

Appendix A - PURCHASE ORDER TERMS AND CONDITIONS FOR PLANNING YARD SUPPLIES/SERVICES**(E-2357DDG-PY, JULY 2024)****1. ASSIGNMENT AND SUBCONTRACTING**

- 1.1 Neither this Purchase Order (P.O.), nor any interest herein, may be assigned in whole or in part by the Seller without the prior written consent of Buyer. Any assignment or attempted assignment by the Seller without said prior written consent shall be null and void; provided, however, Seller may assign its rights to be paid amounts due as a result of performance of this P.O. to a bank, trust company, or other financing institution.
- 1.2 Nothing contained in this Clause shall prohibit any party to this P.O. from assigning any or all of its respective rights, title and interest in and to this P.O. to the assigning party's successor-in-interest by way of corporate merger, consolidation or acquisition, or assignment by operation of law. Such successor expressly assumes, agrees to be bound by, and undertakes to perform each and every one of the provisions of this P.O., and further assumes all obligations and liabilities hereunder of the original party to this P.O.
- 1.3 All rights of the Buyer with respect to this P.O. may be assigned by the Buyer to the Government, or to such other party as the Buyer or the Government may designate without change in the P.O. price except for any equitable adjustment that may arise due to changes in the place of delivery, or to any other party, without the Seller's consent.
- 1.4 SELLER subcontracting shall not relieve or discharge SELLER from any obligation or liability hereunder. All work performed or action taken by any SELLER subcontractor shall be deemed work performed or action taken by SELLER.

2. CHANGES

- 2.1 Buyer may make changes within the general scope of this P.O. in any one or more of the following (at any time by written order):
 - (A) drawings, design or specifications where the Supplies to be furnished are to be specifically manufactured for the Buyer in accordance with the drawings, designs or specifications;
 - (B) method of shipment or packaging;
 - (C) place or time of Delivery in the United States of the Supplies to be furnished under the P.O.;
 - (D) description of Services to be performed;
 - (E) time of performance (i.e., hours of the day, days of the week, etc.);
 - (F) place of performance of the Services;
- 2.2 If any such change causes an increase or decrease in the cost of performance, or the time required for performance of the work under this P.O., an equitable adjustment shall be made in the P.O. price or Delivery schedule, or both, and this P.O. shall be modified in writing accordingly. The Seller must submit any proposal for adjustment to the P.O. price or Delivery schedule or both as provided under this Clause within forty-five (45) days from the date of receipt by Seller of the change from Buyer.
- 2.3 Where the cost of property made obsolete or excess as a result of the change is included in the settlement of Seller's proposal for adjustment, Buyer shall have the right to prescribe the manner of disposal of such property.
- 2.4 Buyer's engineering and technical representatives may from time-to-time render assistance to Seller concerning the Supplies or Services to be furnished pursuant to this P.O. Such representatives are not authorized to initiate a change as herein provided. No change will be binding unless issued in writing by the Buyer's authorized purchasing representative and received by Seller.
- 2.5 Upon Seller's receipt of the written change order, nothing contained in this Clause shall relieve Seller from proceeding without delay in the performance of this P.O. as changed.

3. COMPLIANCE WITH LAWS AND REGULATIONS

- 3.1 Seller shall comply with all applicable Federal, State and local laws, and regulations, including all employer-related obligations applicable to the workers it assigns to work under this P.O., including (without limitation) paying all salary, wages and/or other payments required by law or contract to be made to those workers, providing all employee benefits coverage for the workers (including, but not limited to, all legally required benefits such as workers' compensation insurance coverage and sick time), providing any legally required leave benefits, and maintaining all legally required employment records. Seller shall be solely responsible for all direct and indirect administrative and legal reporting, including federal, state and/or income tax withholdings, FICA and administration of payroll. Seller shall maintain all insurance as required by state and federal law. Seller covenants to defend, indemnify and hold Buyer and its assignees harmless from, any and all costs, damages and expenses (including reasonable attorney's fees) incurred by Buyer and its assignees as a result of any failure of Seller to comply with any such laws and regulations.
- 3.2 This P.O. is subject to the requirements of 41 CFR 60-1.4 and 29 CFR part 471, Appendix A to Subpart A, which are incorporated into this P.O. by reference, as applicable. In addition, this order/contract is subject to the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a), which are incorporated herein by reference, as applicable. The latter two regulations prohibit discrimination against qualified individuals on the basis of protected veteran status and disability and require affirmative action to employ and advance in employment protected veterans and qualified individuals with disabilities.
- 3.3 Requirements "Flowed-Down" from Buyer as Prime Contractor to Seller as subcontractor are contained in Attachment A of this P.O. and are incorporated into this P.O. as if set forth fully herein.

4. ACCEPTANCE OF SUPPLIES/SERVICES

- 4.1 Upon Delivery to the F.O.B. Destination point, the Supplies shall be conditionally accepted by the Buyer ("Conditional Acceptance"). Thereafter, the Buyer may conduct such other inspections and tests as it deems appropriate, and within sixty (60) days from completion of such inspections and tests, the Buyer shall notify Seller of the acceptability of the Supplies. If Buyer does not provide written notification to the Seller within the timeframe stated above the Supplies shall be deemed finally accepted.
- 4.2 Any Services rendered in support of this P.O. shall be performed in a professional and workmanlike manner in accordance with the specifications referenced in the P.O. Between Conditional Acceptance and Final Acceptance, if any Supply(s)/Services are found not to conform with the requirements of the P.O., the Buyer shall have the right to (i) reject such Supply(s) and return it at Seller's expense, or (ii) require its correction, or in the case of services, re-performance.
- 4.3 Buyer's acceptance of the Supplies or Services and its subsequent use thereof shall not constitute a waiver of any claim based upon the delivery of improper or defective materials or workmanship, or for delayed deliveries, or of Buyer's rights and remedies conferred with respect thereto. Any and all of the rights and remedies conferred upon the Buyer under the P.O. shall be cumulative and in addition to, and not in lieu of, the rights and remedies granted by law for Seller's breach of contract.

5. CONFIDENTIALITY AND NONDISCLOSURE

- 5.1 The Seller and Buyer recognize that information disclosed to and/or acquired by each other hereunder may be confidential and/or proprietary to the disclosing party, the disclosure of which to third parties could result in irreparable harm to the party furnishing such information. The parties agree that each party has the right to seek and obtain temporary, preliminary and permanent injunctive relief to restrain any unauthorized use or disclosure of its proprietary information in addition to all other remedies available to that party in law or equity.
- 5.2 All information of a proprietary nature disclosed by one party to the other party hereto in connection with this P.O. and designated by the disclosing party by an appropriate stamp, marking, or legend as being proprietary to the disclosing party, shall be held in strict confidence by the receiving party and shall not be duplicated, used or disclosed in whole or in part for any purpose except by the Seller under equivalent conditions of confidentiality, and to the extent strictly necessary to obtain Supplies or Services in the normal course of trade for the performance of this P.O. and to comply with other terms of this P.O.; and except by Buyer to the extent strictly necessary for its intended use as required by the Government under the Prime Contract. Buyer may disclose such information subject to equivalent conditions of confidentiality to their suppliers or prospective suppliers or Program Team Members, to the extent necessary for defining interface characteristics of Supplies to be delivered hereunder provided that they make such disclosure and restrictions on use as contained in this Clause.
- 5.3 The information to be held in confidence as provided in Paragraphs 5.1 and 5.2 hereof shall not include:
- (A) any information that is in the public domain at the time of disclosure to the receiving party or thereafter comes into the public domain other than by breach by the receiving party of this P.O.; or
 - (B) any information in the possession of the receiving party prior to its receipt from the disclosing party (except through prior disclosures in confidence), or which is independently developed by the receiving party without resort to the disclosed proprietary information; or
 - (C) any information which the receiving party rightfully obtains from a third party without restriction; or
 - (D) any information for which the disclosing party by written agreement authorizes its restricted use or disclosure.
- If any portion of the party's information falls within any one of the above exceptions, the remainder shall continue to be subject to the restrictions of this Clause.
- 5.4 To the extent reasonably necessary for the purpose of this P.O. or the Prime Contract, a party may disclose the information of the other party to the Government provided that the disclosing party makes such disclosure subject to like conditions of confidentiality and to the restrictions set forth in Sections (b)(2) of DFARS 252.227-7013 RIGHTS IN TECHNICAL DATA NON COMMERCIAL ITEMS or such later version as the parties may agree, as appropriate, and marks the information so disclosed with the appropriate restrictive legends as provided in the said DFARS Clauses and such other marking of an industrial property right nature as the party owning the information may require, provided that such marking is not disallowed under the provisions of the Prime Contract. Buyer may furnish to the U.S. Government form, fit and function data, manuals and instructional materials as those expressions are defined in said DFARS Clause with Unlimited Rights subject to the conditions pursuant to subdivisions (b)(l) of said DFARS Clause to the extent required under the Prime Contract.
- 5.5 Either party disclosing or reproducing another party's information hereunder shall replicate in any reproductions made any copyright and other intellectual or industrial property right marks and legends as appear on and/or in such information. Notwithstanding anything to the contrary in the foregoing sentence, in the case of a composite work created by Buyer containing any of the said information the copyright in which vests in the Seller, the Seller hereby agrees to waive the said replication requirement if such composite work is marked with the legend:
- "This is an unpublished work, the copyright in which rests in Bath Iron Works, Bath, Maine. All rights reserved."
- 5.6 Nothing contained herein shall be construed to prevent either party from complying with the requirement of a court or other regulatory body acting within its jurisdiction to compel disclosure, provided that in the event that either party receives a demand or any other form of compulsory process from any such court or other regulatory body requiring the disclosure of the other party's information, it shall promptly so advise the other party and cooperate to limit the disclosure to the minimum necessary to comply with the requirements of such demand or process as required by law.

6. DEFAULT

- 6.1 Buyer may, by written notice, terminate this P.O. in whole or in part, if the Seller:
- (A) fails to deliver the Supplies or to perform the Services within the time specified in the P.O. or any extension thereof; or
 - (B) fails to make progress with regard to performance against this P.O.; or
 - (C) fails to perform any of the other provisions of this P.O.
 - (D) declares bankruptcy, suspends its business operation, or initiates any reorganization and/or arrangement for the benefit of its creditors.
- Buyer's right to terminate this P.O. under Subparagraphs (B) and (C) above shall be exercised if the Seller does not cure such failure within ten (10) days after receipt of "Cure Notice" from Buyer specifying the failure.
- 6.2 If Buyer terminates this P.O. in whole or in part by reason of Seller's default, Buyer may acquire (reprocure) under the terms and conditions and in the manner Buyer considers reasonable and appropriate such similar Supplies or Services to those terminated. The Seller shall be liable to Buyer for any excess costs for Supplies or Services so acquired, it being understood that the Seller shall continue to work on that portion not terminated. With regard to the Seller's liability for excess costs:
- (A) except for defaults by Seller's subcontractors at any tier, the Seller shall not be liable for any excess costs if the failure to perform under the P.O. arises from a Force Majeure as described in Clause 11.
 - (B) If the delay or failure is caused by the delay or failure of a subcontractor of the Seller, and if such delay or failure arises out of causes beyond the reasonable control of both the Seller and the subcontractor, and without the fault or negligence of either of them, the Seller shall not be liable to Buyer for excess costs unless the subcontracted Supplies or Services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the Seller to meet the required Delivery schedule.
- 6.3 If the P.O. is terminated for default, Buyer may require the Seller to transfer title and deliver to Buyer or to the Government, any (i) completed Supplies and (ii) partially completed Supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively referred to as "manufacturing materials" in this Clause), that the Seller has specifically produced or acquired for the terminated portion of the P.O. Seller shall also protect and preserve property in its possession in which Buyer has an interest.
- 6.4 Buyer shall pay the P.O. price for completed Supplies and Services previously delivered and accepted. The parties shall agree on the amount of payment for manufacturing material delivered and accepted and for the production and preservation of the property. Failure to agree shall be deemed a dispute under the "Disputes" Clause of this P.O. The Seller may not withhold Supplies, or partially completed Supplies, materials, parts, tools, dies, jigs, fixtures, etc. pending a resolution of any such dispute.
- 6.5 If, after termination for Seller's default, it is determined that the Seller was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been for the convenience of Buyer under the Clause entitled "Termination for Convenience" of this P.O.
- 6.6 The rights and remedies of Buyer in this Clause are in addition to any other rights and remedies provided by law or under this P.O.

6.7 **In the event this P.O. is a cost reimbursement type, Termination for Default shall be implemented pursuant to the Government Flowdown section contained herein, specifically FAR 52.249-6 Termination (Cost Reimbursement).**

7. **DEFINITIONS**

- 7.1 The following words and expressions shall have the meaning hereby assigned to them for the purposes of this P.O. except where otherwise specifically stated or the context so requires:
- (A) "Buyer" shall mean Bath Iron Works having its principle place of business in Bath, Maine.
 - (B) "Contracting Officer" means the Government contracting officer(s) for the Prime Contract. But see Subparagraph (R) below.
 - (C) "Contractor" means Buyer in its capacity as the legal entity which contracts with the Seller by this P.O. But see Subparagraph (R) below.
 - (D) "Days" means calendar days unless otherwise stated.
 - (E) "Delivery" or "Delivered" means the receipt at the F.O.B. Point of all Supplies ordered under the P.O., including all submittals, certifications, documentation and any other Supplies to be furnished under the terms of this P.O.
 - (F) "F.O.B." means F.O.B. Destination, unless otherwise stated.
 - (G) "Government" refers to the Government of the United States.
 - (I) "Latent Defect" means a defect which is hidden from the knowledge as well as from the sight of the inspector and which could not be discovered by ordinary and reasonable care or by the inspection under the test procedures of this Purchase Order. (Reference Geranco Mfg. Corp., ASBCA No. 12376, March 4, 1968, 68-1 BCA 6898 at p. 31,861).
 - (H) "Purchase Order "P.O." or Subcontract refers to these terms and conditions, the faceplate of any Purchase Order, and any changes and/or modifications hereto.
 - (I) "P.O. Price" means the total sum of the Supplies or Services prices which individually may be called unit price(s).
 - (J) "Purchase Specification" means Buyer's statement of specifications for the Item(s) or Services being acquired.
 - (K) "Purchasing Representative" refers to Buyer's authorized representative.
 - (L) "Seller", "Subcontractor", or "Supplier" means the legal entity who sells or contracts to sell Supplies or Services to Buyer by this P.O. and any of its employees, agents, subcontractors; or assignees (if permitted).

