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**1) Subcontracting and Assignment**

The Purchase Order may not be subcontracted in whole or in part nor assigned, nor may any assignment of any money due or to become due be made by Seller without in each case, the prior written consent of Southcoast Welding and Manufacturing (SCW&M) and, if required, by the Government.

## **2) Property**

From time to time, SCW&M or the Government directly, will furnish property (as defined by the FAR) to the Seller. The FAR Part 45 clause regarding property incorporated into the Prime Contract shall govern with respect to handling and safekeeping of Government property. Representatives of both SCW&M and the Government shall have the right to inspect the property at reasonable times, as well as records attendant thereto.

## **3) Changes**

- a) Buyer may at any time, by written order, make changes to the Contract Work. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this Contract, Buyer shall make an equitable adjustment in the Contract Price, the performance or delivery schedule, or both, and shall so modify this Contract. If Buyer changes the Contract delivery date(s) such that Seller is required to work overtime, Buyer shall pay therefor an amount equal only to Seller's actual additional labor costs occasioned by such overtime.
- b) Buyer's or the Government's engineering and technical personnel may from time to time render assistance or give technical advice or discuss or exchange information with Seller's personnel concerning the Contract Work. Such actions, however, shall not be deemed to be a change under this Changes paragraph and shall not be the basis for any equitable adjustment.
- c) Within five (5) days from the date of receipt of any written change order, Seller shall submit to Buyer a detailed written estimate of the impact of the change on the Contract Price, the performance or delivery schedule, and the performance capabilities of any Contract Products. Upon receipt of this estimate, Buyer shall begin good faith negotiations with Seller to determine an equitable adjustment to the Contract.

## **4) Compliance with Law**

Seller shall comply with all federal, state and local laws, regulations, ordinances, orders, actions, policies or common laws, which are applicable and in existence during performance of this Purchase Order.

## **5) Computation of Time**

All periods of time shall be computed by including Saturdays, Sundays and U.S. holidays, except that if such period terminates on a Saturday, Sunday or U.S. holiday, it shall be deemed extended to the U.S. business day next succeeding.

**6) Proprietary Data**

This Purchase Order, together with all attachments, whether physically incorporated or incorporated by reference, is considered proprietary to SCW&M, the Prime Contractor, and the Government. As such, the data shall not be reproduced, transmitted in any form, used or disclosed by Seller to any third party without the express written permission of an authorized representative of SCW&M.

**7) Acceptance of Work**

The Purchase Order incorporating these terms and conditions becomes a binding contract on the terms set forth in the Purchase Order and these Standard Terms and Conditions when it is accepted by acknowledgement or commencement of performance of any work, whichever comes first.

**8) Termination and Default**

SCW&M may terminate The Purchase Order, in whole or in part, in accordance with the appropriate FAR Default or Termination for Convenience clause incorporated into this Purchase Order by reference or incorporated into the Prime Contract. Accordingly, the terms and conditions set forth therein shall govern the rights of both parties in case of a termination of the Prime Contract by the Government or if SCW&M terminates this Purchase Order for either convenience or default.

**9) Deliveries**

Deliveries are to be made both in quantities and at the times specified in this Contract. Buyer accepts no liability for payment for Contract Products delivered which are in excess of the quantity specified unless such excess is agreed upon in advance by Buyer in writing. Except as otherwise provided in this Contract, no payment for extra quantities shall be made unless such extra quantities and the price therefor have been authorized in writing by Buyer.

**10) Disputes**

With respect to any claim that may arise between the Seller and SCW&M for which the government is or may be liable, Seller agrees that it will prepare its claim and will timely present it to SCW&M for submission to the government under the Contract Disputes Act of 1978, the Disputes Clause of the Prime Contract, or any other disputes resolution provisions of the Prime Contract. Terms and conditions of any disputes clause contained in the Prime Contract will be construed and made applicable to this Purchase Order. Seller agrees to proceed diligently with the performance of the Purchase Order, including any Change Orders, pending resolution of any dispute.

**11) Export Control Compliance**

- a) If Seller is organized to do business in the United States, Seller shall comply with the Arms Export Control Act (22 U.S.C. 2778), the International Traffic In Arms Regulations (ITAR) (22 CFR Parts 120 to 130), the regulations issued by the Office of Foreign Assets Control (OFAC) (31 CFR Chapter V), and all other applicable laws, regulations and orders which control the imports and exports of defense articles, defense services, and technical data.
  - i) The Vessel and the Contract Products are deemed to be “defense articles” under the ITAR. This Contract may require Seller to furnish “defense services” and/or export “technical data” as defined in the ITAR.
  - ii) Seller represents and warrants that, if it manufactures or exports defense articles or furnishes defense services, it is registered with the Office of Defense Trade Controls (DTC), Bureau of Political-Military Affairs, Department of State.
  - iii) Technical data and defense services furnished by Buyer to Seller are authorized for use only by Seller and may not be exported or re-exported without a license or other approval from DDTC.
  - iv) If Seller desires to authorize Buyer to export technical data directly to, or furnish defense services to, a sub-tier supplier that is a foreign person, Seller shall include Buyer as a third party signatory on any export license or other approval prior to Buyer’s exporting technical data to, or furnishing a defense service to, any such foreign person sub-tier supplier.
  - v) Seller shall provide to Buyer, upon request, all licenses or other approvals obtained by Seller in compliance with the above requirements, redacted if Seller desires to prevent the disclosure of any proprietary data.
- b) If Seller is not organized to do business in the United States, Seller nevertheless shall perform this Contract in compliance with the laws, regulations and terms set forth in subparagraph (a) hereof, specifically including, but not limited to, those provisions regarding the re-export of defense articles, defense services and technical data. Seller shall execute any documents required by Buyer in order for Buyer to lawfully export defense articles, defense services or technical data, or furnish defense services, to Seller in the performance of this Contract.

