buyer or any of its affiliated companies to Seller.



25. COMMUNICATION WITH BUYER'S CUSTOMER

Buyer shall be solely responsible for any and all communication with Buyer's customer regarding this or any related Subcontract.

26. INDEPENDENT CONTRACTOR STATUS

Seller is, and shall remain, an independent contractor during the performance of this Subcontract.

27. ORDER OF PRECEDENCE

In the event of any inconsistency or conflict between or among the provisions of this Purchase Order, such inconsistency or conflict shall, subject to Section 5(d) above, be resolved by the following descending order of preference: 1. Order-specific provisions provided in full text on the Purchase Order as additions to the pre-printed terms; 2. Documents incorporated by reference on the Purchase Order which apply to the Purchase Order as a whole and not to a specific line item therein; 3. These General Terms and Conditions of Purchase and Supplements thereto; 4. Statement of Work; and 5. Specifications attached hereto or incorporated by reference.

28. SEVERABILITY

If any provision of this Purchase Order or application thereof is found invalid, illegal or unenforceable by law, the remainder of this Purchase Order will remain valid, enforceable and in full force and effect, and the Parties will negotiate in good faith to substitute a provision of like economic intent and effect.

29. PRIORITY RATING

If so identified, this Purchase Order is a "rated order" certified for national defense use, and Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

30. INTERNATIONAL TRANSACTIONS

- (a) Payment will be in United States dollars unless otherwise agreed to by specific reference in this Purchase Order.
- (b) Seller agrees that Buyer, its subsidiaries, affiliates or its designees may exclusively use the value of the Purchase Order to satisfy any international offset obligations that Buyer may have with Seller's country, subject to the offset qualifying laws, rules and regulations of that country.



31. BANKRUPTCY

If the Seller enters into any proceeding relating to bankruptcy, it shall give written notice via certified mail to the Buyer within five (5) days of initiation of the proceedings. The notification shall include the date on which the proceeding was filed, the identity and location of the court and all listing of the agreement numbers for which final payment has not been made.

32. SUSPENSION/DEBARMENT

Seller shall provide immediate notice to Buyer in the event of being suspended, debarred or declared ineligible by any federal agency, or upon receipt of a notice of a proposed debarment during the performance of a Purchase Order.

33. SURVIVABILITY

Seller's obligations that by their very nature must survive expiration, termination or completion of this Purchase Order, including but not limited to obligations under the Termination for Convenience, Termination for Default, Proprietary Rights, Release of Information, Warranty, Infringement, Compliance with Law, Responsibility and Insurance, Indemnity Against Claims, Export/Import Controls, and Electronic Transmissions provisions of this Purchase Order, shall survive expiration, termination or completion of this Purchase Order.

34. COMPLETE AGREEMENT

This Purchase Order is the Parties' final expression of their agreement and is the complete and exclusive statement of all terms and conditions of agreement. This Purchase Order supersedes and cancels all prior understandings, proposals, communications, whether oral or written, and agreements between the Parties, whether such understandings, proposal, communications, and agreements were written or oral, concerning the matters addressed in this Purchase Order. No course of prior dealings between the Parties, and no usage of trade, shall be relevant to supplement or explain any terms used in the Purchase Order.

35. COMPLIANCE WITH LAWS

(a) Seller warrants that the goods to be furnished and the services to be rendered under this Purchase Order shall be manufactured, sold, used and rendered in compliance with all relevant federal, state, local law, orders, rules, ordinances, and regulations, including but not limited to the Foreign Corrupt Practices Act, 15 U.S.C. § 78 et seq. (the "FCPA") and all laws and regulations of Seller's place of performance, and in compliance with applicable international prohibitions on child labor. To the extent that Federal Government Contract Law does not resolve a particulate issue, the laws of the State of New Mexico shall apply, exclusive of that body of laws known as conflicts of law. Seller certifies that with respect to the production of the goods and/or the performance of the services covered by this Purchase Order, it has fully complied with Sections 6, 7, 12, and 15 of the Fair Labor Standards Act of



1938, as amended, and of regulations and orders of the United States Department of Labor under Section 14 thereof, if applicable.

(b) Seller warrants that all goods delivered under this Purchase Order are in conformance with the latest OSHA requirements.

(c) Seller warrants that in the performance of this Purchase Order, it will comply with all applicable U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations; and Seller further agrees to save Buyer harmless from any loss, damage, fine, penalty, or expense whatsoever that Buyer may suffer as a result of Seller's failure to comply with this warranty. The foregoing is in addition to and not in mitigation of any other requirements of this Purchase Order.

(d) Seller warrants that it has complied with the Anti-Kickback Act of 1986 and has not offered or given and will not offer or give to any employee, agent, or representative of Buyer any gratuity or any kickback within the meaning of the Anti-Kickback Act of 1986. Any breach of this warranty shall be a material breach of each and every contract between Buyer and Seller.

(e) Seller shall obtain and maintain all registrations, licenses and permits required to perform the work hereunder.

(f) *The following clauses are applicable only to Purchase Orders issued under DoD contracts, as indicated on the face page of the Purchase Order.* The clauses set forth in the FAR and DFARS are in effect on the date of the Purchase Order, and are incorporated by reference with the same force and effect as if they were given in full text. The full text of these clauses may be found at Title 48 of the Code of Federal regulations (CFR). Upon request the Buyer will make the full text available. Where necessary to make the clauses applicable to this Purchase Order, "Contractor" shall mean "Seller," "Contracting Officer" shall mean "Buyer," and the "Government" shall mean "Buyer" or the "Government" whenever appearing in the clauses. Seller shall include the following clauses in its lower-tier purchase orders as required. If any of the following FAR or DFARS clauses do not apply to a particular purchase order, such clauses are considered to be self-deleting.