8. **DELIVERY DATE AND EXCUSABLE DELAY**

- 8.1 The Delivery Date(s) shall mean the date(s) as set forth in the P.O., or any modification thereto for the Delivery of the Supplies or performance of the Services specified in the P.O.
- 8.2 Notwithstanding any other provision in this P.O. to the contrary, neither Party shall be liable for failure to perform if a Force Majeure as described in Clause 11 prevents its performance.
- 8.3 If the delay or failure is caused by the delay or failure of a subcontractor of the Seller and if such delay arises out of causes beyond the reasonable control of both the Seller and the Seller's subcontractors, and without the fault or negligence of either of them, the Seller shall not be liable to Buyer for damages occasioned by delays in Delivery unless the Supplies or Services to be furnished by the subcontractor were reasonably obtainable from other known sources in sufficient time to permit the Seller to meet the required Delivery schedule.
- 8.4 In the event of an excusable delay under this Clause the time of performance shall be extended by such period as may be deemed reasonable by the Buyer.
- 8.5 If and whenever it becomes apparent that progress in the furnishing of Supplies and Services is being or is likely to be delayed (whether or not such delay is excusable), the Seller shall within ten (10) working days of becoming aware of such delay give written notice in accordance with the Problem Identification Report clause hereunder, to Buyer of the material circumstances including the cause or causes of the delay and shall give particulars of the expected effects thereof and estimate the extent of the expected delay in Delivery of the Supplies and Services beyond the Delivery date or dates set out in this P.O. Seller shall give such further written notices to Buyer as may be necessary or as Buyer may reasonably require to maintain awareness on the status of the delay in order to mitigate impact of the delay to Buyer's operation.
- 8.6 Time is of the essence with regard to delivery schedules related to this P.O. In the event Seller does not deliver acceptable items in accordance with the delivery schedules set forth in the P.O., Seller shall be liable to Buyer for all damages and liability, not otherwise excluded herein, of Buyer resulting therefrom.

9. **DISPUTES**

- 9.1 "Dispute" as used herein shall mean any and all claims or disputes that in any way arise out of or relate to this P.O., the negotiation or execution thereof, its performance, or the breach or enforcement thereof. Buyer and Seller intend that the definition of "Dispute" shall have the broadest scope permitted by law and that, without limiting the generality of the foregoing, shall be deemed to include all claims between the parties including, but not limited to, any claims for fraud, misrepresentation, negligence, libel and slander, unfair competition, unfair trade practices, or other tort law claims. The foregoing notwithstanding, the parties also intend and agree that, because of the nature of such matters, the following claims are not subject to the agreement to negotiate set forth herein: (1) claims regarding ownership, validity, infringement, or misappropriation of either party's intellectual property; (2) claims regarding a breach of obligations relating to the Nondisclosure Agreement(s), if any, or Confidentiality clause herein.
- 9.2 This P.O. shall be interpreted and the rights and obligations of the Parties shall be determined in accordance with the Governing Law provision (Clause 13) except for the right of either party to apply to a court of competent jurisdiction for equitable relief necessary to preserve the status quo or prevent irreparable harm as established below, the parties agree that any Dispute between them or against any agent, employee, successor, or assign of the other shall be settled, to the extent possible by good faith negotiations. Any dispute, controversy or claim arising out of or in connection with this Agreement, including without limitation any dispute regarding the enforceability of any provision, which cannot be resolved through good faith negotiations within sixty (60) days or such longer period of time as may be mutually agreed between the Parties, shall be submitted to and finally resolved by a court of competent jurisdiction in the State of Maine.
- 9.3. Until final resolution of any Dispute hereunder, Seller shall proceed diligently with the performance of this P.O. unless otherwise directed by Buyer in writing. Each party acknowledges that the other party will suffer irreparable harm and that there is no adequate remedy at law if, pending settlement or any controversy or claim, the other party fails to diligently perform its obligations under this P.O. The non-breaching party shall be entitled to interim equitable relief or injunctive relief. In such an event, both parties hereby expressly consent to the jurisdiction of the courts in the State of Maine.
- 9.4. Buyer's rights under the terms and conditions of this P.O. are cumulative and in addition to any other rights available at law or equity.
- 9.5. This provision is not applicable to, and does not in any way limit any remedies available to a party with respect to, any dispute between either party to this P.O. and a third-party.
- 9.6. Disputes Related to Prime Contract:

Except for changes identified as such in writing and signed by Buyer, the Seller shall notify Buyer, in accordance with the Notices requirement, in writing promptly, within forty-five (45) days from the date that the Seller identifies any conduct (including actions, inactions, and written or oral communications) on the part of the Buyer that Seller regards as a change to or inconsistency with the contract terms and conditions.

- 9.7 Notwithstanding the previous paragraph, any Dispute arising under or related to this P.O., which Buyer could include in a claim or other demand under the disputes provisions of the prime contract, shall be resolved in accordance with Paragraph 9.6 above and as follows: (i) Seller shall provide Buyer with a fully supported written claim, properly certified as prescribed by FAR 33.207, within sixty (60) days after the claim accrues; (ii) Seller shall cooperate with Buyer in prosecuting Seller's timely made claim or demand and will be bound by the resulting decision of the Contracting Officer; and (iii) Seller shall pay its proportional costs in pursuing the claim. If Seller fails to provide buyer with a written claim for any Dispute within the time frame prescribed hereunder, Seller is deemed to have waived the claim.
- 9.8 Buyer's entire liability to Seller with respect to any matter prosecuted under the prime contract disputes clause shall be limited to the recovery obtained against the Government for Seller's claim, exclusive of Buyer's related markups. If Seller is affected by the resulting decision and Buyer elects to appeal, Seller shall pay to Buyer Seller's proportion of the appeal costs. If Buyer elects not to appeal the decision, Buyer shall notify Seller of that decision within ninety (90) days. If Seller submits a timely request to Buyer to appeal such decision, Buyer shall file and sponsor Seller's appeal, at Seller's sole cost, if Buyer may do so in good faith. Buyer has the right to review, prior to submission, any pleadings or other papers Seller may file in such appeal. Seller agrees to delete any admissions or statements in the pleadings or papers to which Buyer objects. If Buyer appeals such decision, whether or not at Seller's request, any decision regarding such appeal shall be binding on Buyer and Seller as it relates to this P.O. The choice of law specified in the prime contract shall not apply to Disputes and appeals prosecuted under the prime contract.
- 9.9 Until final resolution of any Dispute hereunder, Seller shall proceed diligently with the performance of this P.O. unless otherwise directed by Buyer in writing.

10. EXAMINATION OF RECORDS

- 10.1 Seller agrees that Buyer, the Contracting Officer or other duly authorized Government Employee shall, until the expiration of three (3) years after final payment under this P.O., have access to and the right to examine any directly pertinent books, documents, papers, and records involving transactions pertaining to this P.O.
- 10.2 The periods of access to and right of examination of records which relate to (i) Buyer's appeals under the "Disputes" Clause of the Prime Contract, (ii) litigation or settlement of claims arising out of the Prime Contract or (iii) cost and expenses of the Prime Contract or this P.O. shall continue until such appeals, litigation, or claims have been disposed of.

11. FORCE MAJEURE

Causes beyond the reasonable control of a Party without the fault or negligence of the Party, including, but not limited to, acts or omissions on the part of Buyer; acts of God; civil strife; labor strikes; actions on the part of the Government or sovereign government in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; or, freight embargoes .

12. FINAL SETTLEMENT

Upon final settlement of the work, Seller shall be entitled to receive any balance owed under this P.O. Such payment to be made within thirty (30) days after the amount of such balance is determined; provided appropriate documentation has been received and approved by Buyer. Seller and each assignee of the Seller, under an assignment in effect at the time of final settlement, shall execute and deliver at the time of and as a condition precedent to any final payment from Buyer, a release of claims and liens from Seller and Seller's subcontractors and from liabilities, obligations, and claims arising under this P.O. in form and substance satisfactory to Buyer, its officers, agents, and employees. If this P.O. shall have been terminated in whole or in part, any such release shall also contain a release of all claims against Buyer arising out of, or by virtue of, such termination.

13. GOVERNING LAW

The parties agree that irrespective of the place of performance of this P.O., the P.O. shall be construed and interpreted according to Federal Common Law and the Federal Contract Law as enunciated and applied by the Federal courts, boards of contract appeals and other administrative and quasi-judicial bodies of the Federal Government. To the extent the Federal Common Law and Federal Contract Law is not determinative, the laws (both substantive and procedural) of the State of Maine in effect at the time of the execution of this P.O. shall apply as the same would be applied to transactions between residents of the State to be fully performed within the State and without regard to the State's conflict of laws principles. Any action by either party against the other shall be brought before any court in the State of Maine having competent jurisdiction.

14. GOVERNMENT PROPERTY/BUYER PROPERTY

- 14.1 Government or Buyer Furnished Property. The Government or Buyer shall deliver to the Seller, for use in connection with and under the terms of this P.O., the property described as Government-Furnished Property (GFP) or Buyer-Furnished Property (BFP), together with such related data and information as the Seller may request and as may reasonably be required for the intended use of such property. The Delivery or performance dates for the Supplies or Services to be furnished by Seller under this P.O. are based upon the expectation that GFP or BFP suitable for use (except for such property furnished "as is") will be delivered to the Seller at the times stated in the P.O. or, if not so stated, in sufficient time to enable Seller to meet such Delivery or performance dates. In the event that GFP or BFP is not delivered to Seller by such time or times, Buyer shall, upon timely written request made by Seller, make a determination of the delay, if any, occasioned the Seller thereby, and shall equitably adjust the Delivery or performance dates or the P.O. price, or both, and any other contractual provision affected by any such delay, in accordance with the procedures provided for in the Clause of this P.O. entitled "Changes." Except for GFP or BFP furnished "as is," in the event the GFP or BFP is received by Seller in a condition not suitable for the intended use the Seller shall, upon receipt thereof, notify Buyer of such fact and, as directed by Buyer, either (i) return such property at Buyer's expense or otherwise dispose of the property, or (ii) effect repairs or modifications. Upon the completion of (i) or (ii) above, Buyer upon written request of Seller shall equitably adjust the Delivery or performance dates or the P.O. price, or both, and any other contractual provision affected by the rejection or disposition, or the repair or modification to GFP or BFP, in accordance with the procedures provided for in the Clause of this P.O. entitled "Changes." The foregoing provisions for adjustment are exclusive and Buyer shall not be liable to suit for breach of contract by reason of any delay in delivery of GFP or BFP or delivery of such property in a condition not suitable for its intended use, a decrease in or substitution of GFP or BFP, or failure to repair or replace GFP for which Government or Buyer is responsible.
- 14.2 Changes in GFP or BFP.
- (A) By notice in writing, Buyer may (i) decrease the property provided or to be provided by the Government or Buyer under this P.O., or (ii) substitute other Government or Buyer owned property for property to be provided by the Government or Buyer, or to be acquired by Seller for the Government or Buyer under this P.O. Seller shall promptly take such action as Buyer may direct with respect to the removal and shipping of property covered by such notice.