**12) Force Majeure**

- a) Any delay or failure of performance by Seller shall not constitute default under this Contract or give rise to any claim for damages if, and to the extent, that such delay or failure is caused by the occurrence of Force Majeure. The term “Force Majeure” shall mean any event or occurrence beyond the reasonable control and without the fault or negligence of Seller, which by exercise of due diligence, Seller shall not have been able to avoid or overcome. Such events and occurrences may include, by way of example and not limitation, natural disasters, floods, windstorms, severe weather and other acts of God, fires, explosions, riots, wars, sabotage, Seller’s labor problems (including strikes and slowdowns but excluding lockouts), power failures, and acts of government.

- b) Seller shall provide notice to Buyer of the occurrence of Force Majeure no later than fifteen (15) days after Seller knows or has reason to know of the existence of the Force Majeure event, and such notice shall include Seller's estimated impact on the performance or delivery schedule. No extension of the delivery or performance schedule shall be granted unless such timely notice had been given to Buyer. Seller shall provide notice to Buyer of the cessation of any reported Force Majeure event within five (5) days after such event has ceased to exist, and such notice shall include a statement of the amount of delay in the performance or delivery schedule caused by such event.

### **13) Gratuities and Kickbacks**

No gratuities (in the form of entertainment, gifts or otherwise) or kickbacks shall be offered or given by Seller to any employee of Buyer with a view toward securing favorable treatment as a supplier or subcontractor.

### **14) Warranties**

- i) SELLER AGREES THAT FOR ALL WORK PROVIDED PURSUANT TO THE PURCHASE ORDER, SELLER SHALL GIVE THE WARRANTIES CALLED FOR IN THE PRIME CONTRACT, AND THAT SUCH WARRANTIES SHALL RUN FROM THE LATER OF REDELIVERY OF THE VESSEL(S) TO THE GOVERNMENT OR COMPLETION OF THE WORK. ADDITIONALLY, THE SELLER WARRANTS THAT ALL WORK SHALL BE FREE FROM ALL DEFECTS IN WORKMANSHIP AND MATERIALS; BE NEW AND OF GOOD MARINE QUALITY; BE SUITABLE FOR THE PURPOSE INTENDED; BE OF MERCHANTABLE QUALITY; IF OF SELLER'S DESIGN, MEET ALL PERFORMANCE REQUIREMENTS AND BE FREE FROM DEFECTS IN DESIGN; AND CONFORM TO THE PERFORMANCE REQUIREMENTS AS ESTABLISHED IN THE PURCHASE ORDER AND ITS REFERENCES, ALL FOR A MINIMUM PERIOD OF NINETY CALENDAR DAYS (UNLESS OTHERWISE SPECIFIED IN THE PURCHASE ORDER). SOUTHCOAST WELDING AND MANUFACTURING SHALL NOT BE DEEMED TO HAVE ACCEPTED ANY WORK FURNISHED BY THE SELLER PURSUANT TO THE PURCHASE ORDER UNTIL THEY HAVE BEEN FINALLY ACCEPTED BY THE GOVERNMENT UNDER THE PRIME CONTRACT AND THE WARRANTY PERIOD HAS EXPIRED. SOUTHCOAST WELDING AND MANUFACTURING MAY, AT ANY TIME DURING THE WARRANTY PERIOD, REQUIRE THE SELLER TO REMEDY BY REPAIR, CORRECTION, OR REPLACEMENT, WITHOUT COST TO SOUTHCOAST WELDING AND MANUFACTURING, ANY OF THE WORK PROVIDED BY THE SELLER WHICH FAILS TO COMPLY WITH THE REQUIREMENTS OF THE PURCHASE ORDER, INCLUDING THE ABOVE WARRANTIES, NO MATTER WHAT THE CAUSE.

**15) Insurance and Indemnification**

Seller shall, at its own expense, provide and maintain during the entire Performance Period at least the kinds and minimum amounts of insurance itemized below. Seller agrees to indemnify, defend, and hold harmless SOUTHCOAST WELDING AND MANUFACTURING LLC, its directors, officers, agents, consignees, employees, affiliates and representatives from and against all expenses, damages, claims, suits, settlements, or liabilities of any kind whatsoever, including, but not limited to, breach of warranties, accidents, occurrences, injuries and losses to or any person or property wherever, which arise out of or are connected to the goods and/or services purchased/rendered hereunder on this Purchase Order. SOUTHCOAST WELDING AND MANUFACTURING LLC shall be named as an additional insured under all required policies. Seller shall provide SOUTHCOAST WELDING AND MANUFACTURING LLC a Certificate of Insurance showing proof of the required coverages. The Seller's Certificate of Insurance shall provide evidence of:

1. Commercial or Marine General Liability insurance to include broad form property damage and personal injury insurance with coverage to include premises operations, products liability, completed operations hazard, contractual liability (specifically insuring the liability assumed under this Purchase Order) and independent contractors. If applicable, Ship Repairer's Legal Liability insurance should be evidenced within this policy, or separately. Combined bodily injury and property damage coverage shall have minimum limits of liability of \$2,000,000 per occurrence and \$2,000,000 in the aggregate.
2. Automobile Liability insurance with coverage to include owned hired and non-owned vehicles. Combined bodily injury and property damage coverage shall have a minimum liability limitation of \$1,000,000 per occurrence.
3. State Act Worker's Compensation (for any state where work is being performed) and, if applicable, U.S. Longshore and Harbor Workers' Compensation Act (USL&H) insurance and Employer's Liability insurance with limits conforming to the statutory requirements of each.
4. Employer's Liability shall have minimum limits of liability of \$1,000,000 each accident.
5. Environmental Liability insurance covering bodily injury and property damage for both gradual and sudden occurrences is required for all companies using hazardous substances or whose work may produce hazardous waste with minimum limits of \$5,000,000 per occurrence.