FAR Clauses at <https://www.acquisition.gov/far/>; and

DFARS Clauses at <http://farsite.hill.af.mil/vdfar.htm>

A. 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. **52.204-7** "Central Contractor Registration"

5. **52.204-9** “Personal Identity Verification of Contractor Personnel”
6. **52.211-5** “Material Requirements”
7. **52.211-15** “Defense Priority and Allocation Requirements”
8. **52.212-4** “Contract Terms and Conditions—Commercial Items”
52.215-8 “Order of Precedence—Uniform Contract Format”
9. **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-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 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.)
10. **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.)
11. **52.219-8** “Utilization of Small Business Concerns”
12. **52.222-1** “Notice to the Government of Labor Dispute”
13. **52.222-3** “Convict Labor”
14. **52.222-4** “Contract Worker Hours and Safety Standards Act-Overtime”
15. **52.222-19** “Child Labor – Cooperation with Authorities and Remedies”
16. **52.222-41** “Service Contract Act of 1965”
17. **52.222-50 & Alt 1** “Combating Trafficking in Persons and Alternate 1 (Include Alternate 1 if it is included in the prime contract)”
18. **52.222-54** “Employment Eligibility Verification” (This clause is applicable to a Purchase Order for (i) for construction or commercial or noncommercial services (except commercial services that are part of a purchase of a COTS item or an item that would be a COTS item, but for minor modifications, performed by the COTS provider, and that are normally provided for that COTS item); (ii) has a value more than \$3,000; and (iii) includes work performed in the United States.)
19. **52.223-3** “Hazardous Material Identification and Material Safety Data” – (“Government” means “Government and Buyer)
20. **52.223-5** “Pollution Prevention and Right-to-Know Information” (Applicable in contracts that provide for performance on a Federal facility.)
21. **52.223-6** “Drug-Free Workplace”
22. **52.223-7** “Notice of Radioactive Materials” (Applicable in contracts supplies which are, or which contain radioactive materials.)
23. **52.223-11** “Ozone-Depleting Substances”
24. **52.224-2** “Privacy Act”

25. **52.225-1** “Buy American Act – Supplies”
26. **52.225-8** “Duty-Free Entry”
27. **52.225-13** “Restrictions on Certain Foreign Purchases”
28. **52.227-9** “Refund of Royalties”
29. **52.227-10** “Filing of Patent Applications-Classified Subject Matter”
30. **52.227-11** “Patent Rights – Ownership by the Contractor”
31. **52.227-14** “Rights in Data – General”
32. **52.227-19** “Commercial Computer Software License”
33. **52.228-3** “Workers’ Compensation Insurance” (Defense Base Act)
34. **52.228-4** “Workers’ Compensation and War Hazard Insurance Overseas”
35. **52.228-5** “Insurance-Work on a Government Installation”
36. **52.232-11** “Extras”
37. **52.234-1** “Industrial Resources Developed Under Defense Production Act Title III”
38. **52.236-13** “Accident Prevention”
39. **52.237-2** “Protection of Government Buildings, Equipment and Vegetation”
40. **52.242-13** “Bankruptcy”
41. **52.242-15** “Stop Work Order”
42. **52.243-6** “Change Order Accounting”
43. **52.244-5** “Competition in Subcontracting”
44. **52.244-6** “Subcontracts for Commercial Items”
45. **52.245-1** “Government Property” (Applicable to Purchase Orders issued under prime contracts containing FAR 52.245-1 without Alternate I, other than fixed-price Purchase Orders that are not awarded on the basis of adequate price competition or the submission of cost or pricing data.)
46. **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 fixed-price Purchase Orders that are not awarded on the basis of adequate price competition or the submission of cost or pricing data.)
47. **52.245-1 Alt II** “Government Property” (Alternate II – Applicable to Purchase Orders 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.)
48. **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.)
49. **52.245-9** “Use and Charges”
50. **52.246-2** “Inspection of Supplies – Fixed-Price”
51. **52.246-16** “Responsibility for Supplies”
52. **52.247-34** “F.O.B. Destination”
53. **52.247-63** “Preference for U.S.-Flag Air Carriers”
54. **52.247-64** “Preference for Privately Owned U.S.-Flag Commercial Vessels”
55. **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.”)
56. **252.203-7002** “Requirement to Inform Employees of Whistleblower Rights”
 57. **252.204-7003** “Control of Government Personnel Work Product”
 58. **252.204-7004** “Alternate A, Central Contractor Registration”
 59. **252.223-7001** “Hazard Warning Labels”
 60. **252.223-7008** “Prohibition of Hexavalent Chromium”
 61. **252.225-7031** “Secondary Arab Boycott of Israel”
 62. **252.227-7000** “Non-Estoppel”
 63. **252.243-7001** “Pricing of Contract Modifications”
 64. **252.244-7000** “Subcontracts for Commercial Items and Commercial Components (DoD Contracts)”
 65. **252.245-7001** “Tagging, Labeling, and Marking of Government-Furnished Property”
 66. **252.245-7002** “Reporting Loss of Government Property”
 67. **252.245-7003** “Contractor Property Management System Administration”
 68. **252.247-7023** “Transportation of Supplies by Sea”
 69. **252.247-7024** “Notification of Transportation of Supplies by Sea”

B. ORDERS OVER \$3,000 ALSO INCLUDE THE FOLLOWING:

1. **52.223-18** “Contractor Policy to Ban Text Messaging While Driving”

C. 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.)

D. 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”

E. ORDERS OF \$25,000 OR MORE ALSO INCLUDE:

1. **52.204-10** “Reporting Executive Compensation and First-Tier Subcontract Awards” (Not applicable if Seller is exempt under Paragraph (d)(2). “Contractor” shall mean the Buyer in Paragraph (c). Seller shall report to Buyer the information required by Paragraphs (c)(1) and the executive compensation information required by Paragraph (c)(3), unless Seller is exempt thereunder.)

F. ORDERS OVER \$30,000 ALSO INCLUDE:

1. **52.209-6** “Protecting the Government’s Interest when Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment”

G. ORDERS OF \$100,000 OR MORE ALSO INCLUDE:

1. **52.223-14** “Toxic Chemical Release Reporting” (less paragraph (e))
2. **52.222-35** “Equal Opportunity for Veterans”
3. **52.222-37** “Employment Reports on Veterans”

H. ORDERS OVER \$150,000 ALSO INCLUDE THE FOLLOWING:

1. **52.202-1** “Definitions”
2. **52.203-5** “Covenant Against Contingent Fees”
3. **52.203-6** “Restrictions on Subcontractor Sales to the Government”
4. **52.203-7** “Anti-Kickback Procedures” (less paragraph (c)(1))
5. **52.203-8** “Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
6. **52.203-10** “Price or Fee Adjustment for Illegal or Improper Activity”
7. **52.203-12** “Limitation on Payments to Influence Certain Federal Transactions”
8. **52.204-4** “Printed or Copied Double-Sided on Postconsumer Fiber Content Paper”
9. **52.213-4** “Terms and Conditions – Simplified Acquisitions (other than Commercial Items)”
10. **52.215-2** “Audit and Records Negotiation”
11. **52.215-14** “Integrity of Unit Prices” (less paragraph (b))
12. **52.227-1** “Authorization and Consent and Alternate I” (Include Alternate 1 if it is included in the prime contract.)
13. **52.227-2** “Notice and Assistance Regarding Patent and Copyright Infringement”
14. **52.229-4** “Federal, State, and Local Taxes (State and Local Adjustments”
15. **52.246-23** “Limitation of Liability”
16. **52.248-1** “Value Engineering”
17. **52.249-8** “Default (Fixed-Price Supply and Service)”
18. **252.209-7004** “Subcontracting with Firms That Are Owned or Controlled by the Government of a Terrorist Country”
19. **252.225-7012** “Preference for Certain Domestic Commodities”
20. **252.243-7002** “Requests for Equitable Adjustment”