- (B) In the event of any decrease in or substitution of property pursuant to subparagraph (A) above, or any withdrawal of authority to use property provided under any other contract or lease, which property Buyer had agreed in the Schedule to make available for the performance of this P.O., Buyer, upon the written request of Seller (or, if the substitution of property causes a decrease in the cost of performance, on his own initiative), shall equitably adjust such contractual provisions as may be affected by the decrease, substitution, or withdrawal, in accordance with the procedures provided for in the Clause entitled "Changes."
- 14.3 Title. Title to all property furnished by the Government or Buyer shall remain in the Government or Buyer respectively. In order to define the obligations of the parties under this Clause, title to each item of facilities, special test equipment, and special tooling (other than that subject to a "Special Tooling" Clause) acquired by the Seller for the Government or Buyer pursuant to this contract shall pass to and vest in the Government or Buyer, respectively, when its use in the performance of this P.O. commences, or upon payment therefor by the Government or Buyer, whichever is earlier, whether or not title previously vested. All GFP or BFP, together with all property acquired by Seller title to which vests in the Government or Buyer under this Paragraph is subject to the provisions of this Clause and is hereinafter collectively referred to as "Government or Buyer property." Title to Government or Buyer property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government or Buyer, nor shall such Government or Buyer property, or any part thereof, be or become a fixture or lose its identity or personality by reason of affixation to any realty.
- 14.4 Property Administration. Seller shall comply with the provisions of Subpart 45.5 of the Federal Acquisition Regulation, as in effect on the date of the P.O., which is hereby incorporated by reference and made a part of this P.O.
- If damage occurs to Government/Buyer property, the risk of which has been assumed by the Government/Buyer under this P.O., the Government/Buyer shall replace the items or the Seller shall make such repairs as the Government/Buyer directs. However, if the Seller cannot effect such repairs within the time required, the Seller shall dispose of the property as directed by the Government/Buyer.
- The Seller represents that the contract price does not include any amount of repairs or replacement for which the Government/Buyer is responsible. Repair or replacement of property for which the Seller is responsible shall be accomplished by the Seller at its own expense.
- 14.5 Use of Government or Buyer Property. Government or Buyer property shall, unless otherwise provided herein or approved by the Government or Buyer, be used only for the performance of this P.O.
- 14.6 Utilization, Maintenance and Repair of Government or Buyer Property. Seller's subcontractors shall be required to maintain and administer, in accordance with sound industrial practice, and in accordance with applicable provisions of Subpart 45.5 of the FAR, a program for the utilization, maintenance, repair, protection and preservation of Government or Buyer property until disposed of by the Seller in accordance with this Clause. In the event that any damage occurs to Government or Buyer property, the risk of which has been assumed by the Government or Buyer under this P.O., the Government or Buyer shall replace such Supplies or the Seller shall make such repair of the property as Buyer directs; provided, however, that if Seller cannot effect such repair within the time required, the Seller shall dispose of such property in the manner directed by Buyer. The contract price includes no compensation to Seller for the performance of any repair or replacement for which the Government or Buyer is responsible, and an equitable adjustment will be made in any contractual provisions affected by such repair or replacement of Government or Buyer property made at the direction of Buyer, in accordance with the procedures provided for in the Clause of this P.O. entitled "Changes." Any repair or replacement for which the Seller is responsible under the provisions of this P.O. shall be accomplished by Seller at his own expense.
- 14.7 Risk of Loss. Unless otherwise provided in this P.O., the Seller assumes the risk of, and shall be responsible for, any loss of or damage to Government or Buyer property provided under this P.O. upon its Delivery to Seller or upon passage of title thereto to the Government or Buyer as provided in Paragraph 14.3 hereof except for reasonable wear and tear and except to the extent that such property is consumed in the performance of this P.O.
- 14.8 Access. The Government or Buyer, and any persons designated by them, shall at all reasonable times have access to the premises wherein any Government or Buyer property is located, for the purposes of inspecting the Government or Buyer property.
- 14.9 Final Accounting and Disposition of Government or Buyer Property. Upon the completion of this P.O., or at such earlier dates as may be fixed by Buyer, the Seller shall submit, in a form acceptable to Buyer, inventory schedules covering all Supplies of Government or Buyer property not consumed in the performance of this P.O. (including any resulting scrap) or not theretofore delivered to the Government or Buyer and shall prepare for shipment, deliver F.O.B. origin, or dispose of the Government or Buyer property, as may be directed or authorized by Buyer. The net proceeds of any such disposal shall be credited to the P.O. price or shall be paid in such other manner as Buyer may direct.
- 14.10 Restoration of Seller's Premises and Abandonment. Unless otherwise provided herein, Buyer:
- (A) may abandon any Government or Buyer property in place, and thereupon all obligations of Buyer regarding such abandoned property shall cease;
 - (B) has no obligation to Seller with regard to restoration or rehabilitation of the Seller's premises, neither in case of abandonment (Paragraph 14.10(A) above), disposition on completion of need or of the P.O. (Paragraph 14.9 above), nor otherwise, except for restoration or rehabilitation costs which are properly included in an equitable adjustment under Paragraph 14.1 and 14.2 above.
- 14.11 Communications. All communications issued pursuant to this Clause shall be in writing.
- 15. INSPECTION**
- For the purposes of this Clause the term "Supplies and Services" includes without limitation raw materials, components, intermediate assemblies, and end products.
- 15.1 Inspection Authority
- (A) Buyer may designate an individual as the Quality Assurance Representative (QAR) to whom all matters concerning Buyer's quality requirements on each P.O. shall be referred by the Seller. The designated QAR and his QAR staff shall possess the necessary Governmental and Company security clearances to be admitted to Seller's facilities and to inspect and test Supplies and review related quality assurance documentation.
 - (B) If required deliverable Supplies will be tested and approved for shipment at the location specified in the P.O.
 - (C) Deliverable data as required by the Purchase Specification or as otherwise specified for the Supply(s), shall be inspected and accepted by the Buyer at the Buyer's facilities.
- 15.2 Notice of Testing
- Seller shall inform the QAR by written notice the date of any testing authorized in this Clause. Such notice shall be provided at least twenty one (21) days prior to the actual test date.
- 15.3 Inspection
- (A) All Supplies shall be subject to inspection and test by the QAR (and/or the Government) at all reasonable times including the period of manufacture and performance and, in any event prior to Final Acceptance.
 - (B) In case any Supplies and Services or lots of Supplies or Services are defective in material or workmanship or otherwise not in conformity with the requirements of the P.O., the QAR shall have the right to reject them to require their correction or, in the case of Services, their reperformance. Seller shall react promptly to any such request.
 - (C) All inspections and tests by the Buyer at Seller's facilities shall be performed in such a manner as not to unduly delay the work. Should the performance of such inspection or test unduly delay the work of Seller, such delay shall be excusable within the meaning of the Clause entitled

"Delivery Date and Excusable Delays," and Seller shall be entitled to an equitable adjustment in price and/or Delivery pursuant to the Clause entitled "Changes." Buyer reserves the right to charge to the Seller any additional cost to Buyer for inspection and testing when Supplies and Services are not ready at the time stipulated for such inspection or test by Seller's aforementioned notice or if reinspection or test is necessitated by prior rejection.

- (D) Final acceptance or rejection of the Supplies or Services shall be made in accordance with the Acceptance Clause contained herein. Failure by Buyer to inspect and accept or reject Supplies or Services shall not relieve the Seller of Seller of responsibility for supply of such Supplies or Services in strict accordance with the P.O. requirements.
- (E) The inspection or test by the Buyer of any Supplies or Services or lots thereof does not relieve the Seller from any responsibility regarding defects or other failures to meet the requirements of this P.O. which may be discovered prior to Final Acceptance. Except as otherwise provided in the P.O., Final Acceptance shall be conclusive except in regard to Latent Defects, fraud, or such gross mistakes as amount to fraud or negligence.
- (F) The Seller shall provide and maintain an inspection system in accordance with the Specifications covering the Supplies and Services hereunder. Records of all inspection work by the Seller shall be kept complete and available to the designated QAR during the performance of this P.O. and for such longer period as may be specified elsewhere in this P.O.
- (G) Notwithstanding the requirements for any inspection and test contained in Specifications applicable to this P.O., except where inspections or tests are specified for performance solely by the Buyer, the Seller shall perform or have performed the inspection and test required to substantiate that the Supplies and Services provided under this P.O. conform to the drawings, Specifications and P.O. requirements listed herein.

16. **INTELLECTUAL PROPERTY RIGHTS**

16.1 Copyright

All Specifications, drawings and technical descriptions and other Data ("Data") acquired from the Seller in connection with this P.O. are the copyright of the Seller, except where expressly stated otherwise on such Data, and shall be treated as unpublished works.

16.2 Use

Nothing contained in this P.O. shall be construed as having granted to, or conferred upon, Buyer any express or implied rights, by license, estoppel or otherwise, to any Data or information or to any invention or discovery or patent which is made or acquired prior to or after the date of this P.O. based on information disclosed under this P.O.

16.3 Registration

The recipient of information acquired hereunder shall not, without the disclosing party's prior written consent, apply for any patent or design registration in respect of information furnished by the disclosing party or any invention or design contained therein or based thereon, or submit or apply to the U.S. Copyright Office or any other national copyright office for copyright registration or any proprietary information furnished by the disclosing party.

16.4 Notice and Assistance Regarding Patent and Copyright Infringement

The Clause NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT FAR 52.227-2 is incorporated herein by reference and forms a part of this P.O.

16.5 Patent Indemnity

The Seller shall defend and indemnify Buyer against claims by owners or licensees of patents and registered designs of the United States granted at the date hereof for infringement thereof by use of sale of the Supplies or Services, PROVIDED:

- (A) this Indemnity shall not extend to infringements resulting from use by the Seller of Buyer's parts, designs or specific instructions or from use or sale in combination with other Supplies where infringements would not have otherwise occurred; and
- (B) Buyer shall immediately inform the Seller of claims, shall make no settlement or admission and shall permit the Seller alone (and at the Seller's expense) to deal with claims;

17. **INVOICES AND PAYMENTS**

17.1 Invoices

- (A) An invoice is a written request for payment under this P.O. for Supplies or Services provided by the Seller. In order to be valid, an invoice must include (as applicable):
 - (1) invoice date and Seller's invoice number;
 - (2) name of Seller;
 - (3) the P.O. number, line item number, description of Supplies and Services, quantity, unit of measure, unit price, and extended total;
 - (4) shipment number, date of shipment and shipping point;
 - (5) name and address to which payment is to be sent in accordance with the terms specified in this P.O.;
 - (6) name, title, phone number and address of person to be notified in the event of a defective invoice;
 - (7) any other information or documentation required by other provisions of the P.O.;
 - (8) any prompt payment discounts available; and
 - (9) the invoice amounts for individual Supplies shall be shown separately on any invoice.
- (B) Invoices shall be prepared and submitted via e-mail to biwap@gdbiw.com.
- (C) Buyer shall promptly notify the Seller of any discrepancy or alleged discrepancy in the Seller's invoice, with full details thereof and in any event within five (5) working days of receipt of such invoice.

17.2 Payments

- (A) Buyer shall pay the Seller, upon the submission of valid invoices, the prices stipulated in this P.O. as may be adjusted.
- (B) Seller's valid invoices are payable by Buyer no later than sixty (60) days after receipt thereof. The invoice will be deemed to have been received five (5) days after the invoice date.
- (C) Payment shall be considered to have been made on the date which appears on the payment check.
- (D) Payment shall not be considered an indication of the acceptability of or waiver of any claims related to the Supplies or Services for which payment is made.

18. **LIABILITY INSURANCE FOR ACCIDENTS OR DAMAGE**

- 18.1 When Seller is performing any of its obligations on Buyer's premises or on a vessel in which the Seller's Supplies and Services are being used, Seller shall purchase and maintain such insurance as will protect Buyer from claims which may arise out of or as a result from Seller's operations under this

P.O., whether such operations be by Seller or by any of Seller's subcontractors or by anyone directly or indirectly employed by either of them, or by anyone for whose acts they may be liable. Said coverage shall include, but not be limited to any insurance required by State, Federal, and local laws, and contractual coverage and completed operations coverage and: (i) Statutory Workers' Compensation as may be required by the locality where the work is being performed, including Longshoremen's and Harbor Worker's Compensation Act; (ii) Employers' Liability - \$1,000,000 per occurrence; (iii) Commercial General Liability - the minimum limits shall be \$1,000,000/\$2,000,000 Personal & Bodily Injury and Property Damage combined single limit per occurrence; and (iv) Automobile Liability - the minimum limits shall be \$1,000,000/\$2,000,000 Bodily Injury and Property Damage combined single limit per occurrence.

- 18.2 As respects policies under (i) (i) and (iii) above, the insurance carrier must agree in writing to waive its right to subrogation. Likewise, as respects policies under (iii) and (iv) above, Buyer must be listed as an additional insured. A certificate of insurance evidencing such coverage and conditions must be provided to Buyer prior to the commencement of work and upon renewal of any policies during the course of work. All policies shall provide 30 days advanced written notice of any coverage suspension or material changes, must be written by carriers with A.M. Bests rating of "A-, VII", and licensed to do business in the state where services are to be performed, and shall be primary as respects any coverage which Buyer may carry.

19. **LIMITATION OF LIABILITY**

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES, EVEN IF THAT PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES ARISING FROM ANY PROVISION OF THIS P.O., SUCH AS, BUT NOT LIMITED TO, LOSS OF USE, INCOME OR PROFITS, OR ANTICIPATED PROFITS OR LOST BUSINESS OR LOSS OF DATA OR SYSTEM USE. OBLIGATIONS ARISING UNDER SECTIONS 6.2 AND 45 ARE NOT CONSIDERED INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES AND SO THIS SECTION SHALL NOT APPLY TO THOSE OBLIGATIONS.

20. **INDEPENDENT CONTRACTOR RELATIONSHIP**

- 20.1 Seller's relationship with Buyer will be that of an independent contractor, and nothing in this P.O. is intended to, or should be construed to, create a partnership, agency, joint venture, or employment relationship. Neither Seller nor its employees will be entitled to any of the benefits that Buyer may make available to its employees, including but not limited to group health insurance, life insurance, profit-sharing, retirement benefits, paid vacation, holidays or sick leave, or workers' compensation insurance.
- 20.2 Seller shall have complete control over the performance of the P.O. herein and may, at its own expense, employ such workers as Seller deems necessary to perform under the P.O. Seller assumes full and sole responsibility for the payment of all compensation and expenses, benefits and for all state and federal income tax, unemployment insurance, social security, disability insurance, and other applicable withholdings. Seller shall defend, indemnify and hold Buyer harmless from Seller's non-compliance with the Affordable Care Act, if the Act applies to Seller. Seller is obligated to ensure (i) its Suppliers/Subcontractors perform to standards no less than those specified in the P.O.; (ii) Buyer representatives have reasonable access to any Supplier/Subcontractor site and they will be afforded such opportunity to inspect all Supplier/Subcontractor work to the same extent as if SELLER was doing the work; and (iii) Seller shall warrant any Subcontractor work to the same level and time period consistent with the warranty in the P.O.
- 20.3 SELLER will comply with all provisions of the Patient Protection and Affordable Care Act applicable to the assigned workers relating to (i) the offer of "minimum essential coverage" that is "affordable" and meets "minimum value" requirements to "full-time employees" (as those terms are defined in Internal Revenue Code ("Code") §4980H, §5000A, and §36B, and the related regulations and guidance) and (ii) the information reporting requirements of Code §6055 and §6056 and the related regulations and guidance.
- 20.4 The parties intend that, notwithstanding any finding or holding to the contrary, SELLER and not Buyer, be deemed the common law employer (within the meaning of Treasury Regulation §31.3401(c)-1(c)) of the assigned workers and that such workers be deemed the common law employees of SELLER and not Buyer.

21. **MARKING, PACKING, AND PACKAGING**

- 21.1 All packing and packaging shall be in accordance with the Specifications. Unless otherwise specified, supplies must be packaged to meet or exceed American Society for Testing and Materials (ASTM) Designation D3951-98. When shipping on pallets, material or equipment must be adequately secured to meet ASTM Designation D3951-98, Part 5.1.5, Unitization. **Seller (including Seller's Distributor and/or Manufacturer or other agent as applicable), shall also strictly comply with paragraph 21.1.2 below, with regard to any and all supplies being shipped to Buyer from outside the United States:**

21.1.2 All shipping containers and materials used to package and ship supplies being purchased from Seller MUST meet all applicable United States and International laws and regulations for the shipping to Buyer and importation of the supplies into the United States, including but not limited to the International Standards for Phytosanitary Measures, which can be located at <http://www.fao.org/docrep/009/a0450e/a0450e00.htm>. Seller shall also be responsible for all costs and delay, including but not limited to additional shipping or reshipping costs, that result from United States Customs **rejection** of the supplies or equipment for importation into the United States, for failure to comply with applicable laws and regulations for the shipping and importation into the United States of the supplies Seller is providing under this P.O.

- 21.2 All shipments shall be marked with the following information:

- (A) Buyer contract number, Buyer P.O. number, or the Delivery Order number
- (B) Buyer line-item number
- (C) Buyer catalog number OR NSN (if applicable)
- (D) Quantity shipped
- (E) SDS # (if applicable)
- (F) QPL Source (if applicable)
- (G) Shelf Life (if applicable)

Markings shall be on the face of each container (i.e., crates, boxes, cartons, etc.) or securely tagged to soft-sided containers.