**Certificate of Insurance Requirements**

- All insurers must be rated A- or better by A.M. Best or other rating agency;

- All insurance is primary to and noncontributing with any other insurance carried by Southcoast Welding and Manufacturing;
- Standard ACORD form certificates shall be submitted prior to commencing contract and shall:
  - o Name Southcoast Welding and Manufacturing as an additional insured (coverage 1 -2 above);
  - o Provide a waiver of subrogation in favor of Southcoast Welding and Manufacturing (coverage 3 -4 above):
  - o Obligate the insurer to endeavor to provide Southcoast Welding and Manufacturing not less than thirty (30) days' prior written notice in the event of policy cancellation or any material change therein.
- Certificate may be delivered by email from insurance broker to:  
Controller@southcoastwelding.net or mailed to below address.
- Certificate Holder is:
  - o Southcoast Welding and Manufacturing, LLC  
2591 Faivre Street  
Chula Vista, CA 91911

## **16) General Terms**

- a) This Purchase Order shall be governed and construed in accordance with the laws of the State of California, except as otherwise provided herein with respect to government clauses, laws and regulations incorporated by reference, regardless of the law that applies under choice of law analysis.
- b) The relationship between SCW&M and the Seller pursuant to any Purchase Order shall be that of an independent contractor and Seller is not an employee, servant, joint venture, or agent for SCW&M. (c) If any one or more of the provisions of this Purchase Order is found to be invalid the remaining provisions shall not be affected, and this Purchase Order shall be interpreted as if not containing such provisions.

## **17) Acceptance**

- a) Title to supplies furnished under this contract shall pass to the Government upon formal acceptance, regardless of when or where SCW&M (or the eventual customer) takes

- physical possession, unless the contract/purchase order specifically provides for earlier passage of title.
- b) Unless the contract specifically provides otherwise, risk of loss of or damage to supplies shall remain with the Supplier until, and shall pass to SCW&M upon—
    - i) Delivery of the supplies to a carrier, if transportation is f.o.b. origin; or
    - ii) Acceptance by SCW&M or delivery of the supplies to the eventual customer at the destination specified in the contract/purchase order, whichever is later, if transportation is f.o.b. destination.
    - iii) Paragraph (b) of this clause shall not apply to supplies that so fail to conform to contract requirements as to give a right of rejection. The risk of loss of or damage to such nonconforming supplies remains with the Supplier until cure or acceptance. After cure or acceptance, paragraph (b) of this clause shall apply. Under paragraph (b) of this clause, the Supplier shall not be liable for loss of or damage to supplies caused by the negligence of officers, agents, or employees of SCW&M acting within the scope of their employment.
  - c) Federal Acquisition Regulation 46.501 is hereby incorporated into this contract/ purchase order and shall govern the acceptance of all supplies/equipment. In the event of conflict between the aforementioned FAR clause and the paragraphs set forth above, the FAR clause shall prevail.

### **18) Price and Payment**

- a) The price of this order includes all federal, state and local taxes from which the Seller cannot obtain exemption. The Purchase Order price is set forth in the Purchase Order and shall not be subject to modification, increase or decrease unless so directed in writing by the SCW&M Buyer.
- b) After completion of the work and upon submission of a proper invoice, Seller shall be paid the Prices specified after delivery and acceptance of the completed work, less any deductions or other amounts withheld by the government and less amounts previously paid as progress payments. It is, however, expressly agreed that no compensation shall be due Seller until payment is received by SCW&M from the Sponsor. (c) The date for any cash discount shall commence on the day the material is accepted or the date of receipt of a proper invoice, whichever is later. (d) Unless otherwise agreed in writing, SCW&M will not pay any charges for packing and crating. (e) All containers, bills of lading and packing slips shall list the SCW&M Purchase Order number. The F.O.B. point is to Southcoast Welding and Manufacturing unless otherwise specified on the purchase order.

### **19) Liens**

Seller shall immediately discharge or cause to be discharged any lien or right in rem of any kind, other than in favor of the government, which at any time exists or arises in connection with work done or materials furnished under the Purchase Order with respect to the



machinery, fittings, equipment or materials for the Vessel(s). At SCW&M's request seller shall furnish SCW&M a formal and full release of rights in rem.

## 20) Notices

Notices required by this Contract to be given by Seller or Buyer to the other shall be in writing and shall be deemed effective when served personally; delivered by courier service (with proof of delivery); successfully transmitted by fax (with confirmation of receipt); sent by email (with the time of confirmation of receipt by the addressee); or deposited in the U.S. Mail, first class postage prepaid, addressed as follows, or addressed to either party at such other address(es) as such party may later specify in writing.

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To Seller:

As indicated on face of the purchase order  
the purchase order

To Buyer:

Southcoast Welding and Manufacturing  
Attn: Purchasing Manager  
2591 Faivre Street, Bldg. 1  
Chula Vista, CA 91911-7146

Facsimile: (619) 429-1337

## 21) Quality

Seller shall provide and maintain a commercially reasonable quality control system that complies with the quality control requirements of this Contract. Records of all quality control inspection work by Seller shall be kept complete and available to Buyer and the Government.