I. ORDERS OVER \$500,000 ALSO INCLUDE:

1. **52.209-9** “Updates of Publicly Available Information Regarding Responsibility Matters”
2. **252.226-7001** “Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns”

J. 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.) (Construction \$1.5M)
2. **52.219-16** “Liquidated Damages—Subcontracting Plan”
3. **252.219-7003** “Small Business Subcontracting Plan (DoD Contracts)”

K. ORDERS OVER \$700,000 ALSO INCLUDE:

1. **52.215-10** “Price Reduction for Defective Cost or Pricing Data”
2. **52.215-11** “Price Reduction for Defective Cost or Pricing Data-Modifications”
3. **52.215-12** “Subcontractor Cost or Pricing Data”
4. **52.215-13** “Subcontractor 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 (PRB) Other Than Pensions”
7. **52.215-19** “Notification of Ownership Changes”
8. **52.215-20** “Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data”
9. **52.215-21** “Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data-Modification”
10. **252.215-7000** “Pricing Adjustments”

L. ORDERS OVER \$1,000,000 ALSO INCLUDE

1. **252.205-7000** “Provision of Information to Cooperative Agreement Holders”

M. APPLICABLE TO COST REIMBURSEMENT, TIME & 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)
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 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”

N. APPLICABLE TO ORDERS OVER \$5,000,000:

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

O. 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.)

P. CERTIFICATIONS:

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

- A. **52.203-11** “Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions” (over \$150,000)
- B. **52.209-5** “Certification Regarding Responsibility Matters” (over \$30,000)
- C. **52.209-6** “Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment”
- D. **52.222-18** “Certification Regarding Knowledge of Child Labor for Listed End Products”
- E. **52.222-22** “Previous Contracts and Compliance Reports” (over \$10,000)
- F. **52.222-25** “Affirmative Action Compliance”
- G. **52.222-36** “Affirmative Action for Workers with Disabilities”
- H. **52.223-13** “Certification of Toxic Chemical Release Reporting” (over \$100,000)
- I. **52.225-20** “Prohibition on Conducting Restricted Business Operations in Sudan—Certification”
- J. **52.230-1** “Cost Accounting Standards Notices and Certification” (Note: This notice does not apply to small businesses or foreign governments)

Q. ADDITIONAL CLAUSES:

COST ACCOUNTING STANDARDS (Applicable if noted in the Purchase Order)

- 1. **52.230-2** “Cost Accounting Standards”
- 2. **52.230-3** “Disclosure and Consistency of Cost Accounting Practices”
- 3. **52.230-5** “Cost Accounting Standards – Educational Institution”
- 4. **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 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.

(g) The following clauses are applicable only to Purchase Orders issued under DOE contracts, as indicated on the face page of the Purchase Order. The clauses set forth in the FAR, and Department of Energy Acquisition Regulations (DEAR) clauses. FARS and DEARS are in effect on the date of the Purchase Order, and are incorporated by reference with the same force and effect as if they were given in full text. The full text of these clauses may be found at Title 48 of the Code of Federal regulations (CFR). Upon request the Buyer will make the full text available. Where necessary to make the clauses applicable to this Purchase Order, “Contractor” shall mean “Seller,” “Contracting Officer” shall mean “Buyer,” “Government” shall mean “Buyer” or the “Government,” “Sandia and Sandia Contracting Representative (SCR)” shall mean “Buyer” whenever appearing in the clauses. Seller shall include the following clauses in its lower-tier purchase orders as required. If any of the following FAR or DEARS clauses do not apply to a particular purchase order, such clauses are considered to be self-deleting.

A. APPLICABLE TO ALL ORDERS:

1. **DIFFERING SITE CONDITIONS** - The Contractor shall promptly, and before the conditions are disturbed, give a written notice to the SCR of: (1) subsurface or latent physical conditions at the site which differ materially from those indicated in this contract; or (2) unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the contract. The SCR shall investigate the site conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the work under this contract, whether or not changed as a result of the conditions, an equitable adjustment shall be made under this clause and the contract modified in writing accordingly. No request by the Contractor for an equitable adjustment to the contract under this clause shall be allowed, unless the Contractor has given the written notice required; provided, that the time prescribed above for giving written notice may be extended by the SCR. No request by the Contractor for an equitable adjustment to the contract for different site conditions shall be allowed if made after final payment under this contract.

2. **GOVERNMENT PROPERTY MATERIAL AND EQUIPMENT** - Except as provided for in Section I, Contractor must list the government material/equipment Contractor will use in the performance of the Statement of Work (SOW) in this contract and provide details concerning its use. Identification, inspection, maintenance, protection, and disposition of government property shall conform with the policies and principles of FAR Part 45, 48 CFR (DEAR) 945, the Federal Property Management Regulations 41 CFR 101, the DOE Property Management Regulations 41 CFR 109, and DEAR 970.5245-1 Property.

3. OPERATIONS, DISMANTLED EQUIPMENT AND MATERIAL, UTILITIES AND STORAGE AREAS

- (a) Operations. The Contractor shall confine all operations (including storage of materials) on Sandia-controlled or Government-controlled premises to areas authorized or approved by the SDR/Sandia. The Contractor shall hold and save Sandia and the government, their officers and agents, free and harmless from liability of any nature occasioned by the Contractor's performance.
- (b) Storage Areas. Temporary buildings (e.g., storage sheds, shops, offices, sanitation facilities) and utilities may be erected by the Contractor only with the approval of the SDR and shall be built with labor and material furnished by the Contractor without expense to Sandia. The temporary buildings and utilities shall remain the property of the Contractor and shall be removed by the Contractor at its expense upon completion of the work. With the written consent of the SDR, the buildings and utilities may be abandoned and need not be removed.
- (c) Use of Roadways. The Contractor shall, under regulations prescribed by the SDR, use only established roadways, or use temporary roadways constructed by the Contractor when and as authorized by the SCR. The Contractor may close streets and remove signs and other material and structures when expressly authorized by the SDR. The Contractor shall provide and keep in place barricades, signs, markers, flares, and other devices required by the SDR or Government site for traffic control and safety. When materials are transported in prosecuting the work, vehicles shall not be loaded beyond the loading capacity recommended by the manufacturer of the vehicle or prescribed by any federal, state, or local law or regulation. When it is necessary to cross curbs or sidewalks, the Contractor shall protect them from damage. The Contractor shall repair or pay for the repair of any damaged curbs, sidewalks, or roads.
- (d) Utilities. The Contractor shall provide all necessary utilities at the work site unless use of existing utilities at the work site is approved in advance by the SDR.
- (e) Dismantled Equipment and Material. Dismantled equipment and material removed from the work site shall remain the property of the government. If the dismantled equipment and material is not reused in the performance of this contract, the Contractor shall: (i) label or tag large items and package small items; (ii) prepare an inventory in triplicate on Sandia-furnished forms; and (iii) deliver the dismantled equipment and material to a location designated by the SDR.
- (f) Clean Up. The Contractor shall at all times keep the work area, including storage areas, free from accumulations of waste materials. Before completing the work, the Contractor shall remove from the work area and premises any rubbish, tools, scaffolding, equipment, and materials that are not the property of Sandia or the government. If the contract requires the modification of areas within buildings or the movement or relocation of furniture or equipment, the Contractor will vacuum and/or sweep and wet mop the area before moving in furniture or equipment and after the move is complete. Upon completing the work, the Contractor shall