- 21.3 All packing lists shall minimally contain the information in paragraph 21.2. The packing list shall be secured to the external surface of each container, or readily accessible upon entry to each container.

The company's commercial shipping document/packing list for P.O. items shall include proof that Government Source Inspection has been performed (if required) and the following PQA statement beneath Seller's statement:

"Required PQA of listed items has been performed. (Signature of Auth. Seller Rep.) , (date)
 (typed name) ."

- 21.4 Tags and labels, when required, shall be Seller's tags or labels conforming to the requirements of the Specification. Seller's forms which indicate serviceable condition shall not be any shade of green or red. Labels are authorized to be used on metal containers. Supplies requiring special certification shall be annotated on inner and outer container tags or labels indicating special certification compliance. Where the size of the shipping

container allows, four address labels must be attached to the containers at the following location: (i) one (1) each on top of container, (ii) one (1) each on each side of the container, and (iii) one (1) each on front of container.

Within each container, each Buyer catalog number OR NSN (if applicable) shall be segregated (i.e., bagged, boxed, layered or partitioned) and readily identifiable with tags/labels reflecting information stated in paragraph 21.2 above. If multiple loose Supplies are required to fulfill one Buyer catalog number, mark one item per paragraph 21.2 above and mark all remaining Supplies as part of the Buyer catalog number.

Multiple orders shall not be shipped within a single container.

Multiple shipments to one (1) specified Delivery location on any given day shall be consolidated under one (1) Bill of Lading.

Where different Delivery locations are specified by the Buyer, each container shall include only material for one Delivery location. Multiple Delivery locations require separate Bills of Lading.

21.5 SDS Requirements

(A) General

- (1) The Seller shall provide information for each item of Hazardous Material delivered pursuant to this contract in the form of a current, updated Safety Data Sheet (SDS) in accordance with 29 CFR 1910.1200 Hazard Communication Standard, to the Buyer prior to contract award and in advance of any shipment. The SDS Sheet shall include a statement (if applicable) that the product contains a toxic chemical or chemicals, by name, subject to the reporting requirements of EPCRA Section 313 (40CFR372).
- (2) In addition, each Safety Data Sheet provided by the Seller must contain specific disposal procedures for hazardous waste pursuant to and in accordance with all Resource Conservation Recovery Act (RCRA) Laws and Environmental Protection Agency/Department of Environmental Protection (EPA/DEP) Regulations.
- (3) Buyer will then provide Seller with a SDS number. The SDS Number must appear on all packing slips, containers and packing containers and must be written as:

SDS Number #####

- (4) The use of Buyer provided SDS Labels (Fluorescent Orange) is mandatory. Labels shall be applied directly to the product.

(B) Changes: For any change in the product the Seller shall submit a revised/updated SDS Sheet to Buyer in advance of any shipment.

(C) Reporting Requirements for 313 Chemicals

- (1) On an annual basis (not later than 30 September of each calendar year) the Seller must provide either an updated SDS Sheet with any changes or a Certification Statement that the current SDS Sheet is accurate and complete.
- (2) At a minimum the following must be included: Name of each chemical substance, the Chemical Abstracts Service Registry Number (CAS#); and the percentage of weight of each hazardous substance or chemical in the mixture or trade name product.
- (3) Notification is also required within 30 days of the following events if the Supplier; (1) changes a mixture or trade name product by adding, removing, or changing the percentage by weight of a listed toxic chemical; or (2) discovers that previous notification did not properly identify the toxic chemicals in the mixture or correctly indicate the percentage by weight.
- (4) The reports shall be forwarded to:

Attn: Safety Department, Mail Stop 2240
Bath Iron Works
700 Washington Street
Bath, ME 04530

or

EMAIL TO:

Patrick.Hennessey@gdbiw.com

- (5) The shipment of all material or equipment to Buyer or another Buyer designated destination must comply with the Hazardous Materials Transportation Act (Title CFR 49 Parts 170-178).

21.6 NOTE: Seller must also refer to the Government Flow down section of this document for any additional marking, packing, and packaging requirements specific to Buyer's Prime Contract, including but not necessarily limited to: DFAR 252.211-7003 Item Unique Identification and Valuation.

22. NOTICES

Whenever any notice is required or authorized to be given hereunder, such notice shall be sent by email or registered mail, confirmed receipt to the respective individuals identified in the P.O.

23. NOTIFICATION OF CHANGES

23.1 The purpose of this Clause is to provide Buyer with the prompt reporting of any conduct which the Seller considers would constitute a change to this P.O. and/or Buyer's Prime Contract. The parties acknowledge potential changes are to be identified and resolved as they arise. Therefore, except for written change orders issued by Buyer, Seller shall notify Buyer of any conduct which Seller considers constitutes or requires a change to this P.O. and/or Buyer's Prime Contract. Such notice shall be provided promptly, and in any event within twenty (20) calendar days from the date the Seller identifies any such conduct. As used in this Clause, the term "conduct" includes both actions and failures to act, and the furnishing of, or the failure to furnish, any Supply under any provision of this P.O. The notice shall be written and shall state, on the basis of the most accurate information available to the Seller:

- (A) the date, nature and circumstances of the conduct regarded as a change;
- (B) the name, function and activity of the individuals directly involved in or knowledgeable about such conduct;
- (C) the identification of any documents and the substance of any oral communication involved in such conduct;
- (D) the particular elements of contract performance for which the Seller might seek an equitable adjustment under this Clause, including:
 - (1) what Supplies and Services have been or might be affected by the potential change;
 - (2) to the extent practicable, labor or materials or both which have been or might be added, deleted, or wasted by the potential change;
 - (3) to the extent practicable, the Seller's preliminary order of magnitude estimate of cost and schedule effect of the potential change; and
 - (4) what and in what manner are the particular technical requirements or contract requirements regarded as changed.

- 23.2 Except as provided in Paragraph 23.5 below, following submission of notice the Seller shall take no action to implement a potential change until advised by Buyer in writing as provided in Paragraph 23.3 below, unless the potential change was previously directed by Buyer, in which case the Seller shall conform therewith. Nothing in this Paragraph shall excuse the Seller from proceeding with contract work in accordance with directions issued by Buyer.
- 23.3 Buyer shall promptly, and in any event within twenty-one (21) calendar days after receipt of notice, respond thereto in writing. In such response, Buyer shall either:
- (A) confirm that the conduct of which the Seller gave notice would constitute a change, and when necessary, direct the mode of further performance, or;
 - (B) countermand any conduct regarded by Seller as a change, or;
 - (C) deny that the conduct of which Seller gave notice would constitute a change and, when necessary, direct the mode of further performance, or;
 - (D) in the event Seller's notice information is inadequate to make a decision under (A), (B), and (C) above, advise Seller what additional information is required.
- Failure of Buyer to respond within the time required above shall be deemed a countermand under Paragraph 23.3(B).
- 23.4 Equitable adjustments for changes confirmed by Buyer shall be made in accordance with the Clause entitled "Changes" or any other provision of this P.O. which provides for an equitable adjustment.
- 23.5 Paragraph 23.2 above provides that Seller is to take no action to implement a potential change pending Buyer's response to Seller's notice of the potential change except where specifically directed by Buyer. In special situations, however, where:
- (A) the circumstances do not allow sufficient time to notify Buyer of the facts prior to the need to proceed with the work, and;
 - (B) the work must proceed to avoid hazards to personnel or property or to avoid additional cost to Buyer, Seller may proceed with work in accordance with the potential change. In such special situations, Seller shall advise Buyer in writing within five (5) days of the conduct giving rise to the potential change that Seller has proceeded and shall describe the nature of the special situation which required proceeding prior to notification. Within twenty (20) days of the conduct giving rise to the potential change, the Seller shall provide notice as required in Paragraph 23.1 above. Buyer shall respond as set forth in Paragraph 23.3 above. If Buyer determines that the conduct constitutes a change and countermands it, Seller shall be entitled to an equitable adjustment for performance in accordance with that change prior to the countermand including performance resulting from the countermand.
- 23.6 When Seller identifies any conduct which may result in delay to Delivery of the Supplies and Services, Seller shall promptly so inform Buyer thereof prior to providing the notice required by Paragraph 23.1 above.

24. **ORDER OF PRECEDENCE INTERPRETATION AND EXCLUSIVE AGREEMENT AND SEVERABILITY**

- 24.1 In the event of any inconsistency between provisions of this P.O., the inconsistency shall be resolved by giving precedence in the following order:
- (A) any special provisions of this P.O.;
 - (B) standard terms and conditions of this P.O.;
 - (C) Attachments (excluding the Specifications/Buyer Material Ordering Catalog and Statement of Work); and,
 - (D) Buyer Material Ordering Catalog, Specifications, and/or Statement of Work
- 24.2 This P.O. including Attachment A contains and constitutes the entire understanding and agreement between Buyer and the Seller, and supersedes all previous understandings and agreements relative to the subject matter contained herein.
- 24.3 If any provision of this P.O. is declared or found to be illegal, unenforceable or void, then the parties shall be relieved of all obligations under that provision. The remainder of this P.O. shall be held in full force and effect.

25. **PERFORMANCE**

The parties acknowledge that Seller has special skills, knowledge and ability in the work to be performed under this P.O., and that Buyer is relying on Seller's skills, knowledge and ability in all matters related to Seller's Delivery of the Supplies and Services ordered under this P.O. Seller will use such skills, specific knowledge, ability, best efforts, ingenuity, and due diligence in performing the work and Services in accordance with the requirements of this P.O.

26. **PRIORITY RATINGS**

The U.S. Government priority rating for the Supplies and Services to be delivered under this P.O. is DO-A3. This priority rating is applicable to this P.O. with respect to all work of the Seller performed in the United States. Seller shall follow the provisions of Defense Materials System Regulation 1 or Defense Priority System Regulation 1 (see 15 C.F.R. Part 700) and all other applicable regulations and orders of the Office of Industrial Resource Administration, Department of Commerce, in obtaining controlled materials and other products and materials needed to fill this P.O.

27. **PROBLEM IDENTIFICATION REPORTS**

Problem Identification Reports (PIR) shall be used by Seller to alert Buyer to actual or potential problems, and to establish an early dialogue between Seller and Buyer with regard thereto. As used in this Clause, a problem is a fact or circumstance of which Seller is aware that does, will, or may (1) have an impact on the Delivery Schedule, completion or performance for the cost of this P.O. (increase or decrease), or (2) require a modification of this P.O. Seller shall provide Buyer with a written report of each problem within ten (10) days after Seller identifies such problem. Each PIR shall be dated, reference this P.O., and describe the nature of the problem; the date the problem arose; and, anticipated effects of the problem including, but not limited to, Delivery, and cost of performance, and Seller's recommended resolution of the problem.

28. **RISK OF LOSS**

- 28.1 Risk of loss of or damage to Supplies shall remain with Seller until, and shall pass to the Buyer upon, Delivery of the Supplies to the F.O.B. destination point specified in the P.O.
- 28.2 The Seller shall not be liable for loss of or damage to Supplies caused by the negligence of officers, agents, or employees of the Buyer acting within the scope of their employment.
- 28.3 The Seller shall bear the risk of loss or damage to any property of the Buyer in Seller's possession or care, and shall maintain adequate insurance so as to cover any such loss or damage, and shall name the Buyer as the additional insured and beneficiary of any payments therefrom with waiver of any right of subrogation.

29. QUALITY ASSURANCE REQUIREMENTS

- 29.1 Seller shall establish and maintain a Quality Assurance Program which is subject to audit and approval of Buyer. All Supplies provided under this P.O. shall be inspected by Seller as part of such Program prior to submission for Government inspection and/or prior to shipment to verify conformance with all requirements and Specifications. Seller shall comply with quality requirements when such requirements are invoked by the Specification applicable to the Supplies being purchased. If a Material Ordering Catalog page is invoked, Seller shall examine the page for quality program requirements
- 29.2 Seller shall establish and maintain, subject to Buyer's right to audit, a system of material identification that ensures the use of specified materials and components. Items shipped shall be in such a manner as to permit verification of the use of such specified materials and components upon receipt by Buyer. Raw materials used by Seller in the fabrication or processing of the Supplies shall conform to the physical, chemical and other technical requirements of the applicable material Specification and Seller shall employ laboratory testing as necessary to confirm the identity of raw materials.
- 29.3 Government Procurement Quality Assurance (PQA) or Government Source Inspection. The Government reserves the right to inspect all Supplies. If Government Source Inspection is invoked by the P.O., Government inspection is required prior to shipment of the Supplies by Seller. Upon receipt of this notification, Seller must promptly notify and furnish a copy of the P.O. to the Government Representative who normally services Seller's plant. If Seller's plant does not have a Government Representative, Seller must notify the nearest Army, Navy, Air Force or Defense Supply Agency Inspection Office. In the event the representative or office cannot be located, Buyer should be notified immediately. When the P.O. invokes Government Procurement Quality Assurance, it is by authority of the Supervisor of Shipbuilding, Conversion and Repair; USN Bath, Maine, and Seller is required to furnish to the Government Representative at Seller's facility any subsequent modifications to the P.O. and to make available all referenced data applicable to the P.O.
- 29.4 When specified by the P.O., Seller shall furnish verifiable test data, including the names of witnessing inspectors and present any other verifiable quality data required by the P.O. or at any time up to and after final payment under the P.O.
- 29.5 Documentation and Other Verifiable Data. Quantitative, semi-quantitative or functional test results must be forwarded to Buyer when specified by the P.O. and/or invoked by Military or Purchase Specifications. Documentation must reflect actual test results and not merely that the minimum requirements of the P.O. or Military Specification have been met. Seller must retain a copy of such documentation for a minimum period of three (3) years after final acceptance of the Supplies.
- 29.6 Non-Conforming Products. Supplies which are received by Buyer and are found to be nonconforming by virtue of the fact that they are not in accordance with this P.O. or that the documentation or verifiable data are missing, incomplete or incorrect, may be returned to Seller at Seller's expense. Prior to returning the non-conforming Supplies, Buyer will notify Seller of the nature of the discrepancy such that, if possible, the discrepancy may be rectified at Seller's expense without returning the material to Seller.