## 22) Survival

In the event of completion or termination of this contract/purchase order, the terms and conditions set forth in the Insurance and Indemnification and Proprietary Rights articles shall survive and remain in full force and effect for a period of five (5) years after termination or completion of the contract/order.

## 23) Performance Period

TIME IS OF THE ESSENCE IN THIS PURCHASE ORDER. The Seller shall begin performance on the date set forth in the Purchase Order and shall complete all work within the time specified therein. Failure to perform the work within the performance period shall be considered a material breach of this Purchase Order and could result in SCW&M taking action against the Seller, up to and including termination for default.

**24) Title and Risk of Loss**

Title to and risk of loss of all equipment/supplies furnished to or procured by the supplier under the terms of this contract/purchase order shall be governed by FAR Part 45.4, which is incorporated into this contract/purchase order by reference. Where the term Government is used in the FAR citation, this term shall be construed to mean "SCW&M".

**25) Safety**

- a) The safe conduct of all persons employed by Seller or its subcontractors or vendors shall be the sole responsibility of Seller. Seller shall take all reasonable precautions in the performance of the Contract Work to protect the health and safety of such employees and others and to minimize danger from all hazards to life and property. Seller shall comply with all applicable United States, state, and local health, safety and fire protection laws and regulations, including, but not limited to, the applicable portions of related NAVSEA Standard Items, the Occupational Safety and Health Standards 29 CFR 1910, Occupational Safety and Health Standards for Shipyard Employment 29 CFR 1915, and Cal OSHA Title 8 Cal Code Regulations. Seller shall also comply with Buyer's safety policies and procedures. Seller is solely responsible for informing itself of said laws, regulations, policies and procedures. Buyer's Safety Manual and other materials are available at Buyer's Safety Department. In any event where the aforesaid laws, regulations, policies and procedures are in conflict, Seller shall comply with the item providing the greatest safety protection. Any failure by Seller or any of its suppliers to comply with any such safety policies, procedures, laws or regulations shall constitute a default. Under no circumstance shall compliance with Buyer's safety policies and procedures alone be considered complete satisfaction of the requirements of this subparagraph.
- b) Seller's occupational health and safety management system shall incorporate measures which reasonably demonstrate that its employees are competent to perform their tasks safely and ensure that, in the performance of this Contract, hazards to health and safety have been eliminated where possible or are being controlled through formal planning methods and procedures.
- c) Seller shall complete the following prior to commencement of performance of the Contract Work:
  - i) Seller's Safety Representative, together with equivalent representatives of Seller's suppliers who are expected to perform at Buyer's facilities, shall meet with Buyer's Safety Manager or designee to review applicable safety policies and procedures.
  - ii) Provide to Buyer's Safety Department a copy of Seller's written safety policies and procedures.
  - iii) Provide to Buyer's Safety Department a copy of all Material Safety Data Sheets ("MSDS") for all chemical compounds that Seller anticipates using in performing Contract Work at Buyer's facilities.
  - iv) Seller's Employees are required, if applicable, to complete the SCW&M safety training.

- d) Seller represents and warrants that all equipment used by Seller to perform any Contract Work at Buyer's facilities conforms to all federal and state safety standards.
- e) Seller represents and warrants that Seller's employees and suppliers' employees performing Contract Work at Buyer's facilities are properly trained in all Federal, State, and local health, safety and fire protection laws and regulations and Buyer's safety policies and procedures, applicable to the Contract Work.
- f) Seller shall report all recordable occupational injuries or illnesses (as defined in 29 CFR 1904.12(c)) occurring at Buyer's facilities during performance of the Contract Work in accordance with the following procedures:
  - i) Seller shall make an initial report to Buyer's Safety Department within four hours of the incident. This report shall consist of the name of the injured person, place of occurrence, nature of the injury, and a brief description of the incident. This report can be made orally by telephone call to (619) 429-1337 or by personal visit to Buyer's Safety Department.
  - ii) Seller shall submit a written final report in the form of a formal accident investigation report, within 24 hours of the incident, using SCW&M Form for Supervisor's Injury Analysis available at buyer's Safety Department or any other form which includes all necessary information. This report shall be delivered to buyer's Safety Department in person or by mail at SouthCoast Welding & Manufacturing LLC, 2591 Faivre St, Chula Vista CA 91911
- g) Seller shall immediately notify Buyer's Safety Department, in writing, upon receiving notice of any inspection from either United States OSHA or local OSHA representatives, of their work area at Buyer's facilities. In the event of such an inspection, Seller shall permit Buyer's personnel to be present at any opening conference, the inspection and any closing conference, and Seller shall provide Buyer with copies of all correspondence, including citations, received from OSHA or Cal OSHA.
- h) If, in Buyer's sole opinion, Seller fails to comply with this Safety paragraph, Buyer, may without prejudice to any other legal or contractual rights of Buyer, issue an order stopping all or part of the Contract Work. Seller shall have no claim for extension of time or for compensation or damages by reason of or in connection with such work stoppage.
- i) Seller shall remove from Buyer's facilities any of Seller's or Seller's suppliers' employees immediately upon Buyer's request based upon (in Buyer's sole opinion) violation of Buyer's safety policies or procedures, or violation of applicable United States, state or local safety laws or regulations.

## 26) Security

Seller shall comply with Buyer's security policies and procedures regarding personnel administration, vehicle operations, and general security practices. Willful or repeated negligent noncompliance by Seller or any of its subcontractors or vendors with any such security policies or procedures shall constitute a default.