leave the work area in a clean, neat, and orderly condition satisfactory to the SCR or the SDR.

4. **PAYROLLS AND BASIC RECORDS**

- (a) Payrolls and basic records relating thereto shall be maintained by the Contractor during the course of work and preserved for a period of three (3) years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Whenever the Secretary of Labor has found, under paragraph (d) of the clause entitled Davis-Bacon Act, that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.
- (b) (1) The Contractor shall submit a copy of all payrolls weekly, including the payrolls of all subcontractors, to the Electronic Certified Payroll Administrator (ECPA). The payrolls submitted shall set out accurately and completely all of the information required to be maintained under paragraph (a) of this clause. This information must be submitted electronically in accordance with section I clause titled Davis Bacon Certified Payroll and Compliance Statement.
- (2) Each payroll submitted shall be accompanied by a "Statement of Compliance," electronically signed by the Contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify: (I) That the payroll for the payroll period contains the information required to be maintained under paragraph (a) of this clause and that such information is correct and complete; (ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in the Regulations, 29 CFR Part 3; and (iii) That each laborer or mechanic has been paid not less than the applicable wage

rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

- (3) The falsification of any of the certifications in this clause may subject the Contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 3729 of Title 31 of the United States Code.
- (c) The Contractor or subcontractor shall make the records required under paragraph (a) of this clause available for inspection, copying, or transcription by the SCR or authorized representatives of the SCR or the Department of Labor. The Contractor or subcontractor shall permit the SCR or representatives of the SCR or the Department of Labor to interview employees during working hours on the job. If the Contractor or subcontractor fails to submit required records or to make them available, the SCR may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payments. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

5. PROTECTION OF EXISTING VEGETATION, STRUCTURES, EQUIPMENT, UTILITIES, IMPROVEMENTS, MATERIALS, AND WORK

- (a) The Contractor shall preserve and protect all structures, equipment, traffic signs, and vegetation (such as trees, shrubs, and grass) on or adjacent to the work site, which are not to be removed and which do not unreasonably interfere with the work required under this contract. The Contractor shall only remove trees when specifically authorized to do so, and shall avoid damaging vegetation that will remain in place.
- (b) The Contractor shall protect from damage or interruption of service all existing improvements and utilities, including underground property or underground utilities the location of which are properly indicated in the specifications and/or drawings, or the existence of which is otherwise made known to the Contractor by written notice signed by the SCR, or the locations of which should be known by the Contractor, (1) at or near the work site and (2) on adjacent property of a third party. The Contractor shall repair any damage to those facilities, including those that are the property of a third party, resulting from failure to comply with the requirements of this contract or failure to exercise reasonable care in performing the work. If the Contractor fails or refuses to repair the damage promptly, the SCR may have the necessary work performed and charge the cost to the Contractor.
- (c) Contractor shall preserve and protect all work performed under this contract, materials, supplies, and equipment of every description, including property which may be Sandia-furnished or government-owned.
- (d) Contractor immediately shall repair all damage, caused by Contractor's work under this contract, to any utilities, the existence of which (1) is not made known by written notice signed by the SCR, (2) is not indicated in the specifications and/or drawings, or (3) could not reasonably have been known

by the Contractor. Contractor shall submit a claim for and enter into good faith negotiations to arrive at a fair price for such repair work. Upon written request of the Contractor, the SCR shall determine the extent that contract performance was delayed to make the required repairs, and the SCR shall modify the contract performance date accordingly.

6. PRICE-ANDERSON AMENDMENTS ACT (PAAA)

- (a) Regulatory Liability. If the item(s) or service(s) required by the Purchase Order (PO) is related to nuclear or radiological safety, then the item(s) or service(s) are regulated by the Department of Energy/National Nuclear Security Administration (DOE/NNSA) under the provisions of Federal Regulations 10 CFR 820, 10 CFR 830, and 10 CFR 835 (Price-Anderson Amendments Act – 1988). The supplier shall incorporate all applicable PO requirements into all supplier-issued procurement documents. Flow-down of PO requirements shall be verbatim, i.e., without change or modification. Lower-tier subcontracting requires flow-down of all applicable requirements to each supplier at any tier.
- (b) Occupational Radiation Protection. The Contractor shall comply with applicable requirements in Sandia's Radiation Protection Procedures Manual, (RPPM) unless the Contractor's activities specified in the Statement of Work (SOW) shall be regulated through a license by the Nuclear Regulatory Commission or a State under a contract with the Nuclear Regulatory Commission.

7. SAFEGUARDING OF DRAWINGS, SPECIFICATIONS, AND TECHNICAL INFORMATION - 633DST (05-06)

All drawings, specifications or other technical information supplied to the Contractor shall be protected from unauthorized use, reproduction, and disclosure and Contractor shall protect the information at least to the same extent it would use to protect its own most valuable and proprietary information. Dissemination or use of such information is limited to such of its employees and Contractors, if any, whose job performance for this specific contract requires the information and only for those purposes. No other dissemination or use is permitted without prior written approval of the Sandia Contracting Representative/Sandia Delegated Representative.

8. PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION (PII)

In performing this contract the Contractor may be provided with Personally Identifiable Information (PII) relating to Sandia employees, contractor employees, and any other individuals related to the work under this contract. The Contractor agrees that the Contractor will take all reasonable steps and precautions to ensure this provided PII is adequately controlled, protected and only used to perform work called for under this contract. For the purposes of this agreement PII is defined as: Any of the information listed below that can be used to distinguish or trace an individual's identity, is collected and maintained for the purpose of conducting official Sandia business, and is not solely comprised of information



that is available to the general public: social security number, driver's license number, passport number, other federal- or state-issued identification card number, bank account number (with or without routing number, access code, or Personal Identification Number [PIN]), financial or benefit account number in combination with any required code permitting access, background information or verification reports or credit report, including consumer reports, medical or health information, including biometric, biomonitoring, or genetic information, employment history including ratings, salary, wage, deduction information, and disciplinary actions, security clearance history or related information, criminal history, date of birth or age, place of birth, mother's maiden name, race or ethnicity.

Notes:

One means of distinguishing or tracing an individual's identity is to include the first name or the first initial and last name of an individual in combination with any information listed above. PII does not include information that is on Sandia computing resources as a result of incidental personal use of computing and information resources or other assets. Loss of Control of PII: If the Contractor becomes aware or suspects that any Sandia provided Personally identifiable Information, has been inappropriately, taken, used, disclosed, and/or released or that the controls for access to the information have been compromised, the Contractor will immediately take steps to prohibit further disclosure and will give verbal notice to Sandia's Security Incident Management Program (SIMP) by calling and reporting the incident at either at (505) 540-2382 or for contracts issued in California call 1-888-932-9710 (these are manned 7 days a week 24 hours a day). After notifying SIMP, also verbally notify the SCR and SDR (if one is identified in this contract). In addition to the immediate verbal notifications, written notification will be provided to the SCR and SDR (if one is identified in the contract,) within 72 hours of the Contractor's learning of the situation. The Contractor will cooperate with Sandia and provide information needed to allow Sandia to evaluate the nature and extent of the release or loss of control.

The provisions of this clause shall survive and continue in force following the completion of work under this agreement until such time that any provided PII is either destroyed in its entirety in a manner that ensures it is not readable or decipherable through any means, or that the information including all copies is returned to Sandia. The contractor shall ensure that these provisions shall be made applicable to any subcontractor or non-governmental third party who receives PII provided through this agreement.

9. **FAR 52.208-8** Required Sources for Helium and Helium Usage Data
10. **FAR 52.222-21** Prohibition of Segregated Facilities
11. **FAR 52.222-26** Equal Opportunity (E.O. 11246)
12. **FAR 52.222-29** Notification of Visa Denial
13. **FAR 52.222-50** Combating Trafficking in Persons
14. **FAR 52.225-9** Buy American Act – Construction Materials
15. **FAR 52.225-13** Restrictions on Certain Foreign Purchases

16. **FAR 52.227-3** Patent Indemnity
17. **FAR 52.227-4** Patent Indemnity - Construction Contracts
18. **FAR 52.227-14** Rights in Data-General is modified in accordance with DEAR 927.409(a) and including Alternate V.
19. **FAR 52.227-16** Additional Data Requirements
20. **FAR 52.227-23** Rights to Proposal Data (Technical). This clause applies only in any subcontract awarded based on consideration of a technical proposal.
21. **FAR 52.242-14** Suspension of Work
22. **FAR 52.244-6** Subcontracts for Commercial Items
23. **FAR 52.246-12** Inspection of Construction
24. **FAR 52.247-63** Preference for U.S. Flag Air Carriers
25. **FAR 52.247-64** Preference for Privately Owned U.S. Flag Commercial Vessels
26. **DEAR 952.211-71** Priorities and Allocations (Atomic Energy). This clause applies only if Section I designates a government priority.
27. **DEAR 970.5227-8** Refund of Royalties
28. **DEAR 952.250-70** Nuclear Hazards Indemnity Agreement (This clause is applicable to any subcontract which may involve the risk of public liability, as that term is defined in the Act and further described in paragraph (d)(2) of the clause. However, this clause is not applicable to contracts in which the contractor is subject to Nuclear Regulatory Commission (NRC) financial protection requirements under section 170b. of the Act or NRC agreements of indemnification under section 170c. or k. of the Act for the activities under this contract)
29. **DEAR 970.5204-2** Laws, Regulations, and DOE Directives (Deviation)
30. **DEAR 970.5243-1** Changes
31. **DEAR 970.5208-1** Printing

B. APPLY TO CONTRACTS EXCEEDING \$2,000:

1. **FAR 52.222-6** Davis Bacon Act
2. **FAR 52.222-7** Withholding of Funds
3. **FAR 52.222-8** Payrolls and Basic Records
4. **FAR 52.222-9** Apprentices and Trainees
5. **FAR 52.222-10** Compliance with Copeland Act Requirements
6. **FAR 52.222-11** Subcontracts (Labor Standards)
7. **FAR 52.222-12** Contract Termination-Debarment
8. **FAR 52.222-13** Compliance with Davis-Bacon and Related Act Regulations
9. **FAR 52.222-14** Disputes Concerning Labor Standards
10. **FAR 52.222-15** Certification of Eligibility

C. APPLY TO CONTRACTS EXCEEDING \$3,000:

1. **FAR 52.222-54** Employment Eligibility Verification

D. APPLY TO CONTRACTS EXCEEDING \$10,000:

1. FAR 52.222-20 Walsh Healy Public Contracts Act
2. FAR 52.222-27 Affirmative Action Compliance Requirements for Construction
3. FAR 52.222-36 Affirmative Action for Workers With Disabilities

E. APPLY TO CONTRACTS IF \$25,000 OR MORE:

1. DEAR 970.5223-4 Workplace Substance Abuse Programs at DOE Sites

F. APPLY TO CONTRACTS EXCEEDING \$30,000:

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

G. APPLY TO CONTRACTS EXCEEDING \$100,000:

1. FAR 52.222-35 Equal Opportunity for Veterans
2. FAR 52.222-37 Employment Reports on Veterans
3. DEAR 970.5227-4 Authorization and Consent
4. DEAR 970.5227-5 Notice of Assistance Regarding Patent and Copyright Infringement

H. APPLY TO CONTRACTS EXCEEDING \$150,000:

1. FAR 52.203-6 Restrictions on Subcontractor Sales to the Government
2. FAR 52.203-7 Anti-Kickback Procedures excluding Paragraph (c)(1)
3. FAR 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity
4. FAR 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
5. FAR 52.228-15 Performance and Payment Bonds – Construction
6. FAR 52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation
7. FAR 52.219-8 Utilization of Small Business Concerns
8. FAR 52.244-5 Competition in Subcontracting
9. FAR 52.249-10 Default (Fixed-Priced Construction)

I. APPLY TO CONTRACTS EXCEEDING \$500,000:

1. FAR 52.219-14 Limitations on Subcontracting (applicable only if any portion of the contract is set-aside)
2. DEAR 952.226-74 Displaced Employee Hiring Preference
3. DEAR 970.5226-2 Workforce Restructuring under Section 3161 of the National Defense Authorization Act for Fiscal Year 1993

J. APPLY TO CONTRACTS EXCEEDING \$650,000:

1. FAR 52.215-15 Pension Adjustments and Asset Reversions
2. FAR 52.230-2 Cost Accounting Standards
3. FAR 52.230-6 Administration of Cost Accounting Standards
Compliance with Cost Accounting Standards.

In accordance with DEAR 970.5232-5 Liability With Respect To Cost Accounting Standards the Contractor shall be liable to the government for increased costs or interest resulting from the subcontractor's failure to comply with the clauses at FAR 52.230-2, "Cost Accounting Standards," and FAR 52.230-6, "Administration of Cost Accounting Standards".

K. APPLY TO CONTRACTS EXCEEDING \$700,000:

1. FAR 52.215-12 Subcontractor Certified Cost or Pricing Data
2. FAR 52.215-10 Price Reduction for Defective Cost or Pricing Data

L. APPLY TO CONTRACTS EXCEEDING \$5,000,000:

1. FAR 52.203-13 Contractor Code of Business Ethics and Conduct, applies when POP is 120 days or more.

M. APPLY TO ALL CONTRACTS THAT MAY INVOLVE ACCESS TO CLASSIFIED INFORMATION

1. DEAR 952.204-2 Security
2. DEAR 952.204-70 Classification/Declassification
3. DEAR 970.5204-1 Counterintelligence

N. APPLIES TO ANY WORK PERFORMED ON A GOVERNMENT SITE UNDER THIS CONTRACT

1. DEAR 952.203-70 Whistleblower Protection for Contractor Employees
2. DEAR 970.5222-1 Collective Bargaining Agreement M&O Contracts
3. DEAR 970.5223-1 Integration of Environment, Safety, and Health into Work Planning and Execution

O. THE REMAINING CLAUSES APPLY TO ALL CONTRACTS WHERE ANY WORK WILL BE PERFORMED ON A GOVERNMENT SITE

CITIZENSHIP STATUS

All personnel of the Contractor and its subcontractors who require access must be United States citizens, or foreign nationals who are legal aliens or have the required authorization to perform work in the United States and must meet rules of the site for access to the work areas in place at the time of performance of this contract.

CONTRACTOR OR SUBCONTRACTOR USE OF GOVERNMENT-OWNED VEHICLES

The following provisions apply if work under this contract requires Contractor or subcontractor personnel to operate government-owned vehicles either on or off government sites. Contractor shall maintain, at Contractor's expense, during the period of performance of work under this contract, third-party vehicle liability insurance which shall cover the use of such government-owned vehicles with limits of at least \$200,000/\$500,000 public liability and \$20,000 property damage. Medical payments coverage, comprehensive and collision insurance, uninsured motorist, and personal injury protection will not be required under this clause unless required by state statute. All Contractor's agents, employees and subcontractors of any tier shall obey all rules and regulations pertaining to the use of government-owned vehicles. In the event of a motor vehicle accident, the Contractor shall submit a completed Motor Vehicle Accident Reporting Form SF 91 to the SCR together with any additional supplemental forms required by instructions given on the General Services Agreement (GSA) Form Packet 1627. A GSA Form Packet 1627 normally is located either in the headliner or glove box of the GSA vehicle. Contractor's personnel shall assure that a GSA Form Packet 1627 is available in a GSA vehicle prior to accepting and driving a GSA vehicle.

ENVIRONMENTAL SAFETY AND HEALTH (ES&H) REQUIREMENTS

- (a) Service Providers. Sandia-directed work, Sandia shall provide those workers with any and all necessary safety authorization documents, personal protective equipment, industrial hygiene monitoring, medical surveillance, and radiation protection services. For Contractor employees performing Contractor-directed work, Contractor shall provide its workers with all ES&H services, with the exception of Contractor employees performing Contractor-directed work on government sites for whom Sandia shall provide radiation dosimetry services and survey of record, as appropriate.
- (b) Training Requirements. Any Contractor personnel who will enter a government site to perform work shall have completed all of the ES&H training required by the SOW or Government site where work is to be performed, prior to any attempts to enter a government site as shown by written records of such training furnished to the SDR or to the Requester if no SDR is named in Section I of this contract. Contractor shall certify to Sandia completion of all required training on the Completion Record for Contractor Administered Training form. This Form is located on the Web at <http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html> or obtained from the SDR. Contractor shall provide the completion record form for the initial ESH100 training to the SDR on the first day of work. Contractor shall provide the completion records for any other training required above to the SDR before starting the affected work activity. Any person not having completed all ES&H training requirements may be denied access to any government site and Contractor may be terminated for default of this contract as well as every other contract the contractor has with Sandia.

HAZARDOUS MATERIALS

- (a) **Handling Requirements.** For contracts that require the performance of work on government sites, the Contractor shall coordinate with the SDR all activities associated with the acquisition (including reporting hazardous materials used on government sites), handling, storage, accidental spills, and/or disposal of hazardous materials and/or waste. The Contractor shall notify the SDR of all hazardous and/or radioactive waste generated during performance of work. Such materials become Sandia-owned waste and the Contractor shall notify the SDR for proper disposal by Sandia. Contractor's assistance in disposal may be required by Sandia.
- (b) **Removal Requirements.** Those hazardous materials brought onto Sandia-controlled premises by the Contractor which are job-related consumables and have not been removed from their original packaging and which have not been purchased by Sandia, shall remain the property of the Contractor and shall be removed from Sandia after completion of the work. Hazardous materials in the original, labeled container are not hazardous waste if the material is usable and the full or partially full container is intact and properly closed. Those scrap items which are not hazardous and which have not become hazardous through comingling with hazardous items are owned by the Contractor and shall also be removed.

TOBACCO-FREE WORKPLACE - 613TFW (10-10)

Sandia is a tobacco-free workplace. This policy applies to all Members of the Workforce (MOW), and includes all Sandia employees, contractor and subcontractor employees at any tier, government employees, and visitors. The use of all tobacco products, including cigarettes, cigars, cigarillos, pipes, chewing tobacco, and snuff, is prohibited on all Sandia property. Sandia property includes SNL vehicles, building interiors, exteriors, entryways, walkways, parking lots, fenced areas and portions of buildings controlled by Sandia. Additionally, the policy is applicable to the interiors of personal vehicles parked on Sandia controlled property.

PROTECTION OF GOVERNMENT PROPERTY

All Sandia National Laboratories information, information technologies and information systems are United States government property. Please read the notice at: <http://www.sandia.gov/bus-ops/scm/forms/policy/2902ntu.pdf>. All facilities, personal property, existing vegetation, structures, equipment, utilities, improvements, materials and work at Sandia National Laboratories are United States government property. Acts of theft, improper use and/or unlawful destruction of United States government property are punishable under one or more Federal Criminal Laws.

EXPORT CONTROL

- (a) Any item, technical data, or software furnished by Sandia in connection with this purchase order/contract is supplied for use in the United States only. Contractor agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 USC 2751 - 2794, including the International Traffic in Arms

Regulation (ITAR), 22 CFR 120 - 130; the Export Administration Act, 50 USC app. 2401 - 2420, including the Export Administration Regulations (EAR), 15 CFR 730 - 774; and including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Contractor agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to Contractor or Contractor's lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception. Contractor shall immediately notify the SCR if it transfers any export controlled item, data, or services to foreign persons. Diversion contrary to U.S. export laws and regulations is prohibited.

- (b) Contractor shall immediately notify the SCR if Contractor is, or becomes, listed in any Denied Parties List or if Contractor's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.
- (c) If Contractor is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Contractor represents that it is registered with the Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR. The Contractor shall flow down the requirements of this clause to all subcontracts.

REQUIREMENTS FOR ACCESS

- (a) Government Sites. The Contractor agrees and shall ensure that all personnel entering Government sites for any activity related to this agreement shall at all times be subject to and shall comply with all laws, regulations, policies, and site access rules/policies for the site including but not limited to all ES&H and Security requirements. For work performed at Sandia, many, but not all, of the Security and ES&H requirements are outlined in Sandia's ES&H Manual (located at <http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html> under the ES&H tab), and Security Manual (obtain from the SDR). For work performed elsewhere, the Security and ES&H requirements are available from the SDR. The government requirements include but are not limited to, all of the requirements set forth in this clause for any work to be performed on a government site. To obtain access to such premises, the Contractor shall write a letter to the SDR or the SCR stating the company designation to be used by the Contractor and each subcontractor and furnishing the following information on each individual requiring access to such premises: name, date of birth, and citizenship status, completed ES&H training requirements set forth in the SOW. Access will be granted for the period of performance of the work only.

Contractor shall withdraw and replace any individual, including any subcontractor employee, assigned to perform work under this contract, who in the judgment of Sandia or the Government, is to be denied access to any government site.

Contractor shall submit to the SDR or the SCR any proposed working schedules for its personnel and the personnel of each of its subcontractors that deviate from the site or Sandia's normal workday or work week schedule. The schedules will show proposed daily working hours and proposed work weeks. Schedules that deviate from Sandia's or the site's normal work day or work week must be approved by the responsible SDR or SCR. In the absence of a written authorization from the SCR or DOE/NNSA, use of government sites by the Contractor and its subcontractors of any tier, pursuant to access granted under this clause, shall be limited to work required by this contract to be performed on such premises. **THE USE OF THE ACCESS PRIVILEGE FOR ANY PURPOSE OTHER THAN TO PERFORM WORK UNDER THIS CONTRACT IS PROHIBITED AND MAY BE GROUNDS FOR TERMINATING THIS CONTRACT DEFAULT OR FOR FINDING THAT AN INDIVIDUAL IS UNACCEPTABLE FOR FUTURE ACCESS.**

- (b) Sandia Sites. The organizations listed below are responsible for coordinating and administering the provisions of visitor access and control for work performed at Sandia sites as listed. Sandia National Laboratories, Albuquerque, New Mexico – Badge Office, Sandia Corporation, Innovation Parkway Office Center (IPOC). Sandia National Laboratories, Livermore, California - Visitor Control and Administration Section, Sandia Corporation, Building 911. Tonopah Test Range, Tonopah, Nevada - Office of the Tonopah Test Range Manager.
- (c) Contractor will ensure that its personnel and the personnel of each of its subcontractors assigned to work on Sandia's or Government premises comply with all applicable site policies. In addition the contractor, it's personnel and personnel of each of its subcontractors, shall:
 - 1) not bring weapons of any kind onto the premises;
 - 2) not manufacture, sell, distribute, possess, use or be under the influence of controlled substances or alcoholic beverages while on the premises;
 - 3) not possess hazardous materials of any kind on the premises without proper authorization;
 - 4) remain in authorized areas only;
 - 5) not conduct any non-Sandia related business activities (such as interviews, hires, dismissals or personal solicitations) on the premises;
 - 6) not send or receive non-Sandia related mail through Sandia's or Government's mail systems; and
 - 7) not sell, advertise or market any products or memberships, distribute printed, written or graphic materials on the premises without the SCR's written permission or as permitted by law.
- (d) All persons, property, and vehicles entering or leaving Sandia's KAFB or Government's premises are subject to search. (e) Contractor will promptly notify Sandia and provide a report of any accidents or security incidents involving loss of or misuse or damage to Sandia's or Government's intellectual or physical assets, and all physical altercations, assaults, or harassment.



Contractors working on Government sites other than Sandia or DOE sites must surrender to the site security organization any badge, base decal or any other access documents within five (5) days of termination or reassignment.

VEHICLE INSURANCE

All vehicles, owned or operated by the Contractor, subcontractors or their agents and employees, having access to government sites shall be covered by at least \$200,000/\$500,000 public liability and \$20,000 property damage insurance.

VEHICLE MARKINGS

All vehicles used by either the Contractor or its subcontractors shall be marked clearly to indicate company name of user. Vehicles which do not bear permanent markings may be temporarily marked as follows:(1) Signs, no longer than the vehicle door is wide, with a white or lighter background, showing the Contractor's name in one inch high, or larger, dark colored letters, may be made from sheet metal, cardboard or other suitable material and temporarily attached to the vehicle's front door panels so that the signs appear in the approximate center of each door panel. Words such as "Company," "Corporation" or "Division" may be abbreviated. (2) No signs shall be attached to the vehicle's glass area for safety reasons.

HOMELAND SECURITY - 600HLS (09-11)

The performance of this contract requires that employees of the Contractor have physical access to Department of Energy/ National Nuclear Security Administration (DOE/NNSA) owned or leased facilities;

1. The Contractor shall in initiating the process for gaining physical access, ensure:
 - (a) compliance with procedures established by DOE/NNSA in providing its employee(s) with any forms directed by DOE/NNSA;
 - (b) that the employee properly completes any such forms; and
 - (c) that the employee(s) submits the forms to the person designated by the Sandia Contracting Representative (SCR).
2. The Contractor shall in completing the process for gaining physical access, ensure that Contractor's employee:
 - (a) cooperates with the officials responsible for granting access to DOE/NNSA owned or leased facilities; and
 - (b) provides additional information, requested by those officials.

The Contractor shall return the badge(s) or other credential(s) provided by Sandia or DOE/NNSA pursuant to this clause, granting physical access to DOE/NNSA-owned or leased facilities by the Contractor's employee(s), upon:

1. the termination of this contract;
 2. the expiration of this contract;
 3. the termination of employment of an individual performing work under this contract or any subcontractor employees performing work under this contract;
- or

4. demand by Sandia or the DOE/NNSA for return of the badge.

The Contractor shall include this clause in its entirety, in any subcontract at any tiers awarded in the performance of this contract, in which employee(s) of the subcontractor will require physical access to DOE/NNSA-owned or leased facilities.

LAWS AND REFERENCES

1. Homeland Security Presidential Directive 12 (HSPD-12), August 27, 2004, <http://csrc.nist.gov/drivers/documents/Presidential-Directive-Hspd-12.html>.
2. Federal Information Publication 201 entitled: "Personal Identity Verification (PIV) of Federal Employees and Contractors", March 2006, <http://csrc.nist.gov/publications/fips/fips201-1/FIPS-201-1-chng1.pdf>.
3. NAP 70.2, Physical Protection, current version, Attachment 1, DOE Security Badge Program.

INTEGRATED SAFETY MANAGEMENT SYSTEM (ISMS) PLAN - 618IS (02-12)

In performing the work under this contract, the Contractor shall perform work safely, in a manner that ensures adequate protection for employees, the public, and the environment and shall be accountable for the safe performance of work. The Contractor shall manage and perform work in accordance with a documented ISMS Plan that fulfills the requirements of DEAR 970.5223-1 - Integration of Environment, Safety, and Health Into Work Planning and Execution.

If the work on the contract is performed on a Department of Energy/National Nuclear Security Administration (DOE/NNSA) site, the Contractor shall comply with Sandia's ISMS Plan and Sandia's Environmental, Safety, and Health (ES&H) Procedures/Supplements, as well as any other site specific additional safety requirements. However, the Contractor may choose to submit its own ISMS Plan (in accordance with DEAR 970.5223-1) and/or Safety Plan, and request that its plan(s) be approved for use in lieu of the Sandia ISMS Plan and/or ES&H Procedures/Supplements. The Contractor shall clearly identify the plan submitted as either an ISMS Plan or a Safety Plan, or both. If Contractor submits its own ISMS Plan and/or Safety Plan, and this is accepted by Sandia, Contractor shall not begin work on a DOE/NNSA site until a Pre-Job Briefing, including authorization for work to begin, has been provided by the SDR.

Sandia's ES&H Procedures/Supplements can be found at <http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html> under the "ES&H" tab. Sandia's ISMS Plan can be found at the same website under the "Policies" tab. Any work performed by the Contractor on a DOE/NNSA site prior to the SCR's/SDR's issuance of final written approval of any plan submitted by the Contractor shall be performed in compliance with Sandia's ISMS Plan and Sandia's ES&H Procedures/Supplements.

This requirement operates in addition to any other specifications or requirements included elsewhere in this contract.

Contractor shall flow down these requirements to all applicable lower tier subcontractors.

Declaration of Occupational Medicine Provider. Contractors who meet the applicability criteria below shall establish and provide comprehensive occupational medicine services to workers employed at DOE-controlled premises, in accordance with the Department of Energy's Worker Safety and Health Program regulation, 10 CFR 851 Worker Safety and Health Program. Contractors who will perform any work on a DOE site, and who meet the applicability criteria below, shall provide a written declaration, SF 4040-DOP, obtained at <http://www.sandia.gov/resources/emp-ret/corpforms/index.html>, identifying their Occupational Medicine Provider, as applicable. Contractor shall retain the completed declaration prior to performing work and shall furnish a copy to the SDR upon request.

Criteria:

1. Work on a DOE site for more than 30 days in a 12-month period; OR
2. Are enrolled for any length of time in a medical or exposure monitoring program required by this rule and/or any other applicable Federal, State or local regulation, or other obligation.

WARRANTY OF CONSTRUCTION

- (a) In addition to any other warranties in this contract, the Contractor warrants, except as provided in paragraph (j) of this clause, that work performed under this contract conforms to the contract requirements and is free of any defect in equipment, material, or design furnished, or workmanship performed by the Contractor or any subcontractor or supplier at any tier.
- (b) This warranty shall continue for a period of 1 year from date of final acceptance of the work. If Sandia or the Government takes possession of any part of the work before final acceptance, this warranty shall continue for a period of 1 year from the date Sandia takes possession.
- (c) The Contractor shall remedy at the Contractor's expense any failure to conform, or any defect. In addition, the Contractor shall remedy at the personal property, when that damage is the result of:
 - (1) The Contractor's failure to conform to contract requirements; or
 - (2) Any defect of equipment, material, workmanship, or design furnished.
- (d) The Contractor shall restore any work damaged in fulfilling the terms and conditions of this clause. The Contractor's warranty with respect to work repaired or replaced will run for 1 year from the date of repair or replacement.
- (e) Sandia shall notify the Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage.
- (f) If the Contractor fails to remedy any failure, defect, or damage within a reasonable time after receipt of notice, Sandia shall have the right to replace, repair, or otherwise remedy the failure, defect, or damage at the Contractor's expense.

- (g) With respect to all warranties, express or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished under this contract, the Contractor shall:
 - (1) Obtain all warranties that would be given in normal commercial practice;
 - (2) Require all warranties to be executed, in writing, for the benefit of the Government, if directed by Sandia; and
 - (3) Enforce all warranties for the benefit of the Government, if directed by Sandia.
- (h) In the event the Contractor's warranty under paragraph (b) of this clause has expired, the Government or Sandia may bring suit at its expense to enforce a subcontractor's, manufacturer's, or supplier's warranty.
- (i) Unless a defect is caused by the negligence of the Contractor or subcontractor or supplier at any tier, the Contractor shall not be liable for the repair of any defects of material or design furnished by Sandia nor for the repair of any damage that results from any defect in Government-furnished material or design.
- (j) This warranty shall not limit Sandia's rights under the "Inspection and Acceptance" clause of this contract with respect to latent defects, gross mistakes, or fraud.
- (k) Defects in design or manufacture of equipment specified by Sandia on a "brand name and model" basis, shall not be included in this warranty. In this event, the Contractor shall require any subcontractors, manufacturers, or suppliers thereof to execute their warranties, in writing, directly to Sandia.