30. COMPLIANCE WITH HEALTH, SAFETY AND SECURITY RULES, POLICIES, & REGULATIONS

- 30.1 Seller shall, while on the premises of Buyer, comply with all Buyer's rules and policies; and Buyer safety and security regulations and procedures, including those made available to Seller at Buyer's external website, GDBIW.com and those otherwise made available by Buyer as well as any other applicable federal, state, local laws and regulations related to health, security and safety in effect during the term of this P.O.
- 30.2 Any Seller employees working at Buyer's facility must go through safety training prior to performing any services pursuant to this P.O.; in such cases, Seller will be responsible for compensating its employees for training time based on federal, state, and local laws.
- 30.3 Seller's employees providing services pursuant to this P.O. shall comply with the General Dynamics Standards of Business Ethics and Conduct, Fifth Edition (REV 4), 6/13.

31. ENVIRONMENTAL HEALTH, SAFETY AND SECURITY

- 31.1 When the Seller is performing any of its obligations on Buyer's premises or on a vessel in Buyer's care or custody, the Seller and its subcontractors shall comply with all Buyer plant rules and regulations and Buyer Safety and Security policies and procedures including, but not limited to, the use of personal protective equipment as required. At a minimum, the Seller and its subcontractors shall have in their possession a suitable hardhat, safety glasses with side shields, hearing protectors, and ANSI Z41 approved steel-toed safety shoes. A copy of Buyer's Environmental, Health and Safety Regulations Handbook outlining said policies and procedures can be located at GDBIW.com, select Purchasing, Forms/Appendices, Safety Regulations.
- 31.2 If Seller's personnel are to have access to classified material or classified vessel compartments, such personnel will be required to obtain all necessary security clearances prior to their access to such material or compartments.
- 31.3 Seller shall utilize only U.S. citizens in execution of its obligations on Buyer property or on a vessel in Buyer's care or custody unless specific prior approval from Buyer is obtained.
- 31.4 By accepting this Subcontract/Delivery Order, the Seller acknowledges that the following is applicable to any work performed on this Subcontract/Delivery Order:
- 31.4.1 Only trained authorized personnel will operate or service equipment, and then only in accordance with manufacturer's recommendations.
- 31.4.2 Seller is responsible for properly managing hazardous waste generated by Seller in accordance with applicable Federal, State and local regulations. Disposal of hazardous waste shall be coordinated and approved through the Buyer's Environmental Operations Department, and
- 31.4.3 Seller has reviewed the Environmental, Health and Safety Regulations Handbook referenced above, and has duly disseminated it to any applicable personnel performing work on Buyer's property or vessels.

32. SHIPPING AND DELIVERY

- 32.1 Delivery of each item or group of items ordered shall be made no later than the last day of the Delivery time(s) set forth in the P.O. No deliveries shall be made earlier than the designated Delivery time(s) unless authorized in writing by the Buyer's Purchasing Representative.
- 32.2 Items shall be delivered to the locations indicated on the P.O., F.O.B. Destination, unless otherwise specified.

32.3 Freight Collect

- (A) If the P.O. indicates that items are to be shipped "Freight Collect", Buyer will pay all freight charges and no amount covering these charges shall be included in the selling price for an item.
- (B) Various shipment methods may be required by Buyer, depending on applicable factors, including but not limited to, weight, distance, shipping requirements e.t.c., Buyer reserves the right to require partial shipments, including components thereof, in support of Program requirements. At least five days prior to the time an item(s) is ready for shipment under this P.O., the Seller shall notify Buyer's Traffic Manager at 207-442-1266 as to when the item(s) will be ready for shipment. The Seller will then be given and shall comply with any special instructions concerning the shipment.
- (C) THE SELLER IS OBLIGATED TO OBTAIN AND FOLLOW SHIPPING INSTRUCTIONS FROM BATH IRON WORKS CORPORATION PRIOR TO RELEASE OF MATERIAL FOR SHIPMENT. THE SELLER SHALL REFER TO BIW LOGISTICS ROUTING GUIDE LOCATED AT: WWW.GDBIW.COM/CONTACT US/PURCHASING/LOGISTICS ROUTING GUIDE.

33. STOP WORK

The provisions of the Clause contained in STOP-WORK ORDER FAR 52.242-15 are hereby incorporated by reference with the following change: The words "Contracting Officer" and "Government" shall mean Buyer; the word "Contractor" shall mean Seller; the words "ninety (90) days" are hereby changed to "one hundred (100) days"; and the words "thirty (30) days" are hereby changed to "twenty (20) days" wherever they appear; and the reference to the "Termination for Convenience" shall be deemed to refer to the Clause entitled herein "Termination for Convenience". In subdivision (2) of Paragraph (B), the expression "asserts a claim for the adjustment within twenty (20) days after the end of the period of work stoppage" shall be understood to mean "shall, within twenty (20) days after the end of the work stoppage, state its intention to make a claim for adjustment".

34. STORAGE

- 34.1 Buyer shall not be responsible for any storage charges incurred by the Seller for Supplies completed prior to the Delivery date. The Buyer may require the Seller to store Supplies furnished under this P.O. beyond the delivery date specified. Any additional storage and local transportation costs incurred by the Seller to store Supplies at Buyer's direction shall be the subject of an equitable adjustment to the P.O. price.
- 34.2 Supplies stored under this Clause shall be placed in a secure location at time of storage, separate from the Seller's other inventory, identified as Buyer's property and adequately protected. The Seller shall provide insurance in an amount to cover the full value of the Supplies in the event of a loss, with the Buyer designated to receive all proceeds in case of a loss. A certificate issued by the insurer shall be provided to Buyer as evidence of coverage.
- 34.3 Upon receipt by the Buyer of Seller-furnished information (e.g., SDRLs and other deliverables), Government source inspection reports (if any), and evidence of insurance, Seller may invoice Buyer for payment in accordance with the terms of this P.O.
- 34.4 At the direction of the Purchasing Representative, Seller shall remove the Supplies from storage and effect Delivery pursuant to the Delivery Dates of this P.O. and, upon receipt by Buyer at the F.O.B. point, the Supplies shall be accepted pursuant to the "Conditional Acceptance" Clause and the "Final Acceptance" Clause of this P.O.

35 TERMINATION FOR CONVENIENCE

- 35.1 Buyer may terminate performance of work under this P.O. in whole or in part, from time to time, if Buyer determines that a termination is in the Buyer's interest, or if a termination is reasonably required to implement any Government termination, change of direction under the Prime Contract. The Buyer shall terminate by delivering to Seller the extent of termination and the effective date.
- 35.2 For fixed price P.O.s, the provisions of the Clause contained in TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) FAR 52.249-2 are hereby incorporated by reference with the following changes: The words "Contracting Officer" shall mean Buyer; the word "Contractor" shall mean Seller; the word "Government" shall mean Buyer except in Paragraphs (b)(4), (b)(6), (b)(8), (c) and (d); and the words "1 year" are changed to "eleven (11) months" in Paragraph (e).
- 35.3 For cost reimbursement P.O.s, the provisions of the Clause contained in TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (COST REIMBURSEMENT) FAR 52.249-6 are hereby incorporated by reference with the following changes: The words "Contracting Officer" shall mean Buyer; the word "Contractor" shall mean Seller; the word "Government" shall mean Buyer except in Paragraphs (c)(4), (c)(6), (c)(8), (d) and (e); and the words "1 year" are changed to "eleven (11) months" in Paragraph (f).

36. ACCEPTANCE

Unless otherwise stated in the Clause entitled "Progress Payments," title to the Supplies covered by the P.O. shall pass from the Seller to the Buyer upon the Buyer's conditional acceptance of the Supplies, regardless of whether the acceptance is conditional or final, at the F.O.B. Destination point.

37. CONSENT TO COLLECT, TRANSMIT, AND RETAIN SELLER INFORMATION

Seller understands that Buyer will collect and share information that may be deemed to be personally identifiable information as defined by international, national or state privacy laws for the purposes of negotiating, facilitating, and implementing business transactions and related activities. Given that the information collected is expected to be in the format historically understood to be business contact information, Seller also agrees that Buyer has no specific timetable or obligation to destroy such information. Seller consents to the collection, transmission, and retention of such information. Should Seller have any concerns about its information, Seller should contact Buyer prior to providing such information. Seller is hereby notified that Buyer's Privacy Policies can be found at www.gdbiw.com/privacy

38. PARTIES AUTHORIZED TO EXECUTE P.O.

Each Party to these P.O. terms represents and warrants to the other Party that: (a) it has the full corporate right, power and authority to enter into this P.O. and to perform all acts required of it hereunder; and (b) when executed and delivered by such Party, this P.O. will constitute the legal, valid and binding obligations of such Party, enforceable against such Party in accordance with the terms and conditions of this P.O.

39. WAIVER

No waiver by either Buyer or the Seller, whether written or oral, expressed or implied, of any rights under or arising from this P.O. shall be binding on any subsequent occasion and no concession by either Buyer or the Seller shall be treated as a variation of this P.O. unless specifically agreed in writing.

40. WARRANTY

- 40.1 The Seller warrants that all Supplies and Services furnished under this P.O. will be in accordance with all contract requirements and free from defects or inferior materials, equipment, and workmanship for twelve (12) months after Final Acceptance of the Supplies or Services.
- 40.2 Any Supplies, Services or parts thereof corrected, repaired, replaced or otherwise placed in a satisfactory condition shall also be subject to the conditions of this Clause to the same extent as the Supplies or Services conditionally accepted. The warranties for such Supplies, Services or parts thereof shall be for twelve (12) months to run from the date of Buyer's final acceptance of such corrected, repaired or replaced Supplies or Services or until expiration of the original warranty period, whichever is longer.
- 40.3 In addition, Seller shall comply with the EXTENSION OF COMMERCIAL WARRANTY (NAVSEA) (NOV 1996) cited in the Government Flowdown section herein.
- 40.4 Disputes arising under this Clause shall be resolved in accordance with the Clause entitled "Disputes."

41. CONFLICT MINERALS DISCLOSURE

- (a) Supplier certifies that, regardless of whether Supplier is publicly traded or not, Supplier does not procure Conflict Minerals from Covered Countries, as those terms are defined by and consistent with the Securities and Exchange Commission's final rule on Conflict Minerals, 17 CFR Parts 240 and 249(b), promulgated pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. (the "Rule").
- (b) Supplier certifies and warrants that all products that will be delivered to Bath Iron Works by Supplier under this Order are DRC Conflict Free, as defined by and consistent with the Rule.
- (c) Supplier agrees that, if required by the Rule, it has made, and will continue to make, good faith inquiries reasonably designed to determine whether any Conflict Mineral that is included in any product delivered to Bath Iron Works pursuant to this Order originated in the DRC or an Adjoining Country, or is from Recycled or Scrap Sources, as defined in the Rule. Supplier further agrees that, if required by the Rule, it has performed, and will continue to perform, due diligence on the source and chain of custody of any Conflict Mineral that is included in any product delivered to Bath Iron Works pursuant to this Order, and that such due diligence conforms to a nationally or internationally recognized due diligence framework, if such a framework is available for the Conflict Mineral. Supplier agrees that all inquiries and diligence performed shall be consistent with the requirements of the Rule.
- (d) Supplier agrees that it shall require its own subcontractors and suppliers (at any tier in the supply chain for a product delivered to Bath Iron Works under this Order) to furnish information to Supplier necessary to support Supplier's obligations under this Section.
- (e) Supplier will maintain records reviewable by Bath Iron Works to support its certifications above
- (f) Supplier acknowledges that Bath Iron Works may utilize and disclose Conflict Minerals information provided by Supplier in order to satisfy its disclosure obligations under the Rule.
- (g) If Bath Iron Works determines that any certification made by Supplier under this Section is inaccurate or incomplete in any respect, then Bath Iron Works may terminate this Order pursuant to the provision of this Order titled ["Termination for Default"]

42. EXPORT COMPLIANCE

Exports of Data exchanged under this P.O. may be subject to the export laws of the United States, including, but not limited to, the U.S. International Traffic in Arms Regulations (ITAR), the Export Administration Act (EAA), the Trading with the Enemy Act (TWEA), and the International Economic Emergency Powers Act (IEEPA). The Parties shall not export, disclose or transfer any such data directly or indirectly without compliance with these and any other applicable laws and regulations.

43. OFFSETS

Should all or part of the item(s) supplied under this P.O. be provided by sources outside the United States or its territories, Seller must inform Buyer of the country of origin and percentage of foreign content. Buyer reserves exclusive right to apply the equivalent value of foreign content in the item(s) provided by the Seller to the Offset Program of the Buyer's choice. Buyer may, at Buyer's discretion, provide written notice waiving its claim to offset credits accruing from this Subcontract/Delivery Order, thereby allowing Seller use and discretionary application of such credits. Seller agrees to assist Buyer in securing Offset Credits from respective foreign government authorities in an amount equal to the value of foreign content in the item(s) provided.

44. SURVIVAL

Any provisions of this P.O. that by their nature are intended to survive termination or expiration of this P.O. shall so survive, including, but not limited to: Section 3-Compliance with Laws and Regulations, including and Attachment A Government Flow Downs; Section 5-Confidentiality and Nondisclosure; Section 6-Default; Section 9 – Disputes; Section 12-Final Settlement; Section 13- Applicable Law; Section 16-Intellectual Property; Section 18-Insurance; Section 19–Limitation of Liability; Section 20-Independent Contractor; 24.1-Order of Precedence; Section-35 Termination for Convenience; Section 40– Warranty; Section 44- Survival; Section 45-Indemnification; Section 46-Miscellaneous.

45. INDEMNIFICATION

Seller shall defend, indemnify and hold harmless Buyer and the Government from and against all claims, suits (including counsel fees and other expenses of suits, whether groundless or not), judgments and awards on account of any damage to property; or injury (including death) to persons (including any damage or injury to the property or person of any employee of Seller or of buyer) which may occur or be alleged to have occurred due to the negligence or other fault of Seller however arising out of or in connection with the performance of this P.O. on part of Seller. Seller shall also defend, indemnify, and hold harmless Buyer from and against any and all costs, damages, fines, penalties and liabilities incurred by Buyer (including counsel fees and other expenses) as a result of Seller's or any of Seller's subcontractor's failure to comply with the provisions of this P.O. and with all applicable laws or regulations as set forth in this P.O. The obligations under this clause shall not be subject to Clause 19, Limitation of Liability.

46. MISCELLANEOUS

- 46.1 Headings - The headings in this P.O. are included for reference and convenience only and shall not be construed to define or limit any of the provisions contained therein.
- 46.2 Waivers - The failure of either party to insist upon strict performance of any of the terms or provisions of this P.O. or to exercise any option herein, shall not be construed as a waiver or relinquishment, to any extent, of the right to assert or rely upon any such terms or provisions or options on any future occasion.