**27) Prime Contract**

- i) It is understood and agreed that for the purposes of any Purchase Order issued by SCW&M, the term Prime Contract may mean a prime contract issued by a Federal Government Agency, a Subcontract issued by a Prime Contractor or any other agreement under which SCW&M may be authorized to perform work. As an authorized supplier under the prime contract, certain contract provisions and/or Federal Acquisition Regulation (FAR) clauses will be automatically flowed down, all of which the Supplier must adhere to. Accordingly, the prime contract associated with this work is hereby incorporated by reference. SCW&M will make the prime contract FAR Clauses available to the Supplier should they require a copy.

**FAR & DFAR FLOWDOWN PROVISIONS**

PROVISIONS INCORPORATED BY REFERENCE. The below listed Federal Acquisition Regulation (FAR) and the Department of Defense Federal Acquisition Regulation Supplement (DFARS) clauses are hereby incorporated by reference and made part of the Purchase Order with the same force and effect as though set forth in full text herein. The effective version of each FAR and DFARS clause shall be the same version as that found in SCW&M Prime Contract. The full text of a clause may be accessed electronically at these addresses:  
<http://acquisition.gov/far> or <http://farsite.hill.af.mil> .

This Contract is entered into by the parties in support of a U.S. Government contract.

**As used in the FAR/DFAR clauses referenced below and otherwise in this Contract:**

1. "Commercial Item" means a commercial item as defined in FAR 2.101.
2. "Contract" means this Contract.
3. "Contracting Officer" shall mean the U.S. Government Contracting Officer for SCW&M government prime contract under which this Contract is entered.
4. "Contractor" and "Offeror" means SELLER, as defined in this document, acting as the immediate subcontractor to SCW&M.
5. "Prime Contract" means the contract between SCW&M and the U.S. Government or between SCW&M and its higher-tier contractor who has a contract with the U.S. Government.
6. "Subcontract" means any contract placed by the Contractor or lower-tier subcontractors under this Contract.

**NOTES**

The following notes apply to the clauses incorporated by reference below only when specified in the parenthetical phrase following the clause title and date.

1. Substitute " SCW&M " for "Government" or "United States" throughout this clause.
2. Substitute " SCW&M Procurement Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO" throughout this clause.
3. Insert "and SCW&M " after "Government" throughout this clause.
4. Insert "or SCW&M " after "Government" throughout this clause.

5. Communication/notification required under this clause from/to the Contractor to/from the Contracting Officer shall be through SCW&M.
6. Insert "and SCW&M " after "Contracting Officer", throughout the clause.
7. Insert "or SCW&M PROCUREMENT REPRESENTATIVE" after "Contracting Officer", throughout the clause.

**The following FAR clauses apply to this Contract:**

FAR 52.203-3 GRATUITIES (Applies if this Contract exceeds \$150,000. Note 4 applies.)

FAR 52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (Applies if this Contract exceeds \$150,000.)

FAR 52.203-7 ANTI-KICKBACK PROCEDURES (Applies if this Contract exceeds \$150,000.)

FAR 52.203-8 CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (Applies if this Contract exceeds \$150,000. Note 4 applies.)

FAR 52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (Applies if this Contract exceeds \$150,000.)

FAR 52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT (Disclosures made under this clause shall be made directly to the Government entities identified in the clause.)

FAR 52.203-17 CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (Applies if this Contract exceeds \$150,000.)

FAR 52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL (Applies where SELLER will have physical access to a federally-controlled facility or access to a Federal information system.)

FAR 52.204-10 REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS (Subparagraph (c) (1) does not apply. If SELLER meets the thresholds specified in paragraphs (c)(2) and (d) of the clause, SELLER shall report required executive compensation by posting the information to the Government's Central Contractor Registration (CCR) database at <http://www.ccr.gov>. All information posted will be available to the general public.)

FAR 52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (Applies if this Contract exceeds \$30,000. Copies of notices provided by SELLER to the Contracting Officer shall be provided to SCW&M.)

FAR 52.211-5 MATERIAL REQUIREMENTS (Note 2 applies.)

FAR 52.211-15 DEFENSE PRIORITY AND ALLOCATION REQUIREMENT (Note 4 applies.)

FAR 52.215-2 AUDIT AND RECORDS-NEGOTIATION (Applies if this Contract exceeds \$150,000 and if: (1) SELLER is required to furnish cost or pricing data, or (2) the Contract requires SELLER to furnish cost, funding, or performance reports, or (3) this is an incentive or re-determinable type contract. Note 3 applies.)

FAR 52.215-10 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (Applies if submission of certified cost or pricing data is required. Notes 2 and 4 apply except the first time "Contracting Officer" appears in paragraph (c)(1). "Government" means " SCW&M " in paragraph (d)(1). Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)

FAR 52.215-11 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA - MODIFICATIONS (Applies if submission of certified cost or pricing data is required for modifications. Notes 2 and 4 apply except the first time "Contracting Officer" appears in paragraph (d)(1). "Government" means " SCW&M " in paragraph (e)(1). Rights and obligations under this clause shall survive completion of the Work and final payment under this Contract.)

FAR 52.215-12 SUBCONTRACTOR COST OR PRICING DATA (Applies if this Contract exceeds \$700,000 and is not otherwise exempt under FAR 15.403.)

FAR 52.215-13 SUBCONTRACTOR COST OR PRICING DATA - MODIFICATIONS (Applies if this Contract exceeds \$700,000 and is not otherwise exempt under FAR 15.403.)

FAR 52.215-14 INTEGRITY OF UNIT PRICES (Applies if this Contract exceeds \$150,000. Delete paragraph (b) of the clause.)

FAR 52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (Applies if this Contract meets the applicability requirements of FAR 15.408(g). Note 5 applies.)

FAR 52.215-16 FACILITIES CAPITAL COST OF MONEY (Applies only if this Contract is subject to the Cost Principles at FAR Subpart 31.2 and SELLER proposed facilities capital cost of money in its offer.)

FAR 52.215-17 WAIVER OF FACILITIES CAPITAL COST OF MONEY (Applies only if this Contract is subject to the Cost Principles at FAR Subpart 31.2 and SELLER did not propose facilities capital cost of money in its offer.)

FAR 52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POST-RETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (Applicable if this Contract meets the applicability requirements of FAR 15.408(j). Note 5 applies.)

FAR 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (Applies if this Contract meets the applicability requirements of FAR 15.408(k). Note 5 applies.)

FAR 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (Note 2 applies in paragraph (a) (1).)

FAR 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS (Note 2 applies in paragraphs (a) (1) and (b).)

FAR 52.215-23 LIMITATION ON PASS-THROUGH CHARGES (Applies if the prime contract to which this Contract relates is with the Department of Defense. Applicable if this Contract exceeds \$700,000 except those that meet the criteria of 15.408(n)(2)(i)(B)(2). Notes 4 and 6 apply.)

FAR 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS

FAR 52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (Applies if this Contract exceeds \$650,000 except the clause does not apply if SELLER is a small business concern. Note 2 is applicable to paragraph (c) only. SELLER's subcontracting plan is incorporated herein by reference.)

FAR 52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT - OVERTIME COMPENSATION (Applies if the Contract may require or involve the employment of laborers and mechanics.)

FAR 52.222-20 CONTRACTS FOR MATERIALS, SUPPLIES, ARTICLES AND EQUIPMENT EXCEEDING \$15,000

FAR 52.222-21 PROHIBITION OF SEGREGATED FACILITIES

FAR 52.222-26 EQUAL OPPORTUNITY

FAR 52.222-35 EQUAL OPPORTUNITY FOR VETERANS (Applies if this Contract is for \$100,000 or more.)

FAR 52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (Applies if this Contract exceeds \$15,000.)

FAR 52.222-37 EMPLOYMENT REPORTS ON VETERANS (Applies if this Contract is for

\$100,000 or more.)

FAR 52.222-40 NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT (Applies if this Contract exceeds \$10,000.)

FAR 52.222-50 COMBATING TRAFFICKING IN PERSONS (Note 2 applies. In paragraph (e) Note 3 applies.)

FAR 52.222-54 EMPLOYMENT ELIGIBILITY VERIFICATION (Applies to work performed in the United States.)

FAR 52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (Applies if this Contract involves hazardous material. Notes 2 and 3 apply, except for paragraph (f) where Note 4 applies.)

FAR 52.223-6 DRUG-FREE WORKPLACE (Notes 1 and 2 apply.)

FAR 52.223-7 NOTICE OF RADIOACTIVE MATERIALS (Applies to Work containing covered radioactive material. In the blank insert "30". Notes 1 and 2 apply.)

FAR 52.223-11 OZONE-DEPLETING SUBSTANCES (Applies if the Work was manufactured with or contains ozone depleting substances.)

FAR 52.223-18 CONTRACTOR POLICY TO BAN TEXT MESSAGING WHILE DRIVING (Applies if this Contract exceeds \$3,000.)

FAR 52.225-1 BUY AMERICAN ACT -- SUPPLIES (Applies if the Work contains other than domestic components. Note 2 applies to the first time "Contracting Officer" is mentioned in paragraph (c).)

FAR 52.225-5 TRADE AGREEMENTS (Applies if the Work contains other than U.S. made or designated country end products as specified in the clause.)

FAR 52.225-8 DUTY FREE ENTRY (Applies if Work will be imported into the Customs Territory of the United States. Note 2 applies.)

FAR 52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES

FAR 52.227-1 AUTHORIZATION AND CONSENT (Applies only if the Prime Contract contains this clause.)

FAR 52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (Applies if this Contract exceeds \$150,000. Notes 2 and 4 apply.)



FAR 52.227-9 REFUND OF ROYALTIES (Applies when reported royalty exceeds \$250. Note 1 applies except for the first two times "Government" appears in paragraph (d). Note 2 applies.)

FAR 52.227-10 FILING OF PATENT APPLICATIONS-CLASSIFIED SUBJECT MATTER (Applies if the Work or any patent application may cover classified subject matter.)

FAR 52.227-14 RIGHTS IN DATA - GENERAL

FAR 52.228-5 INSURANCE -- WORK ON A GOVERNMENT INSTALLATION (Applies if this Contract involves Work on a Government installation. Note 2 applies. Note 4 applies to paragraph (b). Unless otherwise specified by this Contract, the minimum kinds and amount of insurance shall be as described in FAR 28.307-2.)

FAR 52.230-2 COST ACCOUNTING STANDARDS (Applies only when referenced in this Contract that full CAS coverage applies. "United States" means "United States or SCW&M." Delete paragraph (b) of the clause.)

FAR 52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (Applies only when referenced in this Contract that modified CAS coverage applies. "United States" means "United States or c SCW&M." Delete paragraph (b) of the clause.)

FAR 52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS (Applies if FAR 52.230-2 or FAR 52.230-3 applies.)

FAR 52.232.40 PROVIDING ACCELERATED PAYMENTS TO SMALL BUSINESS SUBCONTRACTORS

FAR 52.233-3 PROTEST AFTER AWARD (In the event SCW&M customer has directed SCW&M to stop performance of the Work under the Prime Contract under which this Contract is issued pursuant to FAR 33. SCW&M may, by written order to SELLER, direct SELLER to stop performance of the Work called for by this Contract. "30 days" means "20 days" in paragraph (b)(2). Note 1 applies except the first time "Government" appears in paragraph (f). In paragraph (f) add after "33.104(h) (1)" the following: "and recovers those costs from SCW&M".)