ATTACHMENT A

GOVERNMENT "FLOW-DOWN" CLAUSES

Pursuant to Buyer's Prime Contract with the U.S. Government and Buyer's acquisition policies, the following clauses are included in this P.O. "FAR" refers to the clauses in Part 52 of the Federal Acquisition Regulation (FAR), Chapter 1, Title 48 of the Code of Federal Regulations (CFR). "DFARS" refers to the clauses at Part 252 of the DOD FAR Supplement (DFARS), Chapter 2, Title 48 of the CFR. "NAPS" refers to the clauses at Part 5252 of the Navy Acquisition Procedure Supplement (NAPS), Chapter 52, Title 48 of the CFR. The FAR/DFARS/NAPS clauses incorporated herein are those in effect as of the effective date of this P.O., unless a date notation appears in the clause title. When the date is so indicated, the clause in effect on that date is incorporated into the P.O.

In the FAR, DFARS and NAPS Clauses incorporated herein, the cited terms shall have the following meanings: the term "Contractor" shall be deemed to refer to the Seller; the term "Subcontractor" shall be deemed to refer to the Seller's subcontractors; the "Contracting Officer" shall be deemed to refer to Buyer; and the term "Contract" refers to this P.O. except where the context of such clauses demand otherwise. Unless otherwise stated the FAR, DFARS and NAPS Clauses incorporated herein shall be those in effect on the issuance award date of this P.O., and they shall be interpreted in accordance with the definitions set forth at FAR 2.1 and DFARS 202.1.

In the event additional or revised "Flow-Down" clauses are invoked into Buyer's Prime Contract, they shall be flowed down as applicable to Seller, and deemed acceptable by both Parties as if set forth fully herein.

Some Clauses in the list below may not be applicable to specific orders due to factors such as the type of subcontract/purchase order to be issued, dollar thresholds, or other requirements of the FAR/DFARS, Public Laws, or Mandatory Flow Down Requirements of a particular Prime Contract. For example, Any Cost Reimbursement Clauses included herein shall only be applicable to Cost Reimbursement type P.O.s.

Clauses shall not be removed from the list. Instead, those clauses that are not applicable are deemed to be self-deleting and will be considered by the Parties to be without force and effect. Otherwise, all Clauses are incorporated by reference.

FAR Reference Clause Title

CLAUSES INCORPORATED BY REFERENCE

52.202-1	Definitions
52.203-3	Gratuities
52.203-5	Covenant Against Contingent Fees
52.203-6	Restrictions On Subcontractor Sales To The Government
52.203-7	Anti-Kickback Procedures
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
52.203-10	Price Or Fee Adjustment For Illegal Or Improper Activity
52.203-12	Limitation On Payments To Influence Certain Federal Transactions
52.203-13	Contractor Code of Business Ethics and Conduct
52.203-16	Preventing Personal Conflicts of Interest
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements
52.204-2	Security Requirements
52.204-4	Printed or Copied Double-Sided on Postconsumer Fiber Content Paper
52.204-9	Personal Identity Verification of Contractor Personnel
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards
52.204-13	System for Award Management Maintenance
52.204-18	Commercial and Government Entity Code Maintenance
52.204-19	Incorporation by Reference of Representations and Certifications.
52.204-21	Basic Safeguarding of Covered Contractor Information Systems
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities.
52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment
52.204-27	Prohibition on a ByteDance Covered Application
52.207-3	Right of First Refusal of Employment
52.209-6	Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment

52.209-9	Updates of Publicly Available Information Regarding Responsibility Matters
52.209-10	Prohibition on Contracting With Inverted Domestic Corporations
52.210-1	Market Research
52.211-5	Material Requirements
52.211-15	Defense Priority And Allocation Requirements
52.215-2	Audit and Records--Negotiation
52.215-8	Order of Precedence--Uniform Contract Format
52.215-10	Price Reduction for Defective Certified Cost or Pricing Data
52.215-11 (Dev)	Price Reduction for Defective Certified Cost or Pricing Data-- Modifications (DEVIATION 2022-O0001)
52.215-12 (Dev)	Subcontractor Certified Cost or Pricing Data (DEVIATION 2022-O0001)
52.215-13 (Dev)	Subcontractor Certified Cost or Pricing Data--Modifications (Deviation 2022-O0001)
52.215-14	Integrity of Unit Prices
52.215-14 Alt I	Integrity of Unit Prices (NOV 2021) - Alternate I
52.215-15	Pension Adjustments and Asset Reversions
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions
52.215-19	Notification of Ownership Changes
52.215-20	Requirements for Certified Cost or Pricing Data or Information Other Than Certified Cost or Pricing Data OCT 2010
52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data -- Modifications
52.215-21 Alt II	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data -- Modifications (NOV 2021) - Alternate II
52.215-21 Alt III	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data -- Modifications (NOV 2021) - Alternate III
52.215-23	Limitations on Pass-Through Charges
52.216-7	Allowable Cost And Payment
52.216-8	Fixed Fee
52.216-11	Cost Contract--No Fee
52.219-8	Utilization of Small Business Concerns
52.219-8 (Dev)	Utilization of Small Business Concerns (Deviation 2023-O0002)
52.219-9	Small Business Subcontracting Plan
52.219-14(Dev)	Limitations on Subcontracting (DEVIATION 2021-O0008)
52.219-16	Liquidated Damages-Subcontracting Plan
52.219-28	Post-Award Small Business Program Representation
52.222-1	Notice To the Government of Labor Disputes
52.222-2	Payment For Overtime Premiums
52.222-3	Convict Labor
52.222-4	Contract Work Hours and Safety Standards - Overtime Compensation
52.222-19	Child Labor -- Cooperation with Authorities and Remedies
52.222-19 (Dev)	Child Labor -- Cooperation with Authorities and Remedies (DEVIATION 2020-O0019)
52.222-20	Contracts for Materials, Supplies, Articles, and Equipment
52.222-21	Prohibition Of Segregated Facilities
52.222-26	Equal Opportunity
52.222-29	Notification Of Visa Denial
52.222-35	Equal Opportunity for Veterans
52.222-36	Equal Opportunity for Workers with Disabilities
52.222-37	Employment Reports on Veterans
52.222-40	Notification of Employee Rights Under the National Labor Relations Act
52.222-50	Combating Trafficking in Persons

52.222-54	Employment Eligibility Verification
52.223-2	Affirmative Procurement of Biobased Products Under Service and Construction Contracts
52.223-3	Hazardous Material Identification And Material Safety Data
52.223-6	Drug-Free Workplace
52.223-11	Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons.
52.223-12	Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners.
52.223-18	Encouraging Contractor Policies To Ban Text Messaging While Driving
52.224-3	Privacy Training
52.225-13	Restrictions on Certain Foreign Purchases
52.227-1	Authorization and Consent
52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement
52.227-10	Filing Of Patent Applications--Classified Subject Matter
52.228-7	Insurance--Liability To Third Persons
52.229-3	Federal, State And Local Taxes
52.230-2	Cost Accounting Standards
52.230-6	Administration of Cost Accounting Standards
52.232-1	Payments
52.232-8	Discounts For Prompt Payment
52.232-9	Limitation On Withholding Of Payments
52.232-11	Extras
52.232-17	Interest
52.232-18	Availability Of Funds
52.232-20	Limitation Of Cost
52.232-22	Limitation Of Funds
52.232-23	Assignment Of Claims
52.232-23 Alt I	Assignment of Claims (May 2014) - Alternate I
52.232-25	Prompt Payment
52.232-33	Payment by Electronic Funds Transfer--System for Award Management
52.232-39	Unenforceability of Unauthorized Obligations
52.232-40	Providing Accelerated Payments to Small Business Subcontractors
52.233-1	Disputes
52.233-3	Protest After Award
52.233-3 Alt I	Protest After Award (Aug 1996) - Alternate I
52.233-4	Applicable Law for Breach of Contract Claim
52.242-1	Notice of Intent to Disallow Costs
52.242-3	Penalties for Unallowable Costs
52.242-4	Certification of Final Indirect Costs
52.242-5	Payments to Small Business Subcontractors
52.242-13	Bankruptcy
52.243-1	Changes--Fixed Price
52.243-2	Changes--Cost-Reimbursement
52.243-2 Alt II	Changes--Cost Reimbursement (Aug 1987) - Alternate II
52.243-6	Change Order Accounting
52.244-2	Subcontracts
52.244-5	Competition In Subcontracting
52.244-6	Subcontracts for Commercial Items
52.245-1	Government Property
52.245-9	Use And Charges
52.246-23	Limitation Of Liability
52.246-24	Limitation Of Liability--High-Value Items
52.246-24 Alt I	Limitation Of Liability--High Value Items (Feb 1997) - Alternate I
52.246-25	Limitation Of Liability--Services

52.247-1	Commercial Bill Of Lading Notations
52.247-63	Preference For U.S. Flag Air Carriers
52.247-68	Report of Shipment (REPSHIP)
52.248-1	Value Engineering
52.249-2	Termination For Convenience Of The Government (Fixed-Price)
52.249-8	Default (Fixed-Price Supply & Service)
52.249-6	Termination (Cost Reimbursement)
52.249-14	Excusable Delays
52.251-1	Government Supply Sources
52.253-1	Computer Generated Forms

DFARs Reference Clause Title

252.201-7000	Contracting Officer's Representative
252.203-7000	Requirements Relating to Compensation of Former DoD Officials
252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies
252.203-7002	Requirement to Inform Employees of Whistleblower Rights
252.203-7003	Agency Office of the Inspector General
252.203-7004	Display of Hotline Posters
252.204-7000	Disclosure Of Information
252.204-7003	Control Of Government Personnel Work Product
252.204-7004	Antiterrorism Awareness Training for Contractors
252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting
252.204-7015	Notice of Authorized Disclosure of Information for Litigation Support
252.204-7018	Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services
252.204-7020	NIST SP 800-171 DoD Assessment Requirements
252.204-7022	Expediting Contract Closeout
252.205-7000	Provision Of Information To Cooperative Agreement Holders
252.209-7004	Subcontracting With Firms That Are Owned or Controlled By The Government of a Country that is a State Sponsor of Terrorism
252.211-7003	Item Unique Identification and Valuation
252.211-7007	Reporting of Government-Furnished Property
252.211-7008	Use of Government-Assigned Serial Numbers
252.215-7002	Cost Estimating System Requirements
252.215-7006	Use of Employees or Individual Subcontractors Who Are Members of the Selected Reserve
252.219-7003	Small Business Subcontracting Plan (DOD Contracts)
252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements
252.223-7001	Hazard Warning Labels
252.223-7004	Drug Free Work Force
252.223-7006	Prohibition On Storage, Treatment, and Disposal of Toxic or Hazardous Materials
252.223-7008	Prohibition of Hexavalent Chromium
252.225-7001	Buy American And Balance Of Payments Program--Basic
252.225-7002	Qualifying Country Sources As Subcontractors
252.225-7004	Report of Intended Performance Outside the United States and Canada--Submission after Award
252.225-7005	Identification Of Expenditures In The United States
252.225-7007	Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies
252.225-7008	Restriction on Acquisition of Specialty Metals
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals
252.225-7012	Preference For Certain Domestic Commodities

252.225-7013	Duty-Free Entry--Basic
252.225-7019	Restriction on Acquisition of Anchor and Mooring Chain
252.225-7021	Trade Agreements--Basic
252.225-7025	Restriction on Acquisition of Forgings
252.225-7038	Restriction on Acquisition of Air Circuit Breakers
252.225-7048	Export-Controlled Items
252.225-7056	Prohibition Regarding Business Operations with the Maduro Regime
252.225-7060	Prohibition on Certain Procurements from the Xinjiang Uyghur Autonomous Region
252.226-7001	Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
252.227-7013	Rights in Technical Data--Noncommercial Items
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation
252.227-7015	Technical Data--Commercial Items
252.227-7015 Alt I	Technical Data--Commercial Products and Commercial Services (MAR 2023) Alternate I
252.227-7016	Rights in Bid or Proposal Information
252.227-7019	Validation of Asserted Restrictions--Computer Software
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends
252.227-7027	Deferred Ordering Of Technical Data Or Computer Software
252.227-7030	Technical Data--Withholding Of Payment
252.227-7037	Validation of Restrictive Markings on Technical Data
252.231-7000	Supplemental Cost Principles
252.232-7010	Levies on Contract Payments
252.242-7004	Material Management And Accounting System
252.242-7005	Contractor Business Systems
252.242-7006	Accounting System Administration
252.243-7001	Pricing Of Contract Modifications
252.243-7002	Requests for Equitable Adjustment
252.244-7000	Subcontracts for Commercial Products or Commercial Services
252.244-7001	Contractor Purchasing System Administration
252.245-7001	Tagging, Labeling, and Marking of Government-Furnished Property
252.245-7002	Reporting Loss of Government Property
252.245-7003	Contractor Property Management System Administration
252.245-7004(Dev)	Reporting, Reutilization, and Disposal (DEVIATION 2022-O0006)
252.245-7005	Management and Reporting of Government Property
252.246-7001	Warranty of Data
252.246-7003	Notification of Potential Safety Issues
252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System
252.246-7008	Sources of Electronic Parts
252.247-7023	Transportation of Supplies by Sea
252.247-7028	Application for U.S. Government Shipping Documentation/Instructions
252.249-7002	Notification of Anticipated Contract Termination or Reduction
252.251-7000	Ordering From Government Supply Sources

GOVERNMENT "FLOW-DOWN" CLAUSES

FULL TEXT CLAUSES

Pursuant to Buyer's Prime Contract with the U.S. Government and Buyer's acquisition policies, the following Clauses are included in this SUBCONTRACT and/or DELIVERY ORDER in full text. As stated in the definitions clause, "Contractor" shall mean "Seller", "subcontractor" shall mean Seller's subcontractor, "Contracting Officer" and "Government" or "Navy" shall mean Buyer and "Contract" refers to this SUBCONTRACT and/or DELIVERY ORDER except where context of Clause otherwise demands and any reference to "Disputes" in these clauses shall be construed to only mean the clause 9 of this document entitled "Disputes".

B-231-H001 TRAVEL COSTS (NAVSEA) (OCT 2018)

(a) Except as otherwise provided herein, the Contractor shall be reimbursed for its actual travel costs in accordance with FAR 31.205.46. The travel costs to be reimbursed shall be those costs for which the Contractor has maintained appropriate documentation and which have been determined to be allowable, allocable, and reasonable by the Procuring Contracting Officer, Administrative Contracting Officer, or their duly authorized representative.

(b) Reimbursable travel costs include only that travel performed from the Contractor's facility to the worksite, in and around the worksite, and from the worksite to the Contractor's facility.

(c) Relocation costs and travel costs incidental to relocation are allowable to the extent provided in FAR 31.205-35; however, Procuring Contracting Officer approval shall be required prior to incurring relocation expenses and travel costs incidental to relocation.

(d) The Contractor shall not be reimbursed for the following daily local travel costs:

- (i) travel at U.S. Military Installations where Government transportation is available,
- (ii) travel performed for personal convenience/errands, including commuting to and from work, and
- (iii) travel costs incurred in the replacement of personnel when such replacement is accomplished for the Contractor's or employee's convenience.

C-222-H001 ACCESS TO THE VESSELS BY NON-U.S. CITIZENS (NAVSEA) (APR 2019)

(a) No person not known to be a U.S. citizen shall be eligible for access to naval vessels, work sites and adjacent areas when said vessels are under construction, conversion, overhaul, or repair, except upon a finding by COMNAVSEA or his designated representative that such access should be permitted in the best interest of the United States. The Contractor shall establish procedures to comply with this requirement and NAVSEAINST 5510.2D.

(b) If the Contractor desires to employ non-U.S. citizens in the performance of work under this contract or agreement that requires access as specified in paragraph (a) of this requirement, approval must be obtained prior to access for each contract or agreement where such access is required. To request such approval for non-U.S. citizens of friendly countries, the Contractor shall submit to the cognizant Contract Administration Office (CAO), an Access Control Plan (ACP) which shall contain as a minimum, the following information:

(1) Badge or Pass oriented identification, access, and movement control system for non-U.S. citizen employees with the badge or pass to be worn or displayed on outer garments at all times while on the Contractor's facilities and when performing work aboard ship.

(i) Badges must be of such design and appearance that permits easy recognition to facilitate quick and positive identification.

(ii) Access authorization and limitations for the bearer must be clearly established and in accordance with applicable security regulations and instructions.

(iii) A control system, which provides rigid accountability procedures for handling lost, damaged, forgotten or no longer required badges, must be established.

(iv) A badge or pass check must be performed at all points of entry to the Contractor's facilities or by a site supervisor for work performed on vessels outside the Contractor's plant.

(2) Contractor's plan for ascertaining citizenship and for screening employees for security risk.

(3) Data reflecting the number, nationality, and positions held by non-U.S. citizen employees, including procedures to update data as non-U.S. citizen employee data changes, and pass to cognizant CAO.

(4) Contractor's plan for ensuring subcontractor compliance with the provisions of the Contractor's ACP.

(5) These conditions and controls are intended to serve as guidelines representing the minimum requirements of an acceptable ACP. They are not meant to restrict the Contractor in any way from imposing additional controls necessary to tailor these requirements to a specific facility.

(c) To request approval for non-U.S. citizens of hostile and/or communist-controlled countries (listed in Department of Defense Industrial Security Manual, DOD 5220.22-M or available from cognizant CAO), Contractor shall include in the ACP the following employee data: name, place of birth, citizenship (if different from place of birth), date of entry to U.S., extenuating circumstances (if any) concerning immigration to U.S., number of years employed by Contractor, position, and stated intent concerning U.S. citizenship. COMNAVSEA or his designated representative will make individual determinations for desirability of access for the above group. Approval of ACP's for access of non-U.S. citizens of friendly countries will not be delayed for approval of non-U.S. citizens of hostile communist-controlled countries. Until approval is received, Contractor must deny access to vessels for employees who are non-U.S. citizens of hostile and/or communist-controlled countries.

(d) The Contractor shall fully comply with approved ACPs. Noncompliance by the Contractor or subcontractor serves to cancel any authorization previously granted, in which case the Contractor shall be precluded from the continued use of non-U.S. citizens on this contract or agreement until such time as the compliance with an approved ACP is demonstrated and upon a determination by the CAO that the Government's interests are protected. Further, the Government reserves the right to cancel previously granted authority when such cancellation is determined to be in the Government's best interest. Use of non-U.S. citizens, without an approved ACP or when a previous authorization has been canceled, will be considered a violation of security regulations. Upon confirmation by the CAO of such violation, this contract, agreement or any job order issued under this agreement may be terminated or default in accordance with the clause entitled "Default (Fixed-Price Supply and Service)" (FAR 52.249-8), "Default (Fixed-Price Research and Development)" (FAR 52.249-9) or "Termination (Cost Reimbursement)" (FAR 52.249-6), as applicable.

(e) Prime Contractors have full responsibility for the proper administration of the approved ACP for all work performed under this contract or agreement, regardless of the location of the vessel, and must ensure compliance by all subcontractors, technical representatives and other persons granted access to U.S. Navy vessels, adjacent areas, and work sites.

(f) In the event the Contractor does not intend to employ non-U.S. citizens in the performance of the work under this contract, but has non-U.S. citizen employees, such employees must be precluded from access to the vessel and its work site and those shops where work on the vessel's equipment is being performed. The ACP must spell out how non-U.S. citizens are excluded from access to contract work areas.

(g) The same restriction as in paragraph (f) above applies to other non-U.S. citizens who have access to the Contractor's facilities (e.g., for accomplishing facility improvements, from foreign crewed vessels within its facility, etc.) except that, with respect to access to the vessel and worksite, the restrictions shall not apply to uniformed U.S. Navy personnel who are non-U.S. citizens and who are either assigned to the ship or require access to the ship to perform their duties.

HQ C-2-0007 APPROVAL BY THE GOVERNMENT (AT) (NAVSEA) (JAN 1983)

Approval by the Government as required under this contract and applicable specifications shall not relieve the Contractor of its obligation to comply with the specifications and with all other requirements of the contract, nor shall it impose upon the Government any liability it would not have had in the absence of such approval.

HQ C-2-0008 ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS (NAVSEA) (MAY 1993)

To the extent that National Stock Numbers (NSNs) or preliminary NSNs are assigned by the Government for the identification of parts, pieces, items, subassemblies or assemblies to be furnished under this contract, the Contractor shall use such NSNs or preliminary NSNs in the preparation of provisioning lists, package labels, packing lists, shipping containers and shipping documents as required by applicable specifications, standards or Data Item Descriptions of the contract or as required by orders for spare and repair parts. The cognizant Government Contract

Administration Office shall be responsible for providing the Contractor such NSNs or preliminary NSNs which may be assigned and which are not already in possession of the Contractor.

HQ C-2-0016 DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIP REPAIR (NAVSEA) (APR 2015)

Attention of the Contractor is directed to the Occupational Safety and Health Act of 1970 (29 USC 651-678), and to the Safety and Health Regulations for Ship Repairing (29 CFR 1915), promulgated under Public Law 85-742, amending Section 41 of the Longshoremen's and Harbor Workers' Compensation Act (33 USC 941), and adopted by the Department of Labor as occupational safety or health standards under Section 6(a) of the Occupational Safety and Health Act of 1970 (See 29 CFR 1910.15). These regulations apply to all ship repair and related work, as defined in the regulations performed under this contract on the navigable waters of the United States including any dry dock and marine railway. Nothing contained in this contract shall be construed as relieving the Contractor from any obligations, which it may have for compliance with the aforesaid regulations.

HQ C-2-0023 EXCLUSION OF MERCURY (NAVSEA) (MAY 1998)

Mercury or mercury containing compounds shall not be intentionally added or come in direct contact with hardware or supplies furnished under this contract.

HQ C-2-0024 EXTENSION OF COMMERCIAL WARRANTY (NAVSEA) (NOV 1996)

The Contractor shall extend to the Government the full coverage of any standard commercial warranty normally offered in a similar commercial sale, provided that such warranty is available at no additional cost to the Government. The Contractor shall provide a copy of the standard commercial warranty with the item. The standard commercial warranty period shall begin upon the final acceptance of the applicable material or software.

Acceptance of the standard commercial warranty does not waive the Government's rights under the "Inspection" clause, nor does it limit the Government's rights with regard to other terms and conditions of the contract. In the event of a conflict, the terms and conditions of the contract shall take precedence over the standard commercial warranty.

H-209-H003 REQUIRED DISCLOSURE OF ORGANIZATIONAL CONFLICT OF INTEREST (NAVSEA) (NOV 2022)

(a) "Organizational Conflict of Interest" means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. "Person" as used herein includes Corporations, Partnerships, Joint Ventures, and other business enterprises. (b) The Contractor warrants that to the best of its knowledge and belief, and except as otherwise set forth in the contract, at the time of execution of this contract the Contractor does not have any organizational conflict of interest(s) as defined in paragraph (a). (c) The Contractor agrees that, if after award, it discovers an actual or potential organizational conflict of interest, it shall make immediate and full disclosure in writing to the Contracting Officer. The notification shall include a description of the actual or potential organizational conflict of interest, a description of the action which the Contractor has taken or proposes to take to avoid, mitigate, or neutralize the conflict, and any other relevant information that would assist the Contracting Officer in making a determination on this matter. Notwithstanding this notification, the Government may terminate the contract for the convenience of the Government if determined to be in the best interest of the Government. (d) Notwithstanding paragraph (c) above, if the Contractor was aware, or should have been aware, of an organizational conflict of interest prior to the award of this contract or becomes, or should become, aware of an organizational conflict of interest after award of this contract and does not make an immediate and full disclosure in writing to the Contracting Officer, the Government may terminate this contract for default. (e) If the Contractor fails to take action required by this requirement, or required by the Contracting Officer upon receipt of the Contractor's disclosure required by paragraph (c), the Government may terminate this contract for default. (f) The Contracting Officer's decision as to the existence or nonexistence of an actual or potential organizational conflict of interest shall be final. (g) The Contractor shall promptly notify the Contracting Officer, in writing, if it has been tasked to evaluate or advise the Government concerning its own products or activities, those of its subcontractors, those of one of its prime contractors (to which the contractor is a subcontractor), or those of a competitor in order to ensure proper safeguards exist to guarantee objectivity and to protect the Government's interest. (h) The Contractor shall include this requirement in subcontracts of any tier which involve access to information or situations/conditions covered by the preceding paragraphs, substituting "subcontractor" for "contractor" where appropriate. (i) The rights and remedies described herein shall not be exclusive and are in addition to other rights and remedies provided by law or elsewhere included in this contract. (j) Compliance with this requirement is a material requirement of this contract.

C-211-H006 PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS (NAVSEA) (OCT 2018)

(a) The printing, duplication, and binding of all technical manuals, books, and other publications, and changes, amendments, and revisions thereto, including all copies and portions of such documents which are required to be prepared and furnished under this contract for review, approval or otherwise, shall be accomplished in accordance with the following:

(1) DOD Instruction 5330.03, Defense Logistics Agency (DLA) Document Services of February 8, 2006

(2) Federal Acquisition Regulation (FAR) Subparts 8.8 and 17.5, as in effect on the date of this contract

and;

(3) "Government Printing and Binding Regulations", published by the Joint Committee on Printing, Congress of the United States, as in effect on the date of this contract.

(b) Publications and other printed or duplicated material which (1) are prepared and carried by equipment manufacturers for regular commercial sale or use, and (2) require no significant modification for military use or to meet the requirements of this contract, or (3) are normally supplied for commercial equipment, shall be provided by the Contractor. Except for material falling within (1) through (3) of this paragraph, the printing of technical manuals, publications, changes, revisions, or amendments by the Contractor or subcontractor is prohibited.

(c) The Contractor shall have the printing and binding of final approved technical manuals, publications, changes, revisions and amendments thereto, as required under this contract (whether prepared by the Contractor or a subcontractor), printed at Government expense by or through the DLA Document Services in the Naval District in which the Contractor is located, in accordance with the following general procedures:

(1) Prior to preparation of materials for printing (photolithographic negatives, camera-ready copies or digital media (CD/DVD)) by the Contractor or a subcontractor, the Contractor shall make arrangements with the DLA Document Services and with the designated Contract Administration Office for printing and binding which shall include:

(i) Citation of contract number;

(ii) Security classification of materials to be printed;

(iii) Establishment of a schedule for printing, including estimated delivery date to DLA Document Services;

(iv) Provisions for furnishing photolithographic negatives or camera-ready copies and art work in the proper sequence for printing;

(v) A check-off list to verify the printing sequence of text pages and foldouts in the form prescribed by DLA Document Services;

(vi) Complete printing instructions, which shall specify colors, if required for specific pages, the trim size, including apron, if required, for each foldout/in or chart, or other unique requirements;

(vii) Type of binding (side stitch, perfect bound, saddle stitch, glue bound, tape bound plastic comb/wire bound, loose leaf, screw posts, etc.); and

(viii) Other instructions, as applicable, such as packing instructions, banded, shrink pack, strap, binders, fill and seal cartons/boxes, inset padding of any type of envelope, water type packaging or other container quantity for each addressee, required delivery schedule, or delivery instructions. (The Contractor shall provide an address list and addressed mailing labels for each addressee).

(ix) Special handling of classified materials from Confidential up to Top Secret requiring printing through DLA Document Services or the GPO are managed in accordance with DODD 5200.32. Contact the appropriate DLA Document Services location before delivering classified originals to ensure proper handling and disposition.

(2) The Contractor shall ship the complete set of photolithographic negatives, camera-ready copies or digital media (CD/DVD) required to be printed in accordance with the detailed procedures specified by DLA Document Services. All transportation charges are paid to DLA Document Services or a contract printer designated by DLA Document Services.

(3) For steam and electrical plant composite diagrams, the Contractor shall provide an original Mylar print or digital media (CD/DVD) of the diagram to the DLA Document Services with a guide indicating the color of each line. DLA Document Services, or via the GPO, will prepare the color separation negatives for the composite diagram and return those to the Contractor for editorial review. DLA Document Services will correct any errors and print the corrected composite diagram.

(4) DLA Document Services will furnish or provide for all supplies and services (including binders) which are necessary to accomplish the printing and binding.

(5) DLA Document Services will pack and ship or provide for packing and shipping of the printed material to the Contractor and the distribution list furnished by the Contractor in accordance with the printing order, unless distribution by the Contractor is otherwise required by the terms of the contract, the specifications, or otherwise, in which case the printed and bound publications will be returned to the Contractor for distribution.

(6) DLA Document Services will pack and ship the material used for printing to the DLA Document Services, 4th Naval District (Philadelphia, PA), for storage.

(d)(1) In establishing the schedule for printing, the Contractor shall provide for furnishing the photolithographic negatives, camera-ready copies or digital media (CD/DVD) to DLA Document Services in time to allow at least the minimum number of working days specified in the schedule below (eight-hour day, five days per week exclusive of Saturdays, Sundays, and holidays) from date of acceptance of material for printing at DLA Document Services to date of shipment of printed material from DLA Document Services.

Printing	Minimum number of working Days required by DLA Document Services
Up to 200 copies per original	30
201 through 400 copies per original	40
401 through 600 copies per original	50

601 copies per original and over

60

(2) If DLA Document Services exceeds the delivery requirements established in accordance with paragraph (c)(1)(iii), for the item(s) specified, the time shall be extended by an equivalent number of working days, provided that the Contractor requests such extension(s), in writing, to the Contracting Officer and submits with its request sufficient evidence to enable the Contracting Officer to determine the validity of the Contractor's request.

(e) The Contractor shall not be responsible for the quality, or quality control, of printing performed by DLA Document Services or a printer under contract to DLA Document Services; and, the Government shall reimburse the Contractor for any costs incurred for replacement of material lost or damaged by DLA Document Services or a printer under contract to DLA Document Services.

(f) The costs of printing, binding, packing and shipping by DLA Document Services of the publications and changes described herein (but not the costs of preparing photolithographic negatives, camera-ready copies and other materials for printing or the costs of transporting or shipping such materials to DLA Document Services or a contract printer designated by DLA Document Services) shall be borne by the Government.

C-211-H016 SPECIFICATIONS AND STANDARDS (NAVSEA) (OCT 2018)

(a) Definitions.

(i) A "zero-tier reference" is a specification, standard, or drawing that is cited in the contract (including its attachments).

(ii) A "first-tier reference" is either: (1) a specification, standard, or drawing cited in a zero-tier reference, or (2) a specification cited in a first-tier drawing.

(b) Requirements. All zero-tier and first-tier references, as defined above, are mandatory for use. All lower tier references shall be used for guidance only unless specifically identified below.

None

C-204-H001 USE OF NAVY SUPPORT CONTRACTORS FOR OFFICIAL CONTRACT FILES (NAVSEA) (OCT 2018)

(a) NAVSEA may use a file room management support contractor, hereinafter referred to as "the support contractor", to manage its file room, in which all official contract files, including the official file supporting this procurement, are retained. These official files may contain information that is considered a trade secret, proprietary, business sensitive or otherwise protected pursuant to law or regulation, hereinafter referred to as "protected information". File room management services consist of any of the following: secretarial or clerical support; data entry; document reproduction, scanning, imaging, or destruction; operation, management, or maintenance of paper-based or electronic mail rooms, file rooms, or libraries; and supervision in connection with functions listed herein.

(b) The cognizant Contracting Officer will ensure that any NAVSEA contract under which these file room management services are acquired will contain a requirement that:

(1) The support contractor not disclose any information;

(2) Individual employees are to be instructed by the support contractor regarding the sensitivity of the official contract files;

(3) The support contractor performing these services be barred from providing any other supplies and/or services, or competing to do so, to NAVSEA for the period of performance of its contract and for an additional three years thereafter unless otherwise provided by law or regulation; and,

(4) In addition to any other rights the contractor may have, it is a third party beneficiary who has the right of direct action against the support contractor, or any person to whom the support contractor has released or disclosed protected information, for the unauthorized duplication, release, or disclosure of such protected information.

(c) Execution of this contract by the contractor is considered consent to NAVSEA's permitting access to any information, irrespective of restrictive markings or the nature of the information submitted, by its file room management support contractor for the limited purpose of executing its file room support contract responsibilities.

(d) NAVSEA may, without further notice, enter into contracts with other contractors for these services. Contractors should enter into separate non-disclosure agreements with the file room contractor. Contact the Procuring Contracting Officer for contractor specifics. However, any such agreement will not be considered a prerequisite before information submitted is stored in the file room or otherwise encumber the government.

D-211-H004 IDENTIFICATION MARKING OF PARTS--BASIC (NAVSEA) (OCT 2018) For all parts not subject to the marking requirements in DFARS 252.211-7003 – Item Unique Identification and Valuation, marking shall be accomplished in accordance with the following: (1) Parts shall be marked in accordance with generally accepted commercial practice. (2) In cases where parts are so small as not to permit identification marking as provided above, such parts shall be appropriately coded so as to permit ready identification.

D-211-H005 IDENTIFICATION MARKING OF PARTS – ALTERNATE I (NAVSEA) (OCT 2018)

(a) For all parts not subject to the marking requirements in DFARS 252.211-7003 – Item Unique Identification and Valuation, marking shall be accomplished in accordance with the following:

(1) Parts not manufactured to Government specifications shall be marked in accordance with generally accepted commercial practice.

(2) Parts manufactured to Government specifications shall be marked as follows:

(i) Electrical Parts - that is, all parts in electrical equipment and electrical parts when used in equipment which are not electrical in nature (e.g., electric controls and motors in a hydraulic system) - shall be identified and marked in accordance with MIL-STD-1285D(2) dated 22 June 2018, or, where MIL-STD-1285D(2) does not cover such a part, in accordance with MIL-STD-130N(1) dated 16 November 2012. Requirements of MIL-STD-1686C dated 25 October 1995 for Electrostatic Discharge Control shall be addressed.

(ii) Electronic Parts - that is, all parts in electronic equipment and electronic parts when used in equipment which are not electronic in nature (e.g., electronic fuel controls in some engines) - shall be identified and marked in accordance with Requirement 67 of MIL-HDBK-454B dated 15 April 2007 with Notice 1 dated 12 December 2012. Requirements of MIL-STD-1686C for Electrostatic Discharge Control shall be addressed.

(iii) Parts other than electrical or electronic parts (as described above) shall be identified and marked in accordance with MIL-STD-130N(1).

(b) In cases where parts are so small as not to permit identification marking as provided above, such parts shall be appropriately coded so as to permit ready identification.

52.246-11 HIGHER-LEVEL CONTRACT QUALITY REQUIREMENT (DEC 2014)

(a) The Contractor shall comply with the higher-level quality standard(s) listed below.

ANSI/ISO/ASQ 9001-2015

ANSI/NCSL Z540.3-2006

(b) The Contractor shall include applicable requirements of the higher-level quality standard(s) listed in paragraph

(a) of this clause and the requirement to flow down such standards, as applicable, to lower-tier subcontracts, in--

(1) Any subcontract for critical and complex items (see 46.203(b) and (c)); or

(2) When the technical requirements of a subcontract require--

(i) Control of such things as design, work operations, in-process control, testing, and inspection; or

(ii) Attention to such factors as organization, planning, work instructions, documentation control, and advanced metrology.

(End of clause)

H-246-H001 CALIBRATION SYSTEM REQUIREMENTS (NAVSEA) (FEB 2023) (a) Definitions: (1) All definitions, with the exception of Commercial Service Provider, are found in OPNAVINST 3960.16 (series). (2) Commercial Service Providers. Suppliers of tools, instruments, fixtures, test, measurement, and diagnostic equipment, including original equipment manufacturers, who may calibrate their own products but are not engaged in calibration as a major line of business, and other commercial laboratories that provide either calibration services in support of Navy contracts, or low volume, model specific, or unique parameter calibration services.

(b) The accuracy of Navy and Contractor calibrated equipment used for quantitative and qualitative measurements are ensured through measurement traceability. The Contractor is required to ensure that all calibrated equipment used for quantitative or qualitative measurements required for the research, design, test, production, and maintenance of NAVSEA systems will be maintained and calibrated in accordance with references OPNAVINST 3960.16 and NAVSEAINST 4734.1. Calibration sources shall be accredited by a U.S. based, Navy approved accreditation body to U.S. national standards: (1) ANSI/NCSL Z540.3, Requirements for the Calibration of Measuring and Test Equipment, dated 3 Aug 2006; or (2) ISO/IEC 17025:2017, General Requirements for the Competence of Testing and Calibration Laboratories (3rd Edition), dated 29 Nov 2017; or (3) Certified by the U.S. Navy to NAVSEA 04-4734, Navy and Marine Corps Calibration Laboratory Audit/Certification Manual. (c) ISO/IEC 17025:2017 and ANSI/NCSL Z540.3 accreditations must be performed by a U.S. based accreditation body. Calibration accreditation must include the parameters required to execute the calibration at appropriate ranges and tolerances. A calibration certificate meeting the requirements of ANSI/NCSL Z540.3 or ISO/IEC 17025:2017 must be provided with the returned calibrated unit. The calibration certificate must be evaluated to confirm that the calibration was performed within the laboratory's accreditation scope and that each calibration measurement met or exceeded a 4:1 Test Uncertainty Ratio (TUR). (d) Certification to Navy standard NAVSEA 04-4734, is acceptable in place of ANSI/NCSL Z540.3 and ISO/IEC 17025:2017 accreditations. For activities certified to NAVSEA 04-4734, calibrations must be evaluated to confirm that the calibration was performed within the laboratory's NAVSEA scope of certification, and calibration event records shall be provided to the Government upon request. Calibration intervals that deviate from NAVSEA OD 45845, Metrology Requirements List (METRL), shall reflect Test, Measurement and Diagnostic Equipment (TMDE) end of period reliability greater than 85%. TMDE reliability data shall be provided upon request. TURs shall be greater than or equal to 4:1, or ensure a Probability of False Acceptance (PFA) of 2% or less and a Probability of False Rejections (PFR) of 15% or less. Measurement traceability, including TUR, PFA, and PFR shall be documented in accordance to MIL-STD-1839. Calibration procedures, methods, and measurement traceability used by the Contractor shall be provided to the Government upon request. (e) All calibrations supporting this contract shall meet the requirements of OPNAVINST 3960.16. If the Contractor executes, subcontracts or outsources the initial or reoccurring calibration of calibrated equipment, the respective calibration laboratory, and all of their employees who perform calibration or supply calibrated equipment, shall be certified or accredited to the requirements of paragraphs (b), (c), and (d). (f) Contractors electing certification to NAVSEA 04-4734 will contact the Contracting Officer's Representative (COR) or Technical Point of Contact (TPOC) within 60 days of contract award, who will then contact the NAVSEA09MM METCAL Technical Warrant Holder (TWH), at NAVSEA_METCAL_INSERVICE@us.navy.mil, to begin the Navy certification process.

E-246-H022 INSPECTION AND TEST RECORDS (NAVSEA) (JAN 2019)

Inspection and test records shall, as a minimum, indicate the nature of the observations, number of observations made, and the number and type of deficiencies found. Data included in inspection and test records shall be complete and accurate, and shall be used for trend analysis and to assess corrective action and effectiveness. The data shall, on request, be identified and made available for on-site review by the Contracting Officer or designated Government representative.

C-233-H001 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT--BASIC (NAVSEA) (OCT 2018)

(a) For the purposes of this special contract requirement, the term "change" includes not only a change that is made pursuant to a written order designated as a "change order" but also (1) an engineering change proposed by the Government or by the Contractor and (2) any act or omission to act on the part of the Government in respect of which a request is made for equitable adjustment.

(b) Whenever the Contractor requests or proposes an equitable adjustment of \$100,000 or more per vessel in respect to a change made pursuant to a written order designated as a "change order" or in respect to a proposed engineering change and whenever the Contractor requests an equitable adjustment in any amount in respect to any other act or omission to act on the part of the Government, the proposal supporting such request shall contain the following information for each individual item or element of the request:

(1) A description (i) of the work required by the contract before the change, which has been deleted by the change, and (ii) of the work deleted by the change which already has been completed. The description is to include a list of components, equipment, and other identifiable property involved. Also, the status of manufacture, procurement, or installation of such property is to be indicated. Separate description is to be furnished for design and production work. Items of raw material, purchased parts, components and other identifiable hardware, which are made excess by the change and which are not to be retained by the Contractor, are to be listed for later disposition;

(2) Description of work necessary to undo work already completed which has been deleted by the change;

(3) Description of work not required by the terms hereof before the change, which is substituted or added by the change. A list of components and equipment (not bulk materials or items) involved should be included. Separate descriptions are to be furnished for design work and production work;

(4) Description of interference and inefficiencies in performing the change;

(5) Description of each element of disruption and exactly how work has been, or will be disrupted:

(i) The calendar period of time during which disruption occurred, or will occur;

(ii) Area(s) aboard the vessel where disruption occurred, or will occur;

(iii) Trade(s) disrupted, with a breakdown of manhours for each trade;

(iv) Scheduling of trades before, during, and after period of disruption;

(v) Description of measures taken to lessen the disruptive effect of the change;

(6) Delay in delivery attributable solely to the change;

(7) Other work attributable to the change;

(8) Supplementing the foregoing, a narrative statement of the direct "causal" relationship between any alleged Government act or omission and the claimed consequences therefor, cross-referenced to the detailed information provided as required above; and

(9) A statement setting forth a comparative enumeration of the amounts "budgeted" for the cost elements, including the material costs, labor hours and pertinent indirect costs, estimated by the Contractor in preparing its initial and ultimate proposal(s) for this contract, and the amounts claimed to have been incurred and/or projected to be incurred corresponding to each such "budgeted cost" elements.

(c) Each proposal in excess of \$100,000 submitted in support of a claim for equitable adjustment under any requirement of this contract shall, in addition to the information required by paragraph (b) hereof, contain such information as the Contracting Officer may require with respect to each individual claim item.

(d) It is recognized that individual claims for equitable adjustment may not include all of the factors listed in paragraph (b) above. Accordingly, the Contractor is required to set forth in its proposal information only with respect to those factors which are comprehended in the individual claim for equitable adjustment. In any event, the information furnished hereunder shall be in sufficient detail to permit the Contracting Officer to cross-reference the claimed increased costs, or delay in delivery, or both, as appropriate, submitted pursuant to paragraph (c) of this requirement, with the information submitted pursuant to paragraph (b) hereof.

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://farsite.hill.af.mil/vmfara.htm>

(End of clause)

52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (NOV 2020) (a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause. (b) The use in this solicitation or contract of any Defense Federal Acquisition Regulation Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.