FAR 52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (Notes 1 and 2 apply.)

FAR 52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION (Applies if Work is performed on a Government installation. Note 2 applies. Note 4 applies to the second time "Government" appears in the clause.)

FAR 52.242-13 BANKRUPTCY (Notes 1 and 2 apply.)

FAR 52.242-15 STOP-WORK ORDER (Notes 1 and 2 apply.)

FAR 52.243-1 CHANGES - FIXED PRICE (Notes 1 and 2 apply.)

FAR 52.243-6 CHANGE ORDER ACCOUNTING (Applies if the Prime Contract requires Change Order Accounting. Note 2 applies.)

FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS

FAR 52.245-1 GOVERNMENT PROPERTY (APR 2012) (ALT I) ("Contracting Officer" means " SCW&M " except in the definition of Property Administrator and in paragraphs (h)(1)(iii) where it is unchanged, and in paragraphs (c) and (h)(4) where it includes SCW&M. "Government" is unchanged in the phrases "Government property" and "Government-furnished property" and where elsewhere used except in paragraph (d)(1) where it means " SCW&M " and except in paragraphs (d)(2) and (g) where the term includes SCW&M. The following is added as paragraph (n) "Seller shall provide to SCW&M immediate notice if the Government or other customers (i) revokes its assumption of loss under any direct contracts with Seller, or (ii) makes a determination that Seller's property management practices are inadequate, and/or present an undue risk, or that Seller has failed to take corrective action when required.")

FAR 52.246-2 INSPECTION OF SUPPLIES - FIXED PRICE (Note 2 applies. Note 3 applies, except in paragraph (b) the second time "Government" appears; (f), (h), (j), and (l) where Note 1 applies.)

FAR 52.246-4 INSPECTION OF SERVICES - FIXED PRICE (Note 3 applies, except in paragraphs (e) and (f) where Note 1 applies.)

FAR 52.247-63 PREFERENCE FOR U.S.-FLAG AIR CARRIERS (Applies if this Contract involves international air transportation.)

FAR 52.247-64 PREFERENCE FOR PRIVATELY OWNED U.S. FLAG COMMERCIAL VESSELS

FAR 52.248-1 VALUE ENGINEERING (Applies if this Contract exceeds \$150,000. Note 1 applies, except in paragraphs (c)(5), where Note 3 applies and except in (b)(3) where Note 4 applies, and where "Government" precedes "cost" throughout. Note 2 applies. In paragraph (m) "Government is unchanged." Also, "Government" does not mean " SCW&M " in the phrase "Government costs.")

FAR 52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) (Notes 1 and 2 apply. Note 4 applies to the first time "Government" appears in

paragraphs (b)(4) and (b)(6), it applies to all of paragraph (b)(8) and it applies to the second time "Government" appears in paragraph (d). In paragraph (n) "Government" means "SCW&M and the Government". In paragraph (c) "120 days" is changed to "60 days." In paragraph (d) "15 days" is changed to "30 days," and "45 days" is changed to "60 days." In paragraph (e) "1 year" is changed to "6 months." Paragraph (j) is deleted. In paragraph (l) "90 days" is changed to "45 days." Settlements and payments under this clause may be subject to the approval of the Contracting Officer.)

FAR 52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) (Notes 1 and 2 apply, except Note 1 is not applicable to paragraph (c). Note 4 applies to the second and third time "Government" appears in paragraph (e). Timely performance is a material element of this Contract.)

**The following DFARS clauses apply to this Contract:**

DFARS 252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE CONTRACT-RELATED FELONIES (Applies if this Contract exceeds \$150,000. The terms "contract," "contractor," and "subcontract" shall not change in meaning in paragraphs (a) and (d). Delete paragraph (g). Note 5 applies.)

DFARS 252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS

DFARS 252.203-7003 AGENCY OFFICE OF THE INSPECTOR GENERAL (Applies when FAR 52.203- 13 applies to this Contract.)

DFARS 252.204-7012 SAFEGUARDING OF UNCLASSIFIED CONTROLLED TECHNICAL INFORMATION

DFARS 252.211-7000 ACQUISITION STREAMLINING (Applies if this Contract exceeds \$1.5M. Note 1 applies.)

DFARS 252.211-7007 REPORTING OF GOVERNMENT-FURNISHED PROPERTY (Applies if this Contract requires Government property in SELLER's possession to contain unique item identification)

DFARS 252.215-7000 PRICING ADJUSTMENTS (Applies if FAR 52.215-12 or 52.215-13 applies to this Contract.)

DFARS 252.215-7008 ONLY ONE OFFER (Note 2 applies.)

DFARS 252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN (DoD CONTRACTS) (AUG 2012) (Applies if FAR 52.219-9 applies to this Contract. Delete paragraph (f).)

DFARS 252.222-7006 RESTRICTION ON THE USE OF MANDATORY ARBITRATION AGREEMENTS (The certification in paragraph (b) (2) applies to both SELLER in its own capacity and to Seller's covered subcontractors.)

DFARS 252.223-7001 HAZARD WARNING LABELS (Applies if this Contract requires the delivery of hazardous materials.)

DFARS 252.223-7008 PROHIBITION OF HEXAVALENT CHROMIUM (Note 2 applies.)

DFARS 252.225-7001 BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM (Applies if the Work contains other than domestic components. Applies in lieu of FAR 52.225-1.)

DFARS 252.225-7006 QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (Applies if this Contract exceeds \$650,000. Paragraph (f) is deleted.)

DFARS 252.225-7009 RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS (Applies if the Work to be furnished contains specialty metals. Paragraph (d) is deleted.)

DFARS 252.225-7013 DUTY-FREE ENTRY (Notes 1 and 2 apply in subparagraph (c). Applies in lieu of FAR 52-225-8. The prime contract number and identity of the Contracting Officer are contained elsewhere in this contract. If this information is not available, contact SCW&M's Procurement Representative.)

DFARS 252.225-7016 RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS (Applies if Work supplied under this Contract contains ball or roller bearings. Note 1 applies to subparagraph (a) (2).)

DFARS 252.225-7021 TRADE AGREEMENTS (Applies if the Work contains other than U.S.-made, qualifying country, or designated country end products. Applies in lieu of FAR 52.225-5.)

DFARS 252.225-7043 ANTI-TERRORISM/FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES (Applies where SELLER will be performing or traveling outside the U.S. under this Contract. For paragraph (c), see applicable information cited in DFARS 225.7401.)

DFARS 252.225-7048 EXPORT-CONTROLLED ITEMS

DFARS 252.226-7001 UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS (Applies if this Contract exceeds \$500,000. Note 2 applies to paragraph (c) the first time "Contracting Officer" appears.) In subparagraph (f)(1) "Contractor" shall mean " SCW&M."

SCW&M shall have no liability to SELLER for any incentive payment under this clause unless and until the Government provides said incentive payment to SCW&M.)

DFARS 252.227-7013 RIGHTS IN TECHNICAL DATA - NON-COMMERCIAL ITEMS  
(Applies in lieu of FAR 52.227-14.)

DFARS 252.227-7014 RIGHTS IN NON-COMMERCIAL COMPUTER SOFTWARE AND  
NON-COMMERCIAL COMPUTER SOFTWARE DOCUMENTATION (Applies in lieu of  
FAR 52.227-14.)

DFARS 252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION

DFARS 252.227-7018 RIGHTS IN NONCOMMERCIAL TECHNICAL DATA AND  
COMPUTER SOFTWARE-SMALL BUSINESS INNOVATION RESEARCH (SBIR)  
PROGRAM

DFARS 252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS - COMPUTER  
SOFTWARE

DFARS 252.227-7025 LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-  
FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS (For paragraph  
(c) (1), note 3 applies.)

DFARS 252.227-7027 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER  
SOFTWARE (Note 1 applies.)

DFARS 252.227-7028 TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY  
DELIVERED TO THE GOVERNMENT (The definitions for "contract" and "subcontract" shall  
not apply herein, except for the first reference to contract. Note 4 applies.)

DFARS 252.227-7030 TECHNICAL DATA - WITHHOLDING OF PAYMENT (Notes 1 and 2  
apply to (a); Note 4 applies to (b).)

DFARS 252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL  
DATA DFARS 252.231-7000 SUPPLEMENTAL COST PRINCIPLES

DFARS 252.239-7018 SUPPLY CHAIN RISK

DFARS 252.243-7001 PRICING OF CONTRACT MODIFICATIONS

DFARS 252.244-7000 SUBCONTRACTS FOR COMMERCIAL ITEMS AND  
COMMERCIAL COMPONENTS (DOD CONTRACTS)

DFARS 252.244-7001 CONTRACTOR PURCHASING SYSTEM ADMINISTRATION (Note 2 applies. Only subparagraphs (c) (24) (i) and (c) (24) (ii) of the clause are applicable to this contract.

DFARS 252.246-7003 NOTIFICATION OF POTENTIAL SAFETY ISSUES (Applies if this Contract is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system. SELLER shall provide notifications to SCW&M and the contracting officer identified to SELLER.)

DFARS 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (Applies in lieu of FAR 52.247-64 in all Contracts for ocean transportation of supplies. In the first sentence of paragraph (g), insert a period after “Contractor” and delete the balance of the sentence. Paragraph (f) and (g) shall not apply if this Contract is at or below \$150,000. Notes 1 and 2 apply to paragraph (g).)

DFARS 252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (Notes 1 and 2 apply.)

DFARS 252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION (Applies if this Contract exceeds \$650,000. Note 2 applies. Delete paragraph (d) (1) and the first five words of paragraph (d) (2).)

### **CERTIFICATIONS AND REPRESENTATIONS**

SELLER acknowledges that SCW&M will rely upon SELLER certifications and representations contained in this clause and in any written offer, proposal or quote, or company profile submission, which results in award of a contract to SELLER. By entering into such contract, SELLER republishes the certifications and representations submitted with its written offer, including company profile information, and oral offers/quotations made at the request of SCW&M, and SELLER makes those certifications and representations set forth below. SELLER shall immediately notify SCW&M of any change of status regarding any certification or representation.

#### FAR 52.222-22 Previous Contracts and Compliance Reports

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

#### FAR 52.222-25 Affirmative Action Compliance

SELLER represents: (a) that SELLER has developed and has on file at each establishment, Affirmative Action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2), or (b) that in the event such a program does not presently exist, SELLER

will develop and place in operation such a written Affirmative Action Compliance Program within one-hundred twenty (120) days from the award of this Contract.

This purchase order/contract is subject to the provisions contained in Executive Order #11246 and any subsequent or related regulations regarding equal opportunity of employment. Further, the affirmative action clauses set forth in 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a) relating to qualified protected veterans and individuals with disabilities are incorporated herein by specific reference. "This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities."