

July 2017

Dear CMSD Subcontractors,

Continental Maritime of San Diego Inc. (CMSD), a subsidiary of Huntington Ingalls Industries, is pleased to provide you with this updated guidebook, which is intended to answer many of your frequently asked questions related to doing business with CMSD. This guidebook represents a comprehensive revision from prior versions, most notably with the terms and conditions that will apply to purchase orders issued by CMSD.

For purposes of brevity and clarity this guidebook is not meant to cover all possible questions or situations. Please continue to contact me or one of the Subcontractors Manager regarding those situations not specifically addressed, or for any questions or concerns you may have.

It is our hope that this guidebook will help to make CMSD and its subcontractors (herein referred to as “Subcontractors”) establish a more cohesive, productive and profitable relationship.

Please contact the designated Subcontractors Manager at (619) 234-8851 Ext. 515 with any questions or assistance regarding this guidebook.

Sincerely,

Subcontracts Manager  
Continental Maritime of San Diego Inc.

# Subcontractor Guidebook

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## General Provisions for Orders under U.S. Government Contracts

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### 1. DEFINITIONS. **(back to top)**

- A. BUYER means Continental Maritime San Diego, Inc. (CMSD), a subsidiary of Huntington Ingalls Industries, acting through Buyer’s authorized purchasing representative.
- B. DFARS means the Defense Federal Acquisition Regulation Supplement.
- C. FAR means the Federal Acquisition Regulation.
- D. ORDER means the instrument of contracting including the order form and all documents it references (including but not limited to these general provisions, plans, specifications, and regulations).
- E. PARTIES means Buyer and Seller collectively.
- F. PRIME CONTRACT means the contracting instrument issued by the U.S. Government for the acquisition of Products.
- G. PRODUCT means those goods, supplies, reports, computer software, parts list, data, materials, articles, items, parts, components or assemblies, drawings, procedures, manuals, forms, test reports, and any Services described in the Order. For the purposes of the “Inspection” provision, the term “Product” also

includes but is not limited to raw materials, components, and intermediate assemblies that comprise the Product.

- H. SELLER means the party with whom Buyer is contracting.
- I. SERVICES means Seller's time and effort, including any Products, supplies, materials, articles, items, parts, components or assemblies incidental to the performance of the Service.

## **2. HEADINGS. (back to top)**

The descriptive headings contained in this Order are for convenience or reference only and in no way define, limit or describe the scope or intent of this Order.

## **3. LANGUAGE AND CURRENCY. (back to top)**

All communications and submittals shall be in English and all payments, rebates, credits, other financial transactions or dollar amounts related to or referenced in this Order shall be in United States Dollars.

## **4. BUYER AUTHORIZATION. (back to top)**

- A. Buyer's authorized purchasing representative has sole authority to make contractual commitments on behalf of Buyer, to provide contractual direction, and to change contractual requirements as defined in this Order.
- B. Buyer's engineering, technical personnel and other representatives may from time to time render assistance or give technical advice or discuss or affect an exchange of information with Seller's personnel concerning the Products hereunder. No such action shall be deemed to be a change under the "Changes" provision of this Order and shall not be the basis for an equitable adjustment.

## **5. ACCEPTANCE OF OFFER. (back to top)**

This Order is Buyer's offer to Seller. Acceptance of this offer is strictly limited to the terms and conditions in this offer. Modifications hereto, to be binding, must be in writing and issued by Buyer's authorized purchasing representative. Seller's acknowledgement, acceptance of payment, or commencement of performance, shall be conclusive evidence of acceptance of this offer as written. Buyer hereby objects to any additional or different terms contained in Seller's acceptance.

## **6. ORDER OF PRECEDENCE. (back to top)**

- A. In the event of any inconsistency between any parts of this Order, the inconsistency shall be resolved by giving precedence in the following order:
  - (i) The Order and any modifications or changes thereto exclusive of items (ii) through (vi).
  - (ii) Any special provisions to these General Provisions (also referred to as terms and conditions) as invoked in this Order.
  - (iii) These General Provisions including referenced FAR and DFARS clauses.
  - (iv) Statement of Work.
  - (v) Specification/Drawing.
  - (vi) Other documents referenced in this Order.
- B. Seller shall immediately bring any inconsistencies to the attention of Buyer in writing, and any inconsistencies in or among any of the foregoing shall not be the basis for any defense of a breach of contract claim brought by Buyer against Seller for Seller's failure to perform under this Order, nor shall any such inconsistencies be the basis for any claim of any kind by Seller against Buyer unless Seller has first timely brought such inconsistencies to Buyer's attention and Buyer has failed to resolve such inconsistencies.

**7. ASSIGNMENT. (back to top)**

Neither this Order nor the benefits or obligations thereof shall be assigned by Seller except with the prior written consent of Buyer.

Note: In the event this consent is requested, Seller shall notify Buyer if obligation is to be assigned to any activity in excess of 50 miles away from CMSD.

**8. ENTIRE AGREEMENT. (back to top)**

This Order constitutes written confirmation of the entire agreement between the Parties. The Parties shall not be bound by any other statements or understandings, oral or written, not set forth in this Order.

**9. DOD RATED ORDER (back to top)**

This Order supports Buyer's work under a Prime Contract with the U.S. Government. Applicable priority rating defaults to "DO," unless otherwise stated on the face of this Order. This is a rated Order certified for national defense use. Seller is required to follow the requirements of the defense priorities and allocation system regulation (15 CFR Part 700) and all other applicable regulations for obtaining controlled Products and other Products and Services needed to fill this Order.

**10. PACKING AND SHIPPING. (back to top)**

Seller shall be responsible for ensuring the proper packaging and shipping of Product in accordance with Buyer's carrier routing/shipping instructions. Damage resulting from improper Product packaging will be charged to Seller. Seller will not pack or ship items corresponding to multiple Orders or multiple line items within a single Order unless Seller has separately identified the packing and shipping costs of each line item being shipped.

**11. DELIVERY, TITLE. (back to top)**

- A. The Freight On Board (FOB) point shall be as designated in this Order. Title shall pass to Buyer upon delivery (except as otherwise specified within this Order); however, passing of title shall not relieve Seller of any other obligations under this Order.
- B. All deliveries shall be strictly in accordance with the applicable quantities and schedules set forth in this Order. Unless otherwise specified in this Order, Seller shall not ship quantities in excess of those specified in this Order. Buyer shall have no obligation to return or pay for any quantities in excess of those specified in this Order. For all other shipments not meeting the requirements of this paragraph, Buyer may return the shipment or store early deliveries at Seller's cost.
- C. Whenever it appears Seller will not meet the delivery schedule, Seller shall immediately notify Buyer in writing of the reason and estimated length of the delay. This notice shall be informational only, and shall in no way affect the rights or remedies available to Buyer. Seller shall make every effort to avoid or minimize the delay to the maximum extent possible. Any additional cost incurred by Buyer or Seller because of late delivery shall be borne by Seller unless specifically authorized in writing by Buyer.
- D. If Seller is unable to meet the required delivery schedules for any reason, other than a change directed by Buyer, Buyer shall have the option to:
  - (i) Terminate this Order, or
  - (ii) Fill this Order or any portion thereof, from sources other than Seller and to reduce Seller's Order quantities accordingly at no increase in unit price, without any penalty to Buyer. The rights accorded Buyer pursuant to this subparagraph D shall not limit Buyer's rights under the "Termination for Default" provision of this Order.
- E. All Parties expressly agree that time is and shall remain of the essence in performing this Order and no acts of Buyer, including without limitation, modifications to this Order or acceptance of late deliveries, shall constitute a waiver of this provision.

## **12. DELIVERY OF SELLER DATA. (back to top)**

All drawings, procedures, manuals, forms, test reports, software (including software documentation) and other data that is required to be delivered under this Order ("Seller Data") shall comply with the terms of this Order. Seller Data shall be delivered to Buyer on or before the time specified in this Order, or if no time is specified, 30 days after receipt of this Order. Seller shall submit Seller Data to the Buyer address shown on the first page of this Order unless otherwise specified in this Order. If no delivery information is specified or Seller is unsure of where to send the Seller Data, Seller shall contact Buyer's authorized purchasing representative for further instructions. Buyer may withhold payment if Seller fails to deliver any Seller Data in accordance with the terms of this Order. When furnished with the shipment, Seller shall enclose all required Seller Data in the first box of the shipment and mark, *CERTIFICATES AND/OR TEST REPORTS ENCLOSED*.

## **13. INSPECTION. (back to top)**

- A. Except as otherwise provided in this Order, Seller shall maintain an inspection and quality control system acceptable to Buyer to be performed on Products delivered under this Order. As part of the system, Seller shall prepare records evidencing all inspections made under the system and the outcome. Buyer or Buyer's customer shall have the right to perform reviews and evaluations as reasonably necessary to ascertain Seller compliance with an inspection or quality control system that is acceptable. The right of review, whether exercised or not, does not relieve the Seller of its obligations under this Order.
- B. Buyer or Buyer's customer has the right to inspect and test all Products to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. Buyer assumes no contractual obligation to perform any inspection and test for the benefit of Seller. If Buyer or Buyer's customer performs an inspection or test on the premises of Seller or a subcontractor of Seller, Seller shall furnish, and shall require its subcontractors to furnish, at no increase in Order price, all reasonable facilities and assistance for the safe and convenient performance of such inspection and test.
- C. Buyer has the right either to reject or to require correction of nonconforming Products. Products are nonconforming when they are defective in material or workmanship or are otherwise not in conformity with requirements of this Order. Buyer may reject nonconforming supplies with or without disposition instructions.
- D. Seller shall remove Products rejected or required to be corrected; however, Buyer may require or permit correction in place, promptly after notice, by and at the expense of Seller. Seller shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and, when required, shall disclose the corrective action taken.
- E. Seller, at its own expense, shall promptly rectify any defects discovered during any inspection or test.
- F. If Seller fails to promptly remove, replace, or correct rejected Products that are required to be removed or to be replaced or corrected, Buyer may either:
  - (i) Remove, replace, or correct the Product(s) and charge the cost to the Seller, or
  - (ii) Terminate this Order for default.If Buyer elects to correct the deficiencies in the Product(s), then the parties agree that Seller will pay Buyer's actual costs and Buyer's labor at Buyer's fully-burdened hourly rates (as appropriate) utilizing the then-current Government-approved rate set authorized for change-order activity. If Seller fails to correct or replace the Product(s) within the delivery schedule, Buyer may require their delivery with an equitable price reduction. Failure to agree to a price reduction shall be a dispute.
- G. Products that have been reworked or repaired by Seller after having been rejected by Buyer shall be identified as "Resubmitted." Seller shall annotate the packing slip with the words "Resubmitted Material," the reason for the previous rejection, and the Buyer Inspection Report, Discrepancy Report or Quality Notification Number if known. If the Products were inspected at source and rejected, such information shall also be annotated on the packing slip.

- H. **Seller shall flow down the substance of this provision to all of its Subcontractors engaged for performance under this Order.**
- I. Neither Buyer's in-process inspection nor Buyer's approval of any of Seller's drawings, procedures or other submittals shall: (i) constitute acceptance of any work; or (ii) relieve Seller of complying fully with all of the requirements of this Order.

**14. TAXES. (back to top)**

Seller shall not collect any sales or use taxes inasmuch as Buyer has direct pay permit DUNS 035006790 held for the State of California. Seller shall pay all other State, Federal and Local taxes, assessments and duties that may be applicable to Products or Seller's performance hereunder.

**15. INVOICES. (back to top)**

Payment shall be made within the later of the following two events: (A) The 30th day (or such other time as specified herein) after the designated billing office receives a proper invoice from Seller; or (B) The 30th day (or such other time as specified in the Order) after Buyer's receipt of supplies delivered or services performed. Unless Seller is part of Buyer's Invoiceless Payment System, Seller shall send all invoices, in duplicate, showing the Order number and Order Item Number to: Continental Maritime of San Diego, Inc., 1995 Bay Front Street, San Diego, CA 92113. Buyer may set-off any amount(s) due from Seller to Buyer, liquidated or unliquidated, against payments due to Seller under this or any other Order. At any time, Buyer or its customer may audit Seller's invoices to verify their accuracy, completeness and compliance with the terms of this Order. Payment of Seller's invoices shall be subject to adjustment for any amounts found upon audit or otherwise to have been improperly invoiced. For progress payments, the Seller shall note "Final Invoice" on the final billing documents sent to Buyer. These actions are necessary to ensure proper closeout of this Order.

**16. SUSPECT/COUNTERFEIT PARTS. (back to top)**

- A. "Suspect/counterfeit parts" are parts that may be of new manufacture, but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. "Suspect/counterfeit parts" also include refurbished parts, with or without false labeling, that are represented as new parts or any parts that are designated as suspect by the U.S. Government, including but not limited to parts listed in alerts published by the Defense Contract Management Agency under the Government-Industry Data Exchange Program (GIDEP).
- B. Seller will ensure that suspect/counterfeit parts are not incorporated into any Products. The intentional or unintentional use, incorporation, or delivery of suspect/counterfeit parts is strictly prohibited. This includes a suspect/counterfeit part's being provided either as an end item deliverable or as a component or subcomponent of an end item deliverable under this Order.
- C. Seller represents and warrants that it has policies and procedures in place to ensure that none of the Products furnished to Buyer under this Order are or contain "suspect/counterfeit parts." Seller further certifies, to the best of its knowledge and belief, that no "suspect/counterfeit parts" have been or will be furnished to Buyer by Seller under this Order.
- D. If Seller becomes aware or suspects that it has furnished suspect/counterfeit parts or if Buyer determines, including as a result of alerts from the U.S. Government, that Seller has supplied suspect/counterfeit parts to Buyer and so notifies Seller, Seller shall immediately replace the suspect/counterfeit parts with parts acceptable to Buyer and conforming to the requirements of this Order. Notwithstanding any other provision of this Order, Seller shall be liable for all costs incurred by Buyer to remove and replace the suspect/counterfeit parts, including without limitation all costs incurred by Buyer relating to the removal of such suspect/counterfeit parts, the reinsertion of replacement parts and any testing necessitated by the reinstallation of Seller's Products after suspect/counterfeit parts have been exchanged. All such costs shall be deemed direct damages.

- E. Buyer may, at its discretion:
  - (i) remove and or retain or both all Products supplied by Seller that are suspected of being or containing suspect/counterfeit parts pending reporting to the appropriate law enforcement authorities and final disposition of the Products by them. Seller shall be liable for all costs relating to Buyer's removal and retention of the suspect/counterfeit parts.
  - (ii) turn over to the appropriate authorities (*e.g.*, without limitation, the Defense Criminal Investigative Service, Naval Criminal Investigative Service, Federal Bureau of Investigation, Offices of the Inspector General, etc.) any Products suspected of being or containing suspect/counterfeit parts and reserves the right to withhold payment for the Products pending the results of any investigation or proceedings related to the matter.
- F. Seller's warranty against suspect/counterfeit parts shall survive any termination or expiration of this Order.
- G. Seller shall insert a clause containing all of the terms of this paragraph including this subparagraph G in all subcontracts under this Order.

**17. GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (GIDEP). (back to top)**

If this Order is over \$500,000, Seller shall participate in the appropriate interchange of the GIDEP in accordance with GIDEP S0300-BU-GYD-010 dated April 2008. Data entered will be retained by the program and provided to qualified participants. Compliance with this requirement shall not relieve Seller from complying with any other requirements of this Order. GIDEP materials, software and information are available without charge from the GIDEP Operations Center, P.O. Box 8000, Corona, California 92878. For further information, see this web site: <http://www.gidep.org>.

**18. WARRANTY. (back to top)**

- A. Seller warrants that all Products delivered under this Order will:
  - (i) be free from defects in materials, workmanship, and manufacturing processes;
  - (ii) conform to all requirements of this Order; and
  - (iii) be free of all liens and encumbrances.
- B. The warranty period shall begin upon Buyer's acceptance of the Product and end 12 months after final acceptance by Buyer's customer of the end product incorporating the Product provided by Seller under this Order. In computing the warranty period, there shall be excluded any time that a Product delivered under this Order is prevented from entering service or is taken out of service on account of any Product deficiency.
- C. For the purposes of this paragraph, a deficiency occurs when Seller's goods or services fail to meet any of the performance obligations set forth in subparagraphs A(i) through A(iii) of this paragraph. Seller's notice shall in no way affect the rights and remedies of Buyer.
- D. For all deficiencies that arise during the warranty period, Seller shall promptly remedy the deficiency at no cost to Buyer. If Seller fails to remedy the deficiency within a reasonable time after having been notified of the deficiency, Buyer may, at its option, remedy the deficiency by contract or otherwise and charge to the Seller any increased costs incurred by Buyer or Buyer's customer or make an equitable reduction in the price of this Order. If Buyer elects to correct the deficiencies in the Product, then the parties agree that Seller will pay Buyer's actual costs and Buyer's labor at Buyer's fully-burdened hourly rates (as appropriate) utilizing the then-current Government-approved rate set authorized for change-order activity.
- E. Buyer's approval of any documentation prepared by Seller or Buyer's participation in design reviews or first article approval process or similar reviews shall not relieve Seller of any obligation under this warranty.
- F. Buyer's rights under this provision shall, at Buyer's option, be assignable to and enforceable by Buyer's successors and customers.
- G. Seller shall immediately notify Buyer of any deficiencies during the performance of this Order and the warranty period. Seller shall promptly provide a written notice to the Buyer's authorized purchasing



representative describing the deficiency and Seller's plan to remedy the deficiency. For the purposes of this subparagraph G, a deficiency occurs when Seller's Product fails to meet any of the performance obligations set forth in subparagraph A of this provision. Seller's notice shall in no way affect the rights and remedies of Buyer.

- H. The rights of Buyer set forth in this provision shall be in addition to, and not in lieu of, any other right Buyer may have under this Order, or in law or equity.

**19. CHANGES. (back to top)**

- A. The Buyer, may at any time by written order make changes within the general scope of this Order in:
- (i) drawings, designs, specifications, planning, and/or other technical documents;
  - (ii) method of shipment, packaging, or packing;
  - (iii) place of delivery;
  - (iv) reasonable adjustments in quantities or delivery schedules or both;
  - (v) place of inspection;
  - (vi) place of acceptance;
- and, if services are procured with the Products:
- (vii) description of services to be performed;
  - (viii) time of performance (*i.e.*, hours of the day, days of the week, etc.) of the services; and
  - (ix) place of performance of the services.
- B. If the change causes an increase or decrease in the cost or time required to perform this Order, the Parties shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Buyer shall modify this Order in writing accordingly.
- C. Any claim for adjustment shall be unconditionally waived unless asserted in writing and delivered to Buyer within 15 days of the receipt of the written Order; If Seller claims the cost of any property made obsolete or excess, Buyer shall have the right to prescribe the manner of disposition of the property to include the right to acquire that property for the cost claimed.
- D. Buyer has the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's claim.
- E. Seller shall immediately proceed with the performance of this Order as changed. Failure to agree to any adjustment shall be a dispute within the meaning of the "Disputes" provision. Seller shall not be entitled to any claim for changes unless authorized in writing by Buyer.

**20. TERMINATION FOR DEFAULT. (back to top)**

- A. Buyer may terminate this Order in whole or in part without liability if Seller:
- (i) Fails to make delivery of the Products within the time specified in this Order, or
  - (ii) Fails to perform any of the other provisions of this Order or so fails to make progress as to endanger performance of this Order in accordance with its terms, including the completion of those items within the time set forth elsewhere in this Order and in either of these two circumstances does not cure such failure within a period of ten days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure, or
  - (iii) Becomes insolvent or fails to provide additional assurances of financial solvency when it reasonably appears that Seller is or will not be financially solvent and additional assurances are requested by Buyer. If Buyer terminates part of the work under this Order, Seller shall continue performance of this Order to the extent not terminated.
- B. The rights and remedies of Buyer provided in this provision shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Order.

- C. If, after a default termination, 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 issued for the convenience of the Buyer.

**21. DISPUTES. (back to top)**

- A. Any dispute arising under or related to this Order shall be submitted in writing for resolution to equivalent ascending levels of management of the respective Parties up to the Senior Executive of the Supply Chain Management organization placing the Order, and Seller's equivalent executive level.
- B. If a dispute cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within 90 days from the date the written dispute is received by the other party in accordance with the notice provisions set forth herein, or such additional time as the Parties agree upon, in writing, either party may only bring suit in the appropriate federal or state court in the state listed as Buyer's address in the Order; said forum selection to be made without regard to said state's conflict of laws principles.
- C. Pending any informal resolution, law suit, appeal, or final decision referred to in this provision, or the settlement of any dispute, Seller shall proceed diligently, as directed by Buyer, with performance of this Order.
- D. Seller shall commence an action for breach or any other dispute arising under or related to this Order within two years after the cause of action accrues, or by the otherwise applicable statute of limitations, whichever period is shorter.
- E. If the Government:
  - (i) makes a decision or determination,
  - (ii) takes an action, or,
  - (iii) in the case of a claim filed with the Contracting Officer, fails to take an action within the time limits specified in the "Disputes" provision in Buyer's Prime Contract ("deemed denial"), on a matter arising under or related to the Buyer's Prime Contract, and such decision, determination, action or deemed denial relates to or affects the Parties' rights and interests under this Order ("Government Action"), then any dispute between Buyer and Seller as relates to the Government Action shall be resolved in accordance with subparagraph F, which shall be Seller's sole remedy for such disputes. Except as otherwise provided in subparagraph F, all other disputes between Buyer and Seller will be resolved in accordance with subparagraph B of this provision.
- F. Notwithstanding any provisions herein to the contrary, Government Actions shall be final and binding on Seller, and Seller shall have no recourse against Buyer for such Government Action or Buyer's implementation thereof, unless and to the extent Buyer or Seller appeals pursuant to the terms of this provision.
  - (i) If Buyer elects to appeal a Government Action pursuant to the "Disputes" provision in Buyer's Prime Contract, whether at Buyer's election or at Seller's request, Seller shall:
    - (a) assist Buyer in every reasonable manner; and
    - (b) be afforded a reasonable opportunity to participate in the prosecution of the appeal to the extent Seller's interest may be affected thereby. Buyer will not enter into an agreement to settle an appeal that affects Seller's interest without Seller's written consent.
  - (ii) If Buyer elects not to appeal a Government Action, Buyer shall notify Seller with reasonable promptness. When Buyer elects not to prosecute an appeal pursuant to this provision, the Buyer may, in its sole and absolute discretion, permit Seller to prosecute the appeal of the Government Action for Buyer and in such event, Buyer shall, if requested by Seller, reasonably assist Seller in prosecuting the appeal. Seller shall reasonably keep Buyer informed of the progress of ANY SUCH appeal by, among other things, providing Buyer with copies of all pleadings and other relevant documents. For those pleadings and other documents filed by Seller, Seller shall provide Buyer drafts in advance of the filing date sufficient to afford Buyer with a reasonable time to review.

- (iii) Any decision on or settlement of an appeal brought pursuant to subparagraphs F(i) or F(ii) of this provision shall be binding upon Seller insofar as it relates to or affects the Parties' rights and interests under this Order and Seller shall have no recourse against Buyer as a result of the decision or settlement or Buyer's implementation thereof. Further, if as a result of any decision or settlement described in the immediately preceding sentence, Buyer is unable to obtain reimbursement from the Government under the Prime Contract for, or is required to refund or credit to the Government, any amount with respect to any item of cost or fee for which Buyer has reimbursed Seller, Seller shall, on demand, promptly repay such amount to Buyer.
- (iv) Each party shall bear its own costs for prosecuting appeals brought pursuant to paragraph F(i) of this provision. Seller shall bear the cost of prosecuting appeals brought pursuant to paragraph F(ii) of this provision (including reasonable attorney fees) and any other costs incurred by Buyer:
  - (a) in assuring itself of the validity of Seller's appeal; and
  - (b) assisting Seller in the prosecution of the appeal.
- (v) Before submitting a claim that Buyer may approve to be appealed hereunder, Seller shall:
  - (a) certify its claim in the same manner and format as required of Buyer under its Prime Contract with the Government; and
  - (b) provide Buyer with such other assurances as Buyer may require.
- (vi) Seller shall indemnify and hold harmless Buyer, its parent and affiliates and each of their directors, officers, employees, and agents against any claims, losses, costs, judgments or any other liabilities (including reasonable attorney fees) incurred by Buyer as a result of:
  - (a) Buyer's sponsoring a claim on Seller's behalf as provided for in this provision,
  - (b) any misrepresentation of fact or fraud on the part of Seller in connection with such claim; or
  - (c) a defect in Seller's certification.
- (vii) Nothing in this provision nor any authorization or offer that may be made shall be deemed to constitute acceptance or acknowledgment by Buyer of the validity of Seller's claim or any part thereof, nor be deemed to limit or in any way restrict Buyer from taking any actions, including available remedies, it deems appropriate to protect its own interests.
- (viii) Except as may be expressly set forth in this Terms and Conditions Document with the Government's Contracting Officer's express consent, the Seller shall not acquire claim or direct course of action against the U.S. Government.

## **22. INSURANCE. (back to top)**

- A. During the period of performance of this Order, Seller and its subcontractors shall, at their sole cost and expense, procure and maintain Workers' Compensation insurance coverage as required by the most current laws of the state or foreign jurisdiction in which the work is performed and such insurance shall provide waiver of subrogation against Buyer.
- B. Seller shall also maintain, at its sole cost and expense, Employer Liability insurance in the amount of \$1,000,000.
- C. Whenever performance requires work on a Government installation, Buyer's premises or premises under the care, custody or control of Buyer or Buyer's customer, Seller and its subcontractors shall, at their sole cost and expense, procure and maintain the following insurance coverage in the minimum limits indicated:
  - (i) Comprehensive General Liability – Combined Single Limit \$2,000,000 bodily injury and property damage. Coverage shall include but not necessarily be limited to, premises and operations, products and completed operations and contracts.
  - (ii) Automobile Liability – Combined Single Limit \$2,000,000 bodily injury and property damage covering all owned, hired and non-owned vehicles.
- D. Seller shall, in addition to the above requirements, maintain appropriate coverage under the Longshore and Harbor Workers' Compensation Act, as well as the Defense Base Act if required by this Order.

- E. Coverage shall not exclude claims brought in the United States and all insurance required as a part of this Order shall be placed with insurance companies that are authorized to do business under the laws of the state or states in which the work is being performed and shall be in a form reasonably acceptable to Buyer.
- F. General Liability and Automobile Liability insurance coverage shall name Buyer as an additional insured.
- G. Insurance coverage described herein must be in place and effective prior to commencement of any activity that is the subject of this Order and Seller shall provide evidence that the required insurance is in place in the form of insurance certificates. Renewal insurance certificates, if applicable, shall be provided to Buyer at least 15 days prior to the expiration date of the insurance under each required coverage.
- H. All coverage required hereunder shall be primary and not contributory to any other insurance available to Buyer, and Seller's insurers shall provide a waiver of subrogation in favor of Buyer for each required coverage hereunder. Seller waives statutory immunity from workers' compensation as respects the additional insured requirement for general liability only.

**23. BUYER OR GOVERNMENT PROPERTY. (back to top)**

- A. If Buyer or Government property is furnished in conjunction with this Order, it shall be furnished "as is." Accordingly, Buyer disclaims any warranty of suitability and or serviceability. Unless otherwise noted in this Order, Seller shall assume the risk of, maintain adequate insurance, and be responsible for, any loss, destruction of or damage to property provided to Seller by Buyer or the Government while such property is in Seller's possession or control. Excluding property authorized to be consumed in the performance of this Order, Seller shall return such property in as good a condition as when received except for reasonable wear and tear, or in the case of property to be overhauled or repaired, in such better condition as may be required by the terms of this Order. Seller shall control and maintain Government or Buyer furnished property in accordance with a system that meets the requirements of FAR 52.245-1.
- B. Seller shall use Buyer- or Government-furnished property only for performing this Order, unless otherwise provided for in this Order or approved by Buyer. Seller shall not modify, cannibalize, or make alterations to Buyer- or Government-furnished property unless this Order specifically identifies the modifications, alterations or improvements as work to be performed.  
Buyer and Government shall retain title to all Buyer- or Government-furnished property. Title to such property shall not be affected by its incorporation into or attachment to any property not owned by Buyer or the Government, nor shall Buyer or Government-furnished property become a fixture or lose its identity as personal property by being attached to any real property.
- C. Seller shall immediately discharge any lien, other than a lien held by Buyer or the Government on Buyer- or Government-furnished property.
- D. The requirements related to accounting for Buyer- or Government-furnished property also shall apply to scrap generated from Seller's use of such property, provided, however, that Buyer may authorize or direct Seller to omit such scrap from inventory disposal schedules.

**24. REPRESENTATIONS AND CERTIFICATIONS. (back to top)**

As of the time of award of this Order, Seller represents and warrants that:

- A. Seller has submitted to Buyer annual representations and certifications that are incorporated herein by reference;
- B. Seller's representations and certifications are current, accurate and complete;
- C. Neither Seller nor any of its principals is debarred, suspended, or proposed for debarment by the Government.
- D. If Seller is representing itself as a small disadvantaged business, that:
  - (i) It has been certified by the Small Business Administration (SBA) as a small disadvantaged business consistent with 13 CFR 124, Subpart B, and no material change in disadvantaged ownership, control or

net worth qualification has occurred since its certification, and it is identified as a certified small disadvantaged business concern by the SBA (see FAR 52.219-8); or

(ii) It has submitted a completed application to the SBA or a Private Certifier to be certified as a small disadvantaged business in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and no material change in disadvantaged ownership or control has occurred since its application was submitted.

E. If Seller's status under any of the applicable representations and certifications has changed, Seller must complete and submit to Buyer revised representations and certifications prior to acceptance of this Order.

**25. PROPRIETARY INFORMATION. (back to top)**

A. Proprietary Information for purposes of this Order, means all knowledge no matter how communicated or stored Buyer furnishes to Seller, including, but not limited to, any item identified in writing at the time of disclosure as proprietary and marked with an appropriate legend, marking, or stamp identifying the data as Buyer's Proprietary Information, and includes any information marked with a restrictive legend as prescribed in DFARS 252.227-7013 or 252.227-7014 or in FAR 52.227-14. If a separate proprietary information agreement exists between the Parties, which relates to the subject matter of this Order, then Proprietary Information furnished by one Party to the other Party shall be protected pursuant to such proprietary information agreement.

B. Seller will treat all Proprietary Information transferred in connection with this Order, all copies of Proprietary Information, and all improvements, modifications, and derivations of Proprietary Information, as Buyer's property regardless of the medium on which such Proprietary Information is stored or communicated.

C. Seller may disclose Proprietary Information to its subcontractors as required for the performance of this Order, provided each such subcontractor first assumes by written agreement the same obligations imposed on Seller under this Order relating to Buyer's Proprietary Information.

D. If a separate proprietary information or non-disclosure agreement relating to the subject matter of this Order exists between the Parties, all data, knowledge and information furnished by one Party to the other Party shall be protected pursuant to such proprietary information or non-disclosure agreement.

E. If no separate proprietary information or non-disclosure agreement exists between the Parties, Seller will keep Buyer's Proprietary Information confidential and not disclose Buyer's Proprietary Information to any other person without first notifying the Buyer, except as provided herein. Seller will use Buyer's Proprietary Information only for purposes necessary for performing this Order and will return Proprietary Information to Buyer upon completion of the work to be performed under this Order unless Buyer expressly agrees to the contrary.

F. If no separate proprietary information or non-disclosure agreement exists between the Parties, no information furnished to Buyer (whether documentary, oral, visual or otherwise) shall be considered confidential or proprietary or require any particular handling or precaution or have any restriction on Buyer's right to use, modify, reproduce, perform, display, release, or disclose such information in whole or in part, in any manner, and for any purpose whatsoever, and to have or authorize others to do so.

**26. PATENT, TRADEMARK, TRADE SECRET, AND COPYRIGHT INDEMNITY. (back to top)**

A. In addition to any other warranty by Seller to Buyer against intellectual property infringement, statutory or otherwise, express or implied, Seller will indemnify and hold Buyer, Buyer's parent and subsidiaries and each of their officers, directors, employees, agents, and Customers ("Indemnified Parties") harmless for, and defend the Indemnified Parties at Seller's expense, against any allegation of patent, copyright, or trademark infringement or allegation of trade secret misappropriation (collectively or individually, "Claim") arising from Indemnified Parties' use, manufacture, or sale (including any re-sale) of any product or service Seller provides to Buyer that Seller authorizes expressly or impliedly under this Order. In addition, Seller will

pay all reasonable amounts of any kind Indemnified Parties pay as defense costs, fees, and expenses and all reasonable amounts of any kind Buyer becomes obligated to pay pursuant to a court order (including, but not limited to, fines and judgments) or as settlement of any Claim set forth in this paragraph.

- B. Notwithstanding the foregoing, when this Order is performed under the authorization and consent of the U.S. Government to infringe United States Patents, Seller's liability for Seller's patent infringement under this Order shall be coextensive with Buyer's liability.

**27. COMPUTER SOFTWARE AND DATABASES. (back to top)**

The Seller shall test all computer software and/or databases (including the media it is delivered on), as defined in the clause entitled Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (DFARS 252.227-7014), for computer viruses before delivery of such software and/or databases in any medium or in any system. All software and/or databases delivered by Seller shall contain no known viruses that are detectable with the latest version of commercially available virus detection software. In addition, Seller shall test any software and/or databases received from Buyer or Buyer's customer for viruses prior to use in performing this Order. Seller shall provide Buyer with immediate written notice of any viruses detected in Buyer-provided software and/or databases. Unless otherwise agreed in writing, any license agreement covering the use of any computer software and/or databases delivered under this Order must be paid-up and perpetual, shall not contain any routine to disable the computer software and/or databases in the future, and shall permit transfer to Buyer's customer. No copy-protection devices, codes, or systems shall be used that would prevent Buyer or Buyer's customer from copying delivered software and/or data; however, a license agreement or other Order terms may specify a maximum number of copies that may be made. Any limited rights or other legend(s) permissibly applied under this Order shall be digitally included on the same media as the delivered software and/or databases, and also displayed in human-readable form on a visible surface of the media carrying the digital software and/or databases.

**28. DATE/TIME PROCESSING REQUIREMENT – INFORMATION TECHNOLOGY. (back to top)**

- A. All information technology, whether commercial or noncommercial, delivered under this Order that will be required to perform date/time processing involving dates subsequent to December 31, 1999, shall be "Year 2000 compliant with respect to information technology" (as defined at FAR 39.002) if properly installed, operated, and maintained in accordance with the contract specifications and applicable documentation. If this Order requires that specific deliverables operate together as a system, this requirement shall apply to those deliverables as a system. The "proper exchange" of date/time data shall be in accordance with the interface requirements specification(s) of this Order.
- B. "Information Technology" or "IT," as used in this provision, means "information technology" as that term is defined at FAR 2.101, and further including those items that would otherwise be excluded by paragraph (3) of that definition.
- C. For line item deliverables that are commercial items (as defined at FAR 2.101), and that include commercial IT, the terms and conditions of the standard commercial warranty covering such commercial IT shall apply in addition to, and to the extent such terms and conditions are consistent with, this requirement. Any applicable commercial warranty shall be incorporated into this contract by attachment.
- D. Notwithstanding any term to the contrary in any other warranty of this Order, or in the absence of any such warranty(ies), the remedies available to Buyer under this provision shall include those provided in the "Inspection" provision of this Order. Nothing in this provision shall be construed to limit any rights or remedies that Buyer or the Government may otherwise have under this Order.
- E. Unless specified elsewhere in this Order, Seller will also deliver to Buyer a report summarizing any Year 2000 compliance testing that was performed, and the results thereof.

- F. The remedies available to Buyer and the Government for noncompliance with this provision shall remain available for 180 days after acceptance of the last deliverable IT item under this Order (including any option exercised hereunder), whichever is later.

**29. MARKING REQUIREMENTS. (back to top)**

Seller shall place the following statement on documents containing technical data: "WARNING – This document contains technical data whose export is restricted by the Arms Export Control Act (Title 22, U.S.C. Sec. 2751, et seq.) or the Export Administration Act of 1979, as amended, Title 50, U.S.C., App 2401, et seq. Violations of these export laws can result in severe criminal penalties. Disseminate in accordance with terms of OPNAVINST 5510.161." Additional marking requirements may be included elsewhere in this Order.

**30. EXPORT AND IMPORT COMPLIANCE. (back to top)**

- A. Export Compliance. Seller is advised that its performance of this Order may involve the use of or access to articles, technical data or software that is subject to export controls under 22 United States Code 2751 – 2796 (Arms Export Control Act) and 22 Code of Federal Regulations 120-130 (International Traffic in Arms Regulations) or 50 United States Code 2401 – 2420 (Export Administration Act) and 15 Code of Federal Regulations 768 – 799 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as the "Export Laws and Regulations"). Seller represents and warrants that it is either:
- (i) A U.S. Person as that term is defined in the Export Laws and Regulations; or
  - (ii) That it has disclosed to Buyer's Representative in writing the country in which it is incorporated or otherwise organized to do business, or if a natural person, all citizenships and US immigration status.
- Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued thereunder.
- B. Foreign Personnel/Persons. Seller shall not give any Foreign Person (including Seller's own non-US employees or affiliates) access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Buyer. Any request for such consent must state the intended recipient's citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 1324 (the "Immigration and Naturalization Act"), and such other information as Buyer may reasonably request. No consent granted by Buyer in response to Seller's request under this subparagraph B. shall relieve Seller of its obligations to comply with subparagraph A. of this provision or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of subparagraph A, nor constitute consent for Seller to violate any requirement of the Export Laws and Regulations.
- C. Indemnification. Seller shall indemnify and hold harmless Buyer, Buyer's parent and affiliates and each of their respective officers, directors, employees, and agents from any claims or suits brought and liabilities and losses (including attorney fees), arising out of claims, suits, allegations or charges of Seller's failure to comply with the requirements of this provision and breach of the warranty set forth in subparagraph A. If Seller fails to defend, hold harmless, and indemnify Buyer as provided in this provision, then Seller shall pay for any damages (including attorney fees), claims, losses, fees, and costs incurred by Buyer in the defense of any action related to this Order and/or in the prosecution of any action to enforce the terms of this provision. Any failure of Seller to comply with the requirements or any breach of the warranty contained in this provision shall be a material breach of this Order.
- D. Subcontracts. The substance of this provision, including this subparagraph D, shall be incorporated into any lower-tier subcontract entered into by Seller for the performance of any part of the work under this Order.

**31. EUROPEAN UNION (EU) SAFE HARBOR. (back to top)**

With respect to personal information about Seller's employees located in European Union (EU) countries, Buyer adheres to a self-regulatory program that complies with the safe harbor privacy principles set forth in the July

2000 agreement between the EU and the United States Department of Commerce. For details about Buyer's privacy policy with respect to individuals located in EU countries, please refer to the Huntington Ingalls privacy policy information at: <http://www.huntingtoningalls.com/about/docs/euprivacypolicy.pdf>. Seller shall provide this notice to each of its EU employees who provide personal information to Buyer.

**32. SITE CONDITIONS. (back to top)**

If Seller is required to install or supervise the installation of equipment or to perform services at Buyer's or its customer's site, Seller shall inspect the location of the work at Buyer's or its customer's site and be familiar with its condition at the time of award of this Order. In no event shall either Seller's failure to inspect the site prior to the award of this Order, or any circumstance that Seller should reasonably have discovered through such site inspection, constitute a basis for any claim for increased cost or additional time for performance.

**33. TOXIC SUBSTANCES/HAZARDOUS MATERIAL. (back to top)**

Buyer will not accept, store or dispose of any toxic substances or hazardous material except as and to the extent, if at all, expressly provided for in this Order. In particular, paints, primers, or coatings on products required by this Order that contain the following constituents shall not be shipped without prior written approval by the Buyer: arsenic, mercury, methylene chloride, methyl ethyl ketone (MEK), lead, cadmium, beryllium, and hexavalent chromium, their compounds, or organo-metallic material. Materials known or suspected of containing or coming in contact with asbestos, polychlorinated biphenyls (PCBs), or mercury or mercury containing compounds shall not be provided without Buyer's prior written permission. If invoked specifications and standards permit other materials in lieu of these materials, they shall be used.

**34. INDEMNIFICATION - THIRD PARTY CLAIMS. (back to top)**

- A. At Seller's expense, Seller shall indemnify Buyer, Buyer's parent and affiliates (and their respective directors, officers, and employees) (collectively, for purposes of this clause, "Buyer"), and the Government for their losses and against third party claims alleging personal injury, death, property damage, or other loss of any kind arising from Seller's or Seller's employees,' subcontractors', or agents' performance of this Order, unless such harm has been caused solely by Buyer's negligence.
- B. If requested by Buyer, Seller shall pay Buyer's reasonable attorney's fees, costs, and expenses as they are incurred to defend any third party claim alleging personal injury, death, property damage, or other loss of any kind arising from Seller's or Seller's employees,' subcontractors,' and agents' performance of this Order. Seller shall also pay Buyer's reasonable attorney's fees, costs, and expenses incurred in enforcing this clause.

**35. INDEMNIFICATION - GOVERNMENT REQUIREMENTS. (back to top)**

In addition to any other remedies provided for in this Order, Seller shall indemnify and hold harmless and, if requested, defend Buyer and its parent and affiliates and each of their officers, directors, employees and agents from any claims or suits brought and liabilities and losses (including attorney fees) for Seller's failure, in conjunction with this Order:

- A. To comply with any cost principles or Cost Accounting Standards applicable to this Order or to follow Seller's disclosed accounting practices or both;
- B. To furnish complete, accurate or current cost or pricing data when such data were required by law or regulation:
  - (i) In support of any Truth In Negotiations Act (TINA) certification made by Buyer to the Government;
  - (ii) In the negotiation of this Order or any modifications thereto; or
  - (iii) To comply with any other laws, regulations or ordinances.

If Seller fails to defend, hold harmless, and indemnify Buyer as provided in this provision, then Seller shall pay for any damages (including attorney fees), claims, losses, fees, and costs incurred by Buyer in the defense of



any action related to this Order and/or in the prosecution of any action to enforce the terms of this provision.

**36. FORCE MAJEURE. (back to top)**

Neither party shall be liable to the other for delays resulting from causes beyond its control and without its fault or negligence, including but not restricted to acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or unusually severe weather. Seller shall not be liable for delays of subcontractors or Subcontractors of Seller only when arising from causes beyond the control and without the fault or negligence of both Seller and such subcontractors or Subcontractors and only when Seller could not have obtained the supplies or services from other sources in sufficient time to permit Seller to meet the required delivery schedule. Upon the happening of any circumstances or causes aforesaid, the affected party shall notify the other party as soon as possible in writing. Any relief shall be limited to an extension of delivery dates or times of performance to the extent caused thereby.

**37. INDEPENDENT CONTRACTOR. (back to top)**

Seller is an independent contractor. Seller shall:

- A. Have exclusive control and direction over its employees' performance of the work; and
- B. Be responsible for all payroll functions for its employees. No persons employed by Seller or Seller's subcontractors shall be deemed an employee or agent of Buyer for any purpose.

**38. RELEASE OF INFORMATION AND ADVERTISING. (back to top)**

Except as required by law, no public release of any information, or confirmation or denial of same, with respect to this Order or the subject matter, will be made by Seller without the prior written approval of Buyer. Additionally, Seller shall not use the Buyer's name or in any other way identify Buyer in any advertisement, display, news release, or other public disclosure without Buyer's prior written consent.

**39. COMPLIANCE WITH LAWS. (back to top)**

Seller shall comply with all applicable foreign and United States federal, state and local laws, statutes, rulings, ordinances, orders, and regulations in performing this Order.

**40. CHOICE OF LAW. (back to top)**

Both Parties agree that, irrespective of the place of performance of this Order, unless otherwise specifically provided herein, this Order will be construed and interpreted according to the law of the State of California, excepting that state's laws on conflicts of law. Exclusive venue for suits at law or equity arising under or related to this Order shall be the United States District Court for the Southern District of California or the applicable state court in San Diego, California.

**41. BUSINESS CONDUCT. (back to top)**

Buyer has implemented a comprehensive Business Conduct Program, which is contained in the "*Business Associates Brochure*" and is available at this website: <http://www.huntingtoningalls.com/about/docs/codeofethics.pdf>. Seller shall be familiar with this pamphlet and abide by its terms; in particular, Seller shall not offer any gratuity to Buyer's employees, customers or their representatives in a manner inconsistent with the guidance provided in this pamphlet. Furthermore, any falsification, concealment, or alteration of any material fact, or any false, fraudulent or fictitious statement or representation in connection with the work under an order within the jurisdiction of the Federal Government is not only prohibited by the Buyer's policy, but may also be punishable under Federal Law.

**42. CONTINUING TERMS AND SEVERABILITY. (back to top)**

The "Proprietary Information," "Suspect/Counterfeit Parts" and "Indemnification" provisions contained herein shall survive termination or cancellation of this Order. If any provision in this Order is or becomes void or unenforceable by force or operation of law, all other provisions shall remain valid and enforceable.

**43. NON-WAIVER. (back to top)**

Buyer's failure at any time to enforce any provision of this Order shall not constitute a waiver of the provision or prejudice Buyer's right to enforce that provision at any subsequent time against Seller. No payment made shall be deemed an acceptance or approval of any defective or unsatisfactory material or workmanship, or a waiver of Buyer's right to later reject the same. Any and all of the rights and remedies conferred upon Buyer under this Order 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.

**44. BANKRUPTCY. (back to top)**

In the event Seller enters into proceedings relating to bankruptcy or insolvency, whether voluntary or involuntary, Seller agrees to furnish to Buyer, by certified mail, written notification of the bankruptcy or insolvency proceeding. This notification shall be furnished within five days of the initiation of such proceedings, and shall include the date of filing, the identity of the court in which the petition was filed, and a listing of all of Buyer's Orders against which final payment has not been made. This obligation remains in effect until final payment under this Order. In the event Seller enters into proceedings relating to bankruptcy or insolvency, whether voluntary or involuntary, ceases operations, or fails to respond to notices under this Order, Buyer may, at Buyer's sole discretion, pay to Seller's subcontractors at any tier those amounts Seller owes to such subcontractors under this Order to obtain such subcontractor's performance owed to Seller in connection with this Order and Buyer shall be entitled to set-off such amounts Buyer pays to such subcontractors from any amount owed to Seller under this Order.

**45. PROGRAM MANAGEMENT. (back to top)**

- A. When requested by Buyer, Seller will develop and maintain in a form acceptable to Buyer, a comprehensive Program Management Plan ("PMP"). At its election, Buyer may provide at no cost to Seller assistance in the development of the PMP.
- B. The PMP will contain a comprehensive activity-based schedule for all major software/hardware deliverables required by this Order. Seller shall update the PMP at regular intervals but no less than monthly to ensure its currency.
- C. Seller will make its PMP available to Buyer in a format specified by Buyer for review at reasonable times and places.

**46. REPRESENTATIONS AND CERTIFICATIONS – CONFLICT MINERALS. (back to top)**

- A. At the time of award of an Order, Seller represents that:
  - (i) The Product(s) Seller will be supplying under an Order do not contain any conflict minerals, which are defined as (a) gold or (b) tantalum, tin, or tungsten (derivatives of columbite-tantalite (coltan), cassiterite, and wolframite); or
  - (ii) If the Product(s) contain conflict minerals, Seller has submitted Buyer's BIMS Form SCF-122, "Conflict Minerals Disclosure," which is incorporated herein by reference.
- B. If BIMS Form SCF-122 was submitted to Sourcing / Buyer as described in subparagraph A (ii) above, Seller certifies that the representations and certifications on such form are current, accurate and complete as of date of this Order.
- C. If the status of any Product(s) changes during performance of this Order so that the representations and certification contained in subparagraphs A and B of this clause are no longer accurate, then Seller must complete and submit to Sourcing / Buyer a revised BIMS Form SCF-122, which may be accessed at

<http://www.continentalmaritime.com/oasis.stm>

If Buyer determines that any representation or certification made by Seller pursuant to this provision is inaccurate or incomplete in any respect, then Buyer may terminate this Order pursuant to the provision of this Order titled "Termination for Default."

PROVISIONS FOR REQUEST FOR QUOTATION, EITHER IN THE BODY OF THE RFQ/INQUIRY OR IN AN ACCOMPANYING RFQ COVER LETTER.

By submission of your offer, the Seller certifies that none of the Product(s) it will be supplying to CMSD pursuant to any resulting order contains (i) gold or (ii) tantalum, tin, or tungsten (derivatives of columbite-tantalite (coltan), cassiterite, and wolframite.) If any Product that Seller will be supplying contains any of the aforementioned minerals, the Seller must complete and submit CMSD BIMS Form SCF-122 "Conflict Minerals Disclosure" which can be accessed at prior to any award under this request for quotation at <http://www.continentalmaritime.com/oasis.stm>.

**47. FAR/DFARS CLAUSES/PROVISIONS. (back to top)**

- A. The below listed FAR and DFARS clauses are incorporated by reference and made part of this Order with the same force and effect as though set forth in full text.
- B. Unless text in these clauses clearly reserves rights in the Government only or as otherwise noted, the terms "Contractor" means "Seller," "Contracting Officer" means "Buyer," "Contract" means this Order and "Government" means "Buyer or the Government." However, the words "Government" and "Contracting Officer" do not change when a right, act, authorization or obligation can be granted or performed only by the Government or the Prime Contract contracting officer or duly authorized representative.
- C. Applicable thresholds include Truth in Negotiation Act Threshold (TINA) at \$700,000; Simplified Acquisition Threshold (SAT) at \$150,000; and Micro Purchase Order at \$15,000 for Orders in United States and \$30,000 for Orders outside United States.
- D. Whenever said clauses include a requirement for the resolution of disputes between the Parties in accordance with the "Disputes clause," the dispute shall be disposed of in accordance with the provision entitled "Disputes" above.
- E. The full text of a clause may be accessed electronically at these addresses: <http://www.arnet.gov/far/> or <http://farsite.hill.af.mil>.

| CLAUSE NUMBER | CLAUSE NAME   | CLAUSE DATE |
|---------------|---|-------------|
| <b>FAR</b>    | <b>Federal Acquisition Regulation</b>   |             |
| 52.202-1      | Definitions<br><i>("solicitation" means the Buyer's customer's solicitation under which the Order is issued)</i>  | (Jan 2012)  |
| 52.203-3      | Gratuities<br><i>("Government" means "Buyer" (except "Government" means "Buyer or Government" in the phrase "to any officer or employee of the Government"))</i> .  | (Apr 1984)  |
| 52.203-6*     | Restrictions on Subcontractor Sales to the Government<br><i>(applies to Orders over Simplified Acquisition Threshold (SAT)) (Alt 1 applies to commercial items)</i> | (Sep 2006)  |
| 52.203-7*     | Anti-Kickback Procedures<br><i>(applies to Orders over SAT) (Alt 1 applies to commercial items)</i>   | (Oct 2010)  |
| 52.203-8      | Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity  | (Jan 1997)  |
| 52.203-10     | Price or Fee Adjustment for Illegal or Improper Activity  | (Jan 1997)  |
| 52.203-12*    | Limitation on Payments to Influence Certain Federal Transactions<br><i>(applies to Orders over \$150,000)</i>   | (Oct 2010)  |
| 52.203-13*    | Contractor Code of Business Ethics and Conduct  | (Apr 2010)  |

| CLAUSE NUMBER | CLAUSE NAME  | CLAUSE DATE |
|---------------|--|-------------|
|               | <i>(applies to Orders over \$5,000,000 and has a performance period of more than 120 days. Notwithstanding any alterations to this clause to reflect the relationship between Buyer and Seller, all disclosures of violation of the civil False Claims Act or of Federal criminal law shall be directed to the Office of the Inspector General of the agency issuing the prime contract under which this subcontract is being issued, with a copy to the Contracting Officer of the prime contract.)</i> |             |
| 52.203-14*    | Display of Hotline Poster(s)<br><i>(applies to Orders over \$5,000,000 except for commercial items or performed entirely outside United States)</i>  | (Dec 2007)  |
| 52.203-15*    | Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 <i>(applies to ARRA funded Orders only)</i>   | (Jun 2010)  |
| 52.204-2*     | Security Requirements<br><i>(applies to Orders that involve access to classified information, delete para. (c))</i>  | (Aug 1996)  |
| 52.204-9      | Personal Identity Verification of Contractor Personnel<br><i>(applies to Orders requiring access to a Federally-controlled facility or information system; contact Buyer for procedures)</i>   | (Jan 2011)  |
| 52.204-10     | Reporting Executive Compensation and First-tier Subcontract Awards   | (Jul 2010)  |
| 52.209-6      | Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment <i>(applies to Orders over \$30,000 for other than commercially available off-the-shelf items)</i>  | (Dec 2010)  |
| 52.211-5      | Material Requirements  | (Aug 2000)  |
| 52.211-15     | Defense Priority and Allocation Requirement  | (Apr 2008)  |
| 52.215-2*     | Audit And Records -- Negotiation<br><i>(applies to Orders over the SAT threshold)</i>  | (Oct 2010)  |
| 52.215-10     | Price Reduction for Defective Cost or Pricing Data   | (Aug 2011)  |
| 52.215-11     | Price Reduction for Defective Cost or Pricing Data – Modifications<br><i>(applies to Orders over the Truth In Negotiations Act (TINA) threshold)</i>   | (Oct 2010)  |
| 52.215-12*    | Subcontractor Cost or Pricing Data<br><i>(applies to Orders over the TINA threshold)</i>   | (Oct 2010)  |
| 52.215-13*    | Subcontractor Cost or Pricing Data – Modifications<br><i>(applies to Orders over the TINA threshold)</i>   | (Oct 2010)  |
| 52.215-14*    | Integrity of Unit Prices and Alt I (Oct 1997)<br><i>(applies to Orders over the SAT threshold, delete paragraph(b))</i>  | (Oct 2010)  |
| 52.215-15*    | Pension Adjustments and Asset Reversions<br><i>(applies to Orders over the TINA threshold)</i>   | (Oct 2010)  |
| 52.215-18*    | Reversion or Adjustment of Plans for Post Retirement Benefits (PRB) Other Than Pensions <i>(applies to Orders over the TINA threshold)</i>   | (Jul 2005)  |
| 52.215-19*    | Notification of Ownership Changes<br><i>(applies to Orders over the TINA threshold)</i>  | (Oct 1997)  |
| 52.215-21     | Requirements for Cost or Pricing Data or Information Other Than Cost or Pricing Data - Modifications <i>(including Alt II)</i>   | (Oct 2010)  |
| 52.215-22     | Limitations on Pass-Through Charges – Identification of Subcontract Effort   | (Oct 2009)  |
| 52.215-23*    | Limitation on Excessive Pass-Through Charges<br><i>(applies to Orders over the TINA threshold)</i>   | (Oct 2009)  |
| 52.219-8      | Utilization of Small Business Concerns   | (Jan 2011)  |

| CLAUSE NUMBER | CLAUSE NAME  | CLAUSE DATE |
|---------------|--|-------------|
| 52.219-9      | Small Business Subcontracting Plan with Alt II (Oct 2001)<br><i>(applies to Orders over \$650,000 except commercial items and small businesses)</i>          | (Jan 2011)  |
| 52.222-1      | Notice to the Government of Labor Disputes   | (Feb 1997)  |
| 52.222-4*     | Contract Work Hours And Safety Standards Act - Overtime Compensation   | (Jul 2005)  |
| 52.222-19     | Child Labor - Cooperation with Authorities and Remedies <i>(except paragraph (a))</i>  | (Jul 2010)  |
| 52.222-20*    | Walsh-Healey Public Contracts Act<br><i>(applies to Orders over \$15,000)</i>  | (Oct 2010)  |
| 52.222-21*    | Prohibition on Segregated Facilities   | (Feb 1999)  |
| 52.222-24     | Pre-award On-Site Equal Opportunity Compliance Evaluation<br><i>(applies to Orders over \$10,000,000)</i>  | (Feb 1999)  |
| 52.222-26*    | Equal Opportunity  | (Mar 2007)  |
| 52.222-35*    | Equal Opportunity for Veterans<br><i>(applies to Orders of \$100,000 or more)</i>  | (Sep 2010)  |
| 52.222-36*    | Affirmative Action for Workers with Disabilities<br><i>(applies to Orders over \$15,000)</i>   | (Oct 2010)  |
| 52.222-37*    | Employment Reports on Veterans<br><i>(applies to Orders of \$100,000 or more).</i>   | (Sep 2010)  |
| 52.222-50*    | Combating Trafficking in Persons   | (Feb 2009)  |
| 52.222-54*    | Employment Eligibility Verification  | (Jan 2009)  |
| 52.222-99*    | Notification of Employee Rights Under the National Labor Relations Act   | (Jun 2010)  |
| 52.223-3      | Hazardous Material Identification and Material Safety Data   | (Jan 1997)  |
| 52.223-5      | Pollution Prevention And Right-To-Know Information<br><i>(applies only when work will be performed on a Federal facility)</i>                                | (May 2011)  |
| 52.223-7      | Notice of Radioactive Materials  | (Jan 1997)  |
| 52.223-11     | Ozone-Depleting Substances   | (May 2001)  |
| 52.223-14*    | Toxic Chemical Release Reporting<br><i>(applies to Orders over \$100,000 except paragraph (e))</i>   | (Aug 2003)  |
| 52.223-15     | Energy Efficiency in Energy-Consuming Products   | (Dec 2007)  |
| 52.223-17     | Affirmative Procurement of EPA-Designated Items in Service and Construction Contracts  | (May 2008)  |
| 52.223-18     | Contractor Policy to Ban Text Messaging While Driving<br><i>(applies to Orders over micro-purchase threshold)</i>  | (Aug 2011)  |
| 52.225-1      | Buy American Act – Supplies  | (Feb 2009)  |
| 52.225-3      | Buy American Act –Free Trade Agreements – Israeli Trade Act  | (Jun 2009)  |
| 52.225-5      | Trade Agreements   | (Aug 2009)  |
| 52.225-8      | Duty-Free Entry<br><i>(applies to Orders over \$15,000 with foreign Subcontractors)</i>  | (Oct 2010)  |
| 52.225-13*    | Restrictions on Certain Foreign Purchases  | (Jun 2008)  |
| 52.227-1*     | Authorization and Consent<br><i>(applies to Orders over SAT; Alt I applies to Research and Development Orders; Alt II applies to communication services)</i> | (Dec 2007)  |
| 52.227-2*     | Notice and Assistance Regarding Patent and Copyright Infringement<br><i>(applies to Orders over the SAT threshold)</i>                                       | (Dec 2007)  |
| 52.227-9*     | Refund of Royalties<br><i>(applies when reported royalties exceed \$250)</i>   | (Apr 1984)  |

| CLAUSE NUMBER | CLAUSE NAME  | CLAUSE DATE |
|---------------|--|-------------|
| 52.227-10*    | Filing of Patent Applications - Classified Subject Matter<br>( <i>applies to Orders that cover classified subject matters</i> )  | (Dec 2007)  |
| 52.228-3      | Workers' Compensation Insurance (Defense Base Act)<br>( <i>only for work outside the United States when the Defense Base Act applies</i> )   | (Apr 1984)  |
| 52.228-5      | Insurance - Work on A Government Installation<br>( <i>applies to Orders requiring work on a Government installation</i> )  | (Jan 1997)  |
| 52.230-2      | Cost Accounting Standards (CAS)<br>( <i>applies to negotiated Orders over \$650,000 with CAS covered Sellers, except paragraph "(b)"</i> )   | (Oct 2010)  |
| 52.230-3      | Disclosure and Consistency of Cost Accounting Practices<br>( <i>applies to negotiated Orders over \$650,000 with CAS covered Sellers, except paragraph "(b)"</i> )   | (Oct 2008)  |
| 52.230-6      | Administration of Cost Accounting Standards<br>( <i>applies to Orders over \$650,000 with CAS covered sellers</i> )  | (Jun 2010)  |
| 52.232-17     | Interest   | (Oct 2010)  |
| 52.234-1*     | Industrial Resources Developed Under Defense Production Act Title III  | (Dec 1994)  |
| 52.236-13     | Accident Prevention  | (Nov 1991)  |
| 52.242-14     | Suspension of Work<br>( <i>change 20 days to 10 days</i> )   | (Apr 1984)  |
| 52.244-6*     | Subcontracts for Commercial Items  | (Dec 2010)  |
| 52.245-1      | Government Property & Alt I (Aug 2010) ( <i>excluding any warranty of suitability/serviceability contained in para. (d)(2) and (d)(2)(iii)</i> )   | (Aug 2010)  |
| 52.247-63*    | Preference for U.S. Flag Air Carriers<br>( <i>applies to any Orders and lower-tier subcontracts that involve international air transportation</i> )  | (Jun 2003)  |
| 52.247-64*    | Preference for Privately Owned U.S. Flag Commercial Vessels  | (Feb 2006)  |
| 52.248-1      | Value Engineering<br>( <i>applies to Orders of \$150,000 or more except as specified in FAR 48.201(a)</i> )<br>( <i>substitute "Buyer" for "Contracting Officer" and "Government" throughout, except where used in the term "Government costs" and in paragraph (m) where "Government" shall mean "Government and/or Buyer."</i> ) | (Oct 2010)  |
| 52.249-2      | Termination for Convenience of the Government (Fixed-Price)<br>( <i>in paragraph "c" change from "120" to "60" and paragraph "e" change from one year to six months.</i> )   | (May 2004)  |

| CLAUSE NUMBER | CLAUSE NAME   | CLAUSE DATE |
|---------------|---|-------------|
| <b>DFARS</b>  | <b>Defense Federal Acquisition Regulation Supplement</b>  |             |
| 252.203-7001* | Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies ( <i>applies to Orders over the SAT threshold except commercial items</i> )                    | (Dec 2008)  |
| 252.203-7003  | Agency Office of the Inspector General  | (Apr 2012)  |
| 252.204-7000* | Disclosure of Information   | (Dec 1991)  |
| 252.204-7008* | Export-Controlled Items   | (Apr 2010)  |
| 252.208-7000* | Intent to Furnish Precious Metals as Government-Furnished Material<br>( <i>applies to all Orders unless it is known that the item being purchased contains no precious metals</i> ) | (Dec 1991)  |

| CLAUSE NUMBER | CLAUSE NAME   | CLAUSE DATE |
|---------------|---|-------------|
| 252.211-7000* | Acquisition Streamlining<br><i>(applies to Orders over \$1,500,000)</i>   | (Oct 2010)  |
| 252.211-7003* | Item Identification and Valuation<br><i>(applies to Orders when any item is listed as requiring unique item identification)</i>   | (Jun 2011)  |
| 252.215-7000  | Pricing Adjustments<br><i>(applies when it is contemplated that Cost or Pricing Data will be required)</i>  | (Dec 1991)  |
| 252.219-7003  | Small Business Subcontracting Plan (DoD Contracts)<br><i>(supplements FAR 52.219-9 above)</i>   | (Sep 2011)  |
| 252.222-7006  | Restrictions on the Use of Mandatory Arbitration Agreements<br><i>(applies to Orders over \$1,000,000, except commercial items)</i>   | (Dec 2010)  |
| 252.223-7001  | Hazard Warning Labels<br><i>(applies to any Order that requires delivery of hazardous materials)</i>  | (Dec 1991)  |
| 252.223-7008  | Prohibition of Hexavalent Chromium  | (May 2011)  |
| 252.225-7001  | Buy American Act And Balance of Payments Program  | (Jan 2009 ) |
| 252.225-7002  | Qualifying Country Sources as Subcontractors  | (Apr 2003)  |
| 252.225-7004  | Report of Intended Contract Performance Outside the United States and Canada – Submission After Award <i>(applies to Orders over \$650,000 and could be perform in United States or Canada)</i>   | (Oct 2010)  |
| 252.225-7006  | Quarterly Reporting of Actual Contract Performance Outside the United States<br><i>(applies to Orders over \$650,000, except commercial items)</i>  | (Oct 2010)  |
| 252.225-7008  | Restriction on Acquisition of Specialty Metals  | (Jul 2009)  |
| 252.225-7009* | Restriction on Acquisition of Certain Articles Containing Specialty Metals<br><i>(Sellers utilizing the minimal content exception in paragraph (c)(6) shall submit a "Good Faith Estimate" on a form designated by Buyer)</i>                 | (Jan 2011)  |
| 252.225-7012  | Preference for Certain Domestic Commodities<br><i>(applies to Orders over the SAT threshold)</i>  | (Jun 2010)  |
| 252.225-7013* | Duty-Free Entry   | (Dec 2009)) |
| 252.225-7015  | Restriction on Acquisition of Hand or Measuring Tools   | (Jun 2005)  |
| 252.225-7016* | Restriction on Acquisition of Ball And Roller Bearings<br><i>(commercial items and items not containing ball or roller bearings are exempt)</i>   | (Jun 2011)  |
| 252.225-7019* | Restriction on Acquisition of Anchor and Mooring Chain<br><i>(applies to items containing welded shipboard anchor and mooring chain, four inches or less in diameter)</i>   | (Dec 2009)  |
| 252.225-7021  | Trade Agreements  | (Nov 2009)  |
| 252.225-7025* | Restriction on Acquisition of Forgings<br><i>(applies to forged items or items containing forged items)</i>   | (Dec 2009)  |
| 252.225-7030  | Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate  | (Dec 2006)  |
| 252.225-7033  | Waiver of United Kingdom Levies<br><i>(applies to Orders with UK firms exceeding \$1,000,000)</i>   | (Apr 2003)  |
| 252.225-7038  | Restriction on Acquisition of Air Circuit Breakers<br><i>(applies to Orders over the SAT)</i>   | (Jun 2005)  |
| 252.225-7039  | Contractors Performing Private Security Functions <i>(applicable to Orders performed in areas of contingency operations, complex contingency operations, or other military operations or exercises designated by the Combatant Commander)</i> | (Aug 2011)  |

| CLAUSE NUMBER | CLAUSE NAME  | CLAUSE DATE |
|---------------|--|-------------|
| 252.225-7043  | Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States  | (Mar 2006)  |
| 252.226-7001* | Utilization of Indian Organizations, Indian-Owned Economic Enterprises and Native Hawaiian Small Business Concerns<br><i>(applies to Orders exceeding \$500,000)</i>   | (Sep 2004)  |
| 252.227-7013  | Rights in Technical Data - Noncommercial Items   | (Mar 2011)  |
| 252.227-7014  | Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation  | (Mar 2011)  |
| 252.227-7015  | Technical Data – Commercial Items <i>(applicable to Orders calling for the delivery of technical data for commercial items developed in any part at private expense)</i>   | (Sep 2011)  |
| 252.227-7016* | Rights in Bid or Proposal Information  | (Jan 2011)  |
| 252.227-7019* | Validation of Asserted Restrictions - Computer Software <i>(applies to Orders that will be furnishing computer software during performance of Order)</i>   | (Jun 1995)  |
| 252.227-7025  | Limitations on The Use or Disclosure of Government-Furnished Information Marked With Restrictive Legends   | (Mar 2011)  |
| 252.227-7027  | Deferred Ordering of Technical Data or Computer Software   | (Apr 1988)  |
| 252.227-7030  | Technical Data – Withholding of Payment  | (Mar 2000)  |
| 252.227-7037* | Validation of Restrictive Markings on Technical Data <i>(commercial items or components exempt)</i>  | (Sep 2011)  |
| 252.227-7039  | Patents - Reporting of Subject Inventions  | (Apr 1990)  |
| 252.231-7000  | Supplemental Cost Principles   | (Dec 1991)  |
| 252.235-7003* | Frequency Authorization<br><i>(applies to Orders requiring radio frequency authorization)</i>  | (Dec 1991)  |
| 252.239-7000  | Protection Against Compromising Emanations   | (Jun 2004)  |
| 252.239-7016* | Telecommunication Security Equipment, Devices, Techniques and Services<br><i>(applies to Orders that require securing telecommunications)</i>  | (Dec 1991)  |
| 252.243-7001  | Pricing of Contract Modifications  | (Dec 1991)  |
| 252.244-7000  | Subcontracts for Commercial Items and Commercial Components (DoD Contracts)<br><i>(supplements FAR 52.244-6)</i>   | (Sep 2011)  |
| 252.245-7001  | Tagging, Labeling, and Marking of Government-Furnished Property  | (Apr 2012)  |
| 252.245-7002  | Reporting Loss of Government Property <i>(Seller shall forward the information required by the Clause to Buyer)</i>  | (Feb 2011)  |
| 252.245-7003  | Contractor Property Management System Administration   | (May 2011)  |
| 252.245-7004  | Reporting, Reutilization, and Disposal <i>(Seller shall provide inventory disposal schedules to Buyer)</i>   | (Feb 2011)  |
| 252.246-7001  | Warranty Of Data   | (Dec 1991)  |
| 252.246-7003* | Notification of Potential Safety Issues <i>(applies to Orders that Items are identified as: (i) critical safety items; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system)</i> | (Jan 2007)  |
| 252.247-7023* | Transportation of Supplies By Sea<br><i>(applies to Orders over the SAT; below the SAT only paragraphs (a) through (e), and (h), apply)</i>  | (May 2002)  |
| 252.247-7024* | Notification of Transportation of Supplies By Sea <i>(applies to Orders for</i>  | (Mar 2000)  |



| CLAUSE NUMBER | CLAUSE NAME  | CLAUSE DATE |
|---------------|--|-------------|
|               | <i>noncommercial items)</i>  |             |
| 252.249-7002  | Notification of Anticipated Contract Termination or Reduction<br><i>(applies to Orders at \$650,000 or more when Seller is first-tier subcontractor or \$150,000 or more for lower-tier subcontractor)</i> | (Oct 2010)  |

\* Denotes Mandatory Flow Down where applicable.

## **Business Conduct and Ethics Program**

### **Standards of Business Conduct**

The Standards of Business Conduct Handbook is available in the CMSD Training Office or by contacting the Training Coordinator at (619) 234-8851, ext. 291.

### **Reporting Procedures**

Violations, suspected violations, or concerns may be addressed to the CMSD Business Conduct (BC) Representative using the following phone numbers or by visiting the Human Resources Office.

Contact the CMSD Business Conduct Officer:

#### ***Mail or drop off***

Business Conduct Officer  
Continental Maritime of San Diego, Inc.  
1995 Bay Front Street  
San Diego, CA 92113-2122  
Marked "Confidential"

#### ***Call the HII Openline***

Huntington Ingalls Industries (877) 631-0020

(Calls can be made anonymously)

#### ***Web Reporting or Email***

a web reporting system which may be accessed at: <https://hii-openline.alertline.com/gcs/welcome>

or

e-mail at: [reportmisconduct@hii-co.com](mailto:reportmisconduct@hii-co.com).

**The Openline is available 24 hours/day and 7 days a week** the ethics reporting procedures are open to all persons who have business with CMSD, including all Subcontractors.

## **Subcontractor Performance Evaluation**

### **Purpose**

Establish a process that complies with government contracting goals for ensuring quality workmanship and effective controls to manage subcontractors. Provide the subcontractor real time feedback on workmanship. Provide Contracts, Estimating, Program Management and Quality Assurance objective metrics for evaluating the best value subcontractors for future procurements.

### **Scope**

This procedure applies to accomplishing performance evaluations for all subcontractors performing contracted production work.

### **Responsibility**

Upon completion of Availability, Contracts sends out a copy of SQMS Form 130, Subcontractor Performance Evaluation, to each evaluator (Program Manager, Planner, Contracts, Environmental, Health & Safety, Material Support, Quality) to assess, monitor, and evaluate each subcontractor's ability to meet specified technical, quality, and contractual requirements.

A copy of the completed evaluation shall be provided to the subcontractor by Contracts.

### **Procedure**

At job completion, the subcontractor performance evaluation SQMS Form 130 form gets sent out to all relevant parties (PM, Planner, Contracts, EH&S, Material Support, Quality, Logistics) and includes the following subjects:

- Technical comments, quality of product provided to customer
- Schedule comments, meeting customer's time constraints
- Management comments, work control effectiveness.

At a minimum, each subcontractor shall be evaluated once per CMSD contract, as defined by the use a four digit job number. Evaluations may be completed more frequently if deemed necessary to ensure satisfactory performance by the Subcontractor.

Quality Assurance is responsible for coordinating subcontractor improvement and corrective/preventive actions. Specific issues and concerns identified via Quality are forwarded to Contracts and Material Support for timely action.

## **Non-Conforming Product and Subcontractor Control**

The CMSD Quality Manager is responsible for establishing evaluation criteria, based on customer quality requirements, for applying the data obtained during the subcontractor evaluation process for subcontractor selection, and for determining the level of control required for subcontractors, to ensure that purchased products conform to all specified requirements.

### **Procedure**

1. Evaluation Criteria
  - a. Subcontractors are selected on the basis of their ability to meet technical requirements, schedule requirements, and cost requirements.
  - b. In addition, the criticality and complexity of the product to be purchased must be considered when weighing the importance of these variable requirements.
2. Subcontractor Evaluation
  - a. Subcontractors are evaluated by reviewing Subcontractor Evaluation forms
  - b. Records of the results of evaluations and any necessary actions arising from the evaluation, e.g. onsite audit, shall be maintained
  - c. Subcontractor Evaluation Forms are sent
3. Subcontractor Control
  - a. Subcontractor performance is evaluated by each Program Management Organization group (Program Manager, Contract Administrator, Quality Assurance, Planner/Scheduler, Environmental and Safety) by, as a function of timeliness, accuracy and product quality. Discrepancies are documented using CMSD Corrective Action Response (CAR) Database
  - b. Subcontractors are evaluated on compliance with contract requirements, effectiveness of recommended solutions, meeting scheduled dates and milestones, meeting contractual obligations of Terms and Conditions, communicating contractual concerns, response to Change Order pricing, regulatory compliance and quality

### **Purchasing Information**

1. Purchase Orders may include, as required, the following:
  - a. The type, class, grade, special requirements, or other precise identification
  - b. Identification of the applicable specifications, drawings, performance criteria, process requirements, inspection instructions and other relevant technical data including the effective revisions of those documents and any approval or qualification requirements pertaining to the product, procedures or personnel
  - c. The applicable quality management system standard to be applied and rights for access by representatives of CMSD and its customers for audit or verification activities
  - d. Any requirements for qualification of personnel
  - e. Other information that will be needed by the Subcontractor to provide a product that

- f. meets any contractual or regulatory requirements that may apply
- f. Requirements for the preparation, completion and/or submittal of pertinent quality records and documentation
- g. Control requirements for a process, where that process affects product conformity with requirements
- h. Any subsequent changes to ordering data shall ensure inclusion of appropriate quality requirements

### **Verification of Purchased Product**

Purchased product is verified at Shipping and Receiving with the Receipt Inspection Procedure and discrepancies are documented using the CMSD CAR Database.

## **Estimating**

All subcontractors are required to provide their quotes in the same format as required by the CMSD Proposal Manager. CMSD will provide the format upon requests. All quoted paragraphs, standard items, part numbers, and/or exclusions must be clearly identified in the quotation.

Upon CMSD award, CMSD Material Support Department will contact the Subcontractor and a purchase order will be issued providing Ship name, Work Item requirements, Period of Performance and/or any exclusions.

## **Subcontractor Insurance Requirements**

If you have any questions regarding the insurance requirements listed in Section 22 of the General Provisions, please contact our designated Subcontractors Manager at (619) 234-8851, ext. 515

NOTE: Insurance Certificates must be originals. An emailed insurance certificate is accepted for emergent purposes with the agreement that the original is in the mail. Certificate Holder is as follows:

Continental Maritime of San Diego, Inc.  
1995 Bay Front Street  
San Diego, CA 92113

## **Environmental, Health, & Safety for Non CMSD Employees**

All Visitors/Subcontractors are required to wear long pants, hardhat, OSHA approved eye protection, and leather shoes while within the CMSD production area. Visitors walking within the yellow lined paths require a hard hat, safety glasses and closed toe shoes. Leather shoes with a distinctive heel are required on board any ship. Production areas in the CMSD facility are defined as the areas beyond the electric gate, the ramp gate, or the North Gate. Unescorted visitors not complying with this standard may be asked to leave the CMSD facility.

Subcontractors must take immediate action upon identification of any health or safety issue that affects personnel or property. All subcontractors must notify the CMSD Health and Safety department and Contracts department of any accident involving injury or property damage while in the facility.

CMSD equipment can only be operated by CMSD employees. This applies, but is not limited to, trucks, forklifts, man lifts, and cranes.

Smoking is allowed only in marked designated smoking areas. Smoking in non-designated areas may be grounds for removal from the facility.

This policy provides the criteria to ensure a safe, healthy working environment for non CMSD employees conducting business with CMSD.

This policy applies to all non-employees of CMSD as specified below, and is in effect at all CMSD work sites.

This policy is in effect for new contracts from the date of this policy. Current Subcontractor working under existing contracts have six months from the date of this policy to comply with the requirements found in this document.

This policy is only a guide and represents only the most common situations and procedures. Further guidance is available in the CMSD Safety Policies and Procedures Manual and in the Federal and State of California Directives.

### **References:**

- Code of Federal Regulations 29 CFR 1910 Occupational Safety and Health Standards
- Code of Federal Regulations 29 CFR 1915 Occupational Safety and Health Standards for Shipyard Employment
- California Code of Regulations Title 8 Section 3203 (8 CCR 3203), Injury and Illness Prevention Program (IIPP)
- California Labor Code Section 6404.5 Regulation of Smoking in the Workplace
- San Diego Municipal Code Chapter 4, Article 03, Division 10, Smoking Regulations
- NAVSEA Standard Items, Current Year
- CMSD Environmental Policy EC-01 Environmental Requirements (General)
- Continental Maritime Health and Safety Policy HSM-007 Continental Maritime Fire Prevention Plan
- Continental Maritime Health and Safety Policy HRP-005 Corrective Action and Progressive Discipline



## Responsibility

The CMSD Health and Safety department administers this policy. Any CMSD department issuing a purchase order for work conducted for, or on behalf of, CMSD issues HSF-014 Form; Contractor EH&S Pre-Performance Questionnaire to the party receiving the purchase order, collects the documents required by that form, and forwards the documents to the Health and Safety department.

The CMSD Health and Safety department reviews documents required by HSF-014 Form and forwards the results of the review to the issuing department in a timely manner. The CMSD IT department places the current version of this policy and the current version of HSF-014 Form on the company internet. CMSD employees requesting access for a Subcontractor or visitor ensure that the Subcontractor or visitor is aware of this policy.

## Definitions

Agreement for Boat Repair (ABR) - A company that holds a certification in boat repair as issued by NAVSEA.

Contract employee – An individual worker hired through a Subcontractor to perform specific duties for CMSD. Contract employees are occasionally referred to as temporary workers or leased workers.

Contract Subcontractor: a company hired to provide material and services or perform specific duties within the CMSD facility that does not affect work for a CMSD customer.

Material Subcontractor: a company who provides products or material that may affect customer quality for CMSD.

Subcontract (Subcontractor): a company hired through the contracting process to perform specific duties that may affect customer quality within the CMSD facility or off-site, as spelled out in the contract.

Master Ship Repair (MSR) – A company that holds a certification in ship repair as issued by NAVSEA.

Third Party, AIT – An organization or individual hired directly by the U.S. Government outside the normal CMSD contracting process. A third party has no contractual obligation with CMSD but must adhere to this procedure.

U.S. Government Employee – Is an employee who is paid directly by, and is on the payroll of, the United States Government. Government employees are either civilian employees or military employees. Military employees are also referred to as Ships Force, although they may or may not be attached to a specific ship.

Subcontractor – A company who maintains services or products for CMSD. Subcontractors may perform their duties off site as well as in the CMSD facility.

Visitor – A company or individual visiting the CMSD facility that may or may not have a direct contractual obligation to CMSD.

## **Procedure**

Information required in 6.3 and Form HSF-014 Contractor EH&S Pre-Performance Questionnaire must be submitted annually for review by the CMSD Health and Safety department. These documents may be delivered to the CMSD department issuing the Purchase Order. Exceptions to this policy may be made, in writing, on a case-by-case basis by the Health and Safety department.

**Note: All non CMSD employees must adhere to the General Requirements of this Policy. Failure to do so may result in removal from the facility and cancellation of any/all contract(s).**

All companies conducting business with CMSD are to ensure their employees are trained on this policy before entering the CMSD facility and before commencing work for CMSD, and annually thereafter. CMSD reserves the right to review training records pertaining to this policy.

All companies conducting business with CMSD are to ensure their Subcontractors are trained on this policy before entering the CMSD facility and before commencing work for CMSD, and annually thereafter. CMSD reserves the right to review training records pertaining to this policy.

All non CMSD employees must comply with all federal, state, and local EH&S regulations while working for CMSD in any capacity or at any location.

All non CMSD employees must follow the CMSD Environmental requirements.

All non CMSD employees must follow the CMSD Security requirements.

All non CMSD employees, including contract employees, will be apprised of site-specific health and safety requirements. This orientation includes CMSD EH&S Policies and Procedures, emergency procedures and evacuation procedures.

All non CMSD employees must report unsafe working conditions to the CMSD Health and Safety Office immediately.

All non CMSD employees must take immediate action upon identification of any health or safety issue that affects personnel or property. All non CMSD employees must notify the Health and Safety department and Contracts of any accident involving injury or property damage during the course of fulfilling the contract.

All non CMSD employees must immediately notify both the Health and Safety department and Contracts upon receiving any Notice of Violation, Notice to Comply, citation, or other enforcement document from any regulatory agency while on CMSD property or while performing work for CMSD.

All non CMSD employees must either have a site-specific Fire Prevention Plan on file with the Health and Safety department or must certify they will operate under the CMSD Fire Prevention Plan (Ref 3.12) before beginning work. This certification must be renewed annually.

Material Safety Data Sheets (MSDS) for hazardous materials to be used on site must be approved by the Environmental and Health and Safety departments before the material is brought into the facility.

All non CMSD employees must maintain their working areas in a clean and safe manner. All trash and debris must be removed daily and the area broom-cleaned at the end of the shift.

No CMSD equipment is to be operated by anyone other than CMSD employees. This applies, but is not limited, to trucks, forklifts, man lifts, and cranes.

### **Smoking Policy**

- Smoking in the CMSD facility is prohibited in all areas other than designated smoking areas. Prohibited areas include but are not limited to:
  - On all piers, including the wooden pier apron on pier 5 (production trailers and lunch tables)
  - In and around all parking areas and all vehicles
  - In all indoor buildings; this includes but is not limited to classrooms, restrooms, and offices and trailers
  - In Connex boxes
  - Within 25 feet of any flammable storage area
  - Within 25 feet of any hazardous materials storage area
  - Within 20 feet of any doorway or access to a building
  - In material storage areas
  - In tool rooms and stockrooms, including service windows
  - Areas specifically marked “No Smoking”, or similar language.
  - Any area not marked as a designated smoking area.

Smoking is allowed in marked, designated smoking areas only. Contact the CMSD EH&S Department at extensions 224 and 510 for a list of active smoking areas.

Any initial infraction of the smoking policy will result in immediate removal of the offending individual from the CMSD facility for three days. Subsequent violations may be cause for permanent removal of the offending individual and his/her company.

### **Personal Protective Equipment**

CMSD attempts to remove workplace hazards through engineering and administrative controls before requiring the use of PPE. However there are job assignments that require the use of PPE.

All non CMSD employees are specifically required follow Code of Federal Regulations 29 CFR 1915 Subpart I, Personal Protective Equipment (PPE) and wear proper PPE while in any production area. This equipment includes, but is not limited to: hardhat, appropriate eye protection, hearing protection, and leather shoes. Leather shoes with a distinctive heel are required on board any ship. Tennis shoes are expressly prohibited unless worn by visitors, and then only within the PPE-Free zones. Production areas in the CMSD facility are the areas beyond the electric gate, the ramp gate, or past the North Gate. This requirement is in effect whether the individual is working or is in transit.

### **MSR, ABR**

All MSRs and ABRs, as well as their contractors, Subcontractors, contract employees, Subcontractors and visitors must adhere to all requirements herein.

### **Contractors**

Contractors must adhere to all requirements herein. Contractors working at CMSD or for CMSD must

fill out Form HSF-014; Contractor EH&S Pre-Performance Questionnaire, which is included in the attachments section of this book. This form must be approved by the Health and Safety department before proceeding with work. This form, along with the required documents, must be submitted annually.

### **Contract Employees**

Contract employees must adhere to all requirements herein.

### **Subcontractors**

Subcontractors must adhere to all requirements herein.

Subcontractors must fill out Form HSF-014; Contractor EH&S Pre-Performance Questionnaire. This form must be approved by the Health and Safety department before proceeding with work. This form, along with the required documents, must be submitted annually.

### **Visitors**

All visitors are required to wear long pants, hardhat, OSHA approved eye protection, and leather shoes while within the CMSD production area, unless they are within the PPE-Free Zones. Closed-toed shoes are required even within the PPE-Free Zones. Leather shoes with a distinctive heel are required on board any ship. Production areas in the CMSD facility are defined as the areas beyond the electric gate, the ramp gate, or the North Gate.

CMSD employees authorizing onsite visitors are responsible for the visitor's compliance with this standard. Any CMSD employee escorting a visitor who is in non-compliance with this standard may be cited.

Unescorted visitors not complying with this standard may be asked to leave the CMSD facility.

## Safety Policy

The CMSD Safety Policy is of the utmost importance to every CMSD employee, contractor, and Subcontractor, regardless of job. This policy, which represents management's continued commitment to a safe working environment, requires complete team cooperation in achieving this goal.

The CMSD Management Team, which includes all levels of supervision, ranks safety equal in importance to productivity and product quality. Safety must also be of equal importance to our Subcontractors as they are part of "Our Team". CMSD management believes that:

**All injuries can be prevented.** Prevention of all injuries is a realistic goal. Each employee, supervisor, Subcontractor has the responsibility for the well being of all employees and cannot be effective without fully accepting this principle; It is possible to protect against all operating hazards. No matter what the exposure, an effective safeguard can be provided;

**It is the responsibility of the CMSD Management Team** to provide a safe working environment in which the employees can perform their job assignments. All employees must be aware of each task's safety requirements and must assure that no employee is given a job assignment without first determining that the employee can perform his or her duty under safe conditions;

**It is the responsibility of the CMSD Management Team** to look for better and safer ways to perform a job;

**It is the responsibility of the CMSD Management Team** to provide ongoing education and training for all employees and Subcontractors so they can learn and further enhance safe working habits;

**It is the responsibility of all employees** to comply with safety standards, rules and regulations.

**It is the responsibility of all employees,** when they are adequately trained and instructed, to work safely and ensure a safe working environment for themselves and their fellow team workers;

**It is the responsibility of all employees** to refrain from tampering with or abusing safety devices.

Accidents are costly, not only in terms of human pain and suffering, but also in terms of productivity and efficiency to CMSD Team operations, which include all employees and Subcontractors. These costs have a direct impact on the CMSD Team's competitive edge within the ship repair industry. Only if management and employees together give safety the attention it requires to avoid injuries can the future well being of Team CMSD with its employees and Subcontractors be assured.

Subcontractors will be evaluated based on their past performance in meeting these guidelines.

These evaluations may be utilized for assessment of further participation in the CMSD Team.

**CONTINENTAL MARITIME OF SAN DIEGO  
HEALTH, SAFETY AND MEDICAL POLICY**

Continental Maritime of San Diego (CMSD) and its management are committed to health, safety, and medical excellence through programs and expertise that protect employees, contractors, visitors, the community and natural resources. Continental Maritime believes compliance with legal, regulatory and company requirements regarding health, safety and medical regulations is a beginning point, not an end point, and thus it is the policy of CMSD to take appropriate and proactive actions to prevent injuries and illnesses, provide the best quality medical care to our employees and provide a high quality work environment for the protection, well being and safety of our employees, contractors, visitors and the community. It is the policy of CMSD to solicit employee involvement and seek new and innovative ways to continually improve our programs. This policy is an integral part of all operations and is available to the public.

**Subcontractor Safety Guidelines**

**1. General**

**Responsibility for the safety of Subcontractor employees and individuals working nearby:**

- a. Each Subcontractor, their supervisors and managers are responsible for the safety of those individuals working for them and any other employees working in the vicinity. **ALL** Subcontractor employees must have a thorough knowledge of the contents of this handbook
- b. The need to warn individuals working in the general vicinity of their work area, of any hazards that may be generated by work activity, is the responsibility of the Subcontractor supervisor or manager
- c. Work processes that could affect others in the vicinity must be scheduled with the ship superintendent and all individuals who could be affected must be warned and removed from the potentially dangerous area
- d. Regular inspections of your work area must be conducted to ensure that no hazardous conditions exist
- e. All unsafe conditions work practices must be corrected immediately
- f. Each Subcontractor must ensure that all of their employees are in full compliance with Federal OSHA, CAL/OSHA, NAVSEA Standard Items and CMSD safety rules, regulations, policies and procedures
- g. It is the responsibility of **ALL** Subcontractors to notify CMSD of any unsafe condition(s) noted in their work areas which they deem is beyond their control. Any reference material needed to conform to the foregoing is available for review in the CMSD Safety Office

**2. Emergency Reporting Procedures**

**a. Fire**

- 1) An emergency "Red Phone" is stationed on each vessel or ship, either at the quarterdeck or adjacent to the brow, and throughout the ship
- 2) To report an emergency:
  - a) Pick up emergency phone – No need to Dial

- b) Give all requested information to Security, including the EXACT location (pier, ship, space) of the fire; what is burning and what stage the fire is in. The security officer will also need your name and telephone number from which you are calling, if you aren't calling from a red phone
  - c) Security will activate the CMSD Emergency Response Team
  - d) Do not hang up until Security hangs up first
  - e) Stand by to direct emergency response personnel to the location of incident
- 3) You may also use any yard telephone and dial the Fire / Emergency number ext. 218
  - 4) All Subcontractors must furnish their Fire Safety Plan and comply with 29 CFR 1915.501 (d)(2) "Contract employer responsibilities"

**b. Injuries**

- 1) The reporting procedures are identical to those shown above in section 2a for a fire
- 2) The Medical Department can be contacted directly by simply dialing the Medical Emergency number ext. 229 or Security at ext. 218
- 3) It is of paramount importance that you have the exact location of the emergency so that the emergency response team will be able to promptly find it. If possible, be prepared to meet or have somebody meet the emergency responders at the brow to guide them to the scene

**c. Alarms**

- 1. When an alarm goes off, stop what you are doing and listen for the verbal message that will follow. At that time, do exactly as directed
- 2. Do not automatically try and exit the ship. Do not leave until you are directed to leave the ship. At that time, walk in an orderly manner to the brow and exit the vessel
- 3. If directed to leave the ship, immediately hold a muster of your employees in a pre-designated location. Within the CMSD facility these muster points are in the lay-down area and in the South parking lot, as shown in Appendix D. If any of your personnel are missing, notify a CMSD representative located on the pier or at the muster point so that a search can be initiated. Do not return to the ship unless directed to do so by the CMSD representative

**3. Confined Space Procedures / Permit for Hot Work in Enclosed Spaces**

- a. Definition: A confined space on board any vessel is a space that has one or more of the following characteristics:
  - 1. Has limited access;
  - 2. Cannot be ventilated by natural ventilation;
  - 3. Was not designed for human occupancy
- b. At CMSD, these spaces are identified by a color-coded log (Gas free Entry) and/or a Marine Chemist Certification posted at the space access or tank top
- c. Most of these spaces are initially certified by a Marine Chemist
- d. A Shipyard Competent Person will update the Marine Chemist certificate on a daily basis documenting the information on the Gas Free Entry Log
- e. **DO NOT** enter any confined space unless there is a current Marine Chemist Certification and a Gas Free Entry Form posted which has been inspected and signed off within the past 24 hours confirming that it is safe to enter that space. Always follow

other written instructions on the Marine Chemist Certification and / or Confined Space Log with regard to restrictions and personal protective equipment (PPE). **NOTE:** It is okay to enter a confined space if only the Marine Chemist certification is posted, as long as it's within 24 hours of the certification being written. Otherwise a space must have both the Marine Chemist certification and the OSHA Form 74 log (Gas Free Entry)

f. If you plan to conduct hot work in a confined space you must check to ensure that the space has been certified by the Marine Chemist as "Safe for Man (or workers) and "Safe for Hot Work"

**4. Hazard Communication**

- a. All Subcontractors using any hazardous materials within the CMSD facility must have those materials approved by the CMSD Environmental, Health and Safety Department before bringing the material onsite
- b. Each Subcontractor must ensure that all Material Safety Data Sheets (MSDS) are immediately available to all of his / her employees and that they are aware of the MSDS location for every chemical compound that is being used at the CMSD facility
- c. CMSD Subcontractors must ensure that the contents of every MSDS have been explained to their employees using the chemicals
- d. All Subcontractors using any hazardous materials must store these materials in the proper manner as prescribed in Code of Federal Regulations 29 CFR 1910
- e. All chemical containers shall be labeled as to their contents. It must list, as a minimum, the name of the manufacturer, the trade name of the chemical, the prevalent hazards of the chemical, the target organ and the personal protective equipment required and any other special handling requirements
- f. All Subcontractors generating any hazardous waste must store the waste in the proper manner as prescribed in Code of Federal Regulations 40 CFR 465
- g. All CMSD MSDS are available at the CMSD Safety Office located in Building 1 on the second floor and can be reached on any yard phone at ext. 214, 216, or 219

**5. Fire Protection Requirements**

- a. Fire safety and protection is a priority at CMSD. All Subcontractors shall develop and establish a Fire Prevention Plan which follows, and is approved by CMSD in accordance with Federal OSHA regulations 29 CFR 1915 Subpart P and NAVSEA Standard Items. Alternately, Subcontractors may use the CMSD Fire Prevention Plan as their own, in which case the Subcontractor must certify their employees have been trained on the requirements of the CMSD Fire Prevention Plan
- b. No containers of hazardous, flammable, or combustible materials may be left open
- c. All materials brought aboard the ship, for the purpose of encasing or protecting equipment and materials shall be "Fire Retardant". Non-Fire retardant items include wood, paper, vinyl sheeting, cloth, burlap or any other covering
- d. Any chemical container brought into the shipyard and set aside or stored shall be on a pallet and inside of a proper containment vessel
- e. Compressed gas hoses (oxy/gas) shall not be left unattended in confined spaces or Charged compressed gas hoses shall be left unattended for more than 15 minutes in an enclosed space. Gas shall be secured and bled off from the hoses. Compressed gas hoses shall be visually checked from the point of work to the manifold having a hand over hand visual inspection performed. A two-minute drop test shall be performed every time a hose is connected to the manifold, at a minimum every shift. Identification washers shall be used at all times

**6. Hot Work / Hot Work Notices**



- a. Hot work is any process that produces heat, sparks and flames. This includes but is not limited to grinding, welding, cutting, etc.
- b. All hot work being performed must have a Hot Work Notice completed and approved. The notice must be posted at the site of the work or the access of the space
- c. All combustible and flammable materials must be removed from all affected areas including paint, lagging, etc., or protected from the hot work if not able to remove
- d. On board United States Navy vessels the trade supervisor must submit a *Hot Work Notice* at least 30 minutes and no more than 24 hours *PRIOR* to doing hot work, as per NAVSEA Standard Item 009-07
- e. A designated Ship's Representative shall sign the hot work request. A copy of the request is to be retained by the initiator and posted at the site of hot work and in some cases at the entrance to a space. **DO NOT** begin any hot work until this has been accomplished
- f. Prior to submitting the Hot Work Notice, you must physically inspect the area(s) in which the hot work is to be performed to ensure:
  - 1) That the area is free of materials such as flammable and/or combustibles that could catch on fire
  - 2) That all machinery and other equipment that could be damaged by hot work have been adequately protected
  - 3) That you have determined how many Fire Watches will be required.
    - a) All areas that could be affected by the hot work must have a Fire Watch posted
  - 4) That you have inspected the other side of any deck, overhead, or bulkhead for anything that could be affected by your hot work. Ensure that all flammables and combustibles are removed including but not limited to paint, insulation, etc.
- g. Fire Watches shall be utilized in all areas where hot work is being performed and the affected adjacent spaces
- h. All Fire Watches must be trained to the requirements of 29 CFR 1915.508 and have identification stating such, including the date of training and the expiration date of the training
- i. Fire Watches must be equipped with a FULL fire extinguisher and must be trained on how to use it. Carbon dioxide (CO2) extinguishers are tested by weight. The bottle can be verified as FULL by checking the intact seal at the pin and handle. A Fire Watch may have a plastic squirt bottle containing water and labeled as such for spot fires
- j. Fire Watches cannot be utilized for any other job except fire watching

## **7. Electrical Safety**

- a. All Subcontractors must adhere to the standards of 29 CFR 1910 subpart S.
- b. All Subcontractor employees have the responsibility to:
  - 1) Obey electrical warning signs and barriers
  - 2) Operate electrical equipment in the proper manner and sequence. Do not take shortcuts
  - 3) Not operate switches, circuit breakers or other electrical devices that are identified as being out-of-service or not to be operated
  - 4) Not remove or bypass any safety devices
  - 5) Report inoperative safety devices to your supervisor and the CMSD Health and Safety department immediately
  - 6) Subcontractor Employees must immediately report any unsafe electrical

conditions to their supervisor and the CMSD Health and Safety department. Unsafe electrical conditions include but are not limited to:

- a) Frayed wiring or damaged insulation
  - b) Missing or damaged bulb guards
  - c) Broken or missing bulbs
  - d) Temporary receptacle boxes lying in water
  - e) Lines lying unprotected against sharp edges
  - f) Damaged receptacle boxes, including light switch boxes
- 7) Subcontractor employees must report all electrical incidents (shock, injury or near-miss) to:
- a) Their supervisor
  - b) The CMSD Health and Safety Department
- c. Only authorized and qualified employees or contractors shall perform maintenance or repair work on any electrical equipment, system, or tool
  - d. Only electrical equipment, systems, tools, products, and materials that have been approved, listed, labeled, or certified as conforming to a nationally recognized standard shall be used (e.g. UL, FM, CE)
  - e. All electrical equipment, systems and tools shall be used and maintained in accordance with the manufacturer's specifications and recommendations and used only for their intended purpose
  - f. All electrical equipment, including welding units, must be properly grounded. Do not use the support rails or other parts of the overhead cranes as grounds
  - g. All electrical equipment and systems shall be treated as energized until tested or otherwise proven to be de-energized and locked out from their energy source.
  - h. De-energizing electrical equipment and systems is a potentially hazardous task; therefore only authorized lockout / tag-out employees shall de-energize electrical equipment and systems and only while using approved safe work practices and procedures
  - i. Portable lighting systems (light stringers, drop lights) must have operating light bulbs in each socket. All bulbs must be protected by bulb guards
  - j. The use of screw-in electrical plugs that use light sockets as a power source is prohibited
  - k. Northrop Grumman Shipbuilding-Continental Maritime has conducted a Flash Hazard Analysis on the most critical electrical stations within the facility. Based on the results of that analysis Flash Hazard Boundaries, Prohibited Approach Boundaries, Restricted Approach Boundaries and Limited Approach Boundaries have been established. Each of these stations is marked with this information
  - l. Only qualified employees may cross a Limited Approach Boundary
  - m. Hazardous materials or hazardous waste should never be placed within the Limited Approach Boundary
- 8. Lockout / Tag-out**
- a. Lockout / Tag-out is to ensure that "ALL" sources of energy are secured. Some equipment may have multiple sources of energy
  - b. Tag-out for the repair of any system or circuit on board United States Navy ships, whether in the shipyard or any Naval Station is performed through the ship, using 29 CFR 1910.147 1915.89, The Control of Hazardous Energy (Lockout/Tag-out), the Navy Tag-out System as specified in the Tag-out Users Manual (TUMS) and NAVSEA Standard Items 009-24. It is imperative that all employees working on any energized system, or

any system that could possibly be energized from any source, be very familiar with the above requirements

- c. On commercial vessels that are manned, tag out will be accomplished utilizing the ship's tag out system as long as it meets the requirements of 29 CFR 1910.147 1915.89
- d. On unmanned commercial vessels, tag out will be accomplished after coordination with the assigned lead ship superintendent and CMSD Safety Department
- e. The Lockout / Tag-out on the landside of the shipyard is performed only by CMSD qualified personnel per 29 CFR 1910-147
- f. UNDER NO CIRCUMSTANCES, ONBOARD A VESSEL OR LANDSIDE, IS ANY SUBCONTRACTOR TO REMOVE A LOCK OR TAG THEY HAVE NOT PERSONALLY PLACED, UNLESS PRIOR APPROVAL HAS BEEN AUTHORIZED BY THE HEALTH AND SAFETY OFFICE
- g. Any machinery or equipment that is being repaired should be locked out, tagged out and/OR blocked out, when required. All energy should be released to a "ZERO" mechanical state. That is, all possible sources of energy must be locked and tagged out

## 9. Electric Tools

- a. All electrical tools must be in good condition and be grounded or double insulated
- b. Employees must be trained on the proper use of the specific power tool before using that tool
- c. Tools must be checked prior to use to ensure that the tool is in good working order
- d. Safety switches and guards shall not be removed, taped down, or altered in any way to prevent them from operating as designed by the manufacturer
- e. All electrical cords and extension cords shall be in good repair without breaks in the insulation or exposing wire. All extension cords prongs shall be in place
- f. Power tools must not be raised or lowered by their power cords
- g. When plugging in power tools or extension cords, make sure your hands are dry and the cords are dry
- h. Any power tool or extension cord damaged during operations must be immediately replaced

## 10. Personal Protective Equipment (PPE)

It is the intention of CMSD to remove workplace hazards through engineering or administrative controls where possible. However there are times when these controls are not feasible and Personal Protective Equipment (PPE) must be used. Some of the more common personal protective equipment and when it is required are listed.

- a. **Hard Hat:** At CMSD hard hats are required to be worn at all times beyond the electric gate, the ramp gate, and the North gate. They are required on board all ships, in the shipyard, on the roadways and in all production areas. They are not required in offices, in enclosed vehicles, and designated lunch areas. They are not required to be worn to and from the gates when coming to or leaving work at the beginning or end of the work shift, nor are they required during the normal CMSD lunch periods as long as work is not being conducted in the area
  - 1. Metal hard hats shall not be worn. Hard hats must comply with American National Standards Institute (ANSI) Standards Z-89.1 & Z-89.2
- b. **Industrial Safety Glasses with Side Shields:** These are required to be worn at all times beyond the electric gate, the ramp gate and the North gate. They are required on board all ships, in the shipyard, on the roadways and in all production areas. They are not required in offices, in enclosed vehicles and designated lunch areas. They are not required to be worn to and from the gates when coming to or leaving work at the beginning or end of the work shift, nor are they required during the normal CMSD

lunch periods as long as work is not being conducted in the area

1. Industrial safety glasses with side shields must conform to ANSI Z-87.1 standards
2. Those individuals who require prescription glasses must obtain industrial safety glasses with side shields in their prescription, or wear mono-goggles or other approved cover glasses over their street glasses
3. Dark shaded or mirrored lenses may not be worn below decks, inside of any vessel, or after sunset
  - a) Exception: Safety glasses with a number three shade lens shall be worn for all brazing and firewatch operations
4. When working overhead, grinding, wire brushing or other similar work, a face shield must be used. Safety glasses shall be worn under the face shield

**c. Respirators**

1. Subcontractor must have an approved Respiratory Protection Program as required in 29 CFR 1910.134. Employees utilizing respirators must be qualified and undergo annual respiratory fit testing procedures, and meet all requirement for the use and wearing of respirators established by OSHA in 29 CFR 1910.134
2. Respirators are required and must be used in areas where there are emissions in the forms of vapors, fumes, smokes, dusts, etc. Examples of processes include but are not limited to hot work, painting, cleaning with solvents, abatements, etc.
3. Only NIOSH approved respirators shall be utilized. The use of dust masks are not permitted due to the lack of protection they provide and do not follow under the respiratory protection program

**d. Clothing**

1. Shirts must cover the entire torso and have at least 1/2 sleeve. No tank tops or muscle shirts are allowed
2. Trousers must be full length and cover the entire legs
3. All clothing must be in good repair, without major holes or tears
4. Clothing displaying / depicting graphic material, such as pornographic, discrimination or violence in nature shall not be permitted

**e. Shoes**

Shoes must be all leather and cover the entire foot. Any plastic, vinyl or other synthetic coating is not allowed. There must be a well-defined, independent heel of at least 1/4 inch and no more than 1 1/2 inches. Athletic foot attire or open toed shoes are not permitted

**f. Safety Harness (with lanyard)**

1. A safety harness must be worn any time an employee is exposed to a fall hazard of five feet or more, or within six feet of an unguarded edge with a fall of more than five feet unless the employee is protected from falling by some sort of guard system (lifelines, guardrails)
2. When operating an aerial lift, the harness lanyard must be hooked onto the attachment point of the basket. When operating over water a personal floatation device is required to be worn and the lanyard must be disconnected
3. When climbing a mast, stack or other similar object, the harness must be attached to the fall arrest system center post, if so equipped, utilizing the ship's attachment

**g. Face Shield**

Face shields must be worn when grinding, wire brushing, working in the overhead, working with chemicals that could splash on the employees face, or any other similar activities. Safety glasses are required to be worn under the face shield

**h. Gloves**

1. Leather or cloth gloves should be worn whenever the employee is handling material that is rough or otherwise abrasive
  - a) Leather gloves should be worn when handling hot or potentially hot metal
  - b) Rubber, butyl, nitrile or other approved gloves are required when handling certain chemicals. Employees shall refer to the MSDS for specific type
  - c) There are many other types of gloves that protect against specific hazards and these should be used depending on the type of hazards
  - d) Gloves should not be worn when working on or near rotating machinery

**i. Hearing Protection**

1. Companies must have an approved Hearing Protection Program as required in 29 CFR 1910.95 and 8 CCR 5097, 5098
2. Hearing protectors must be worn in all areas where the decibel rating is above 85db. This is roughly equivalent to traffic noise on a busy street
3. Hearing protection is required on board all ships, when working in most shops and when working around an operating crane or machinery. Other areas may be posted as requiring hearing protection
4. Hearing protection levels are:
  - a) Single Protection: The use of either an earplug or ear muffs in a common noise environment. Simple Rule: If you cannot have a conversation with a person arm length apart then it is needed
  - b) Double Protection: The use of both ear plugs and ear muffs in extremely noisy environments. Simple Rule: If you are standing next to a person and have to yell to be heard then both are required
5. The use of earphones or headphones in lieu of hearing protection is prohibited

**j. Personal Floatation Devices (PFD)**

1. PFDs (a.k.a. life jackets) shall meet the requirements under OSHA regulation 29 CFR 1915. 158 (a)
2. Any employee working over the water at any height including scaffolding, aerial lifts, etc shall wear PFDs. Also PFDs are to be worn when working on the waterside of the pier quay walls for diving operations, equipment set-ups including scaffolding, and any other job assignment exposing an employee to the potential of falling into the water

**k. Welding Hoods**

1. Welding hoods used at CMSD must be a full sized hood that connects to the hard hat. Soft hat welding is not permitted at CMSD other than in shops. Welding hoods must be in good condition and undamaged
2. If the area to be welded is so tight and close that the welder cannot get in position with a full size hood and hardhat, a leather sock hood may be used. As soon as the welding has been completed, the employee must wear a hard

hat

This is not intended as a complete list of PPE required, but is only the most commonly used. Any modification of safety equipment is not authorized. Any equipment so modified will be removed from the shipyard and violators subject to disciplinary action

**11. Blood borne Pathogens**

- a. Any Subcontractor whose employees have the potential of occupational exposure to blood or other potentially infectious materials, such as CHT, or who has first aid requirements, such as electrical or security, must have a written Exposure Control Plan designed to eliminate or minimize employee exposure, as required by 29 CFR 1910.1030 and 8 CCR 5193
- b. This program must also include the requirement for Hepatitis B vaccinations, or declination notices
- c. CMSD retains the right to review the Exposure Control Plan, including documentation of Hepatitis B vaccinations

**12. Ventilation Procedures and requirements**

- a. Whenever any airborne contaminant(s) is being generated, ventilation must be provided to exhaust the contaminant(s) to where it can be safely discharged
- b. Employees must know what jobs they will be performing while at CMSD. You must know that fumes, vapors, dusts or other contaminants that job will create or generate. Generally all hot work or chemical operations will require mechanical ventilation if being done in an enclosed area(s)
- c. If Hard duct ventilation is required for exhausting contaminant off the ship, contact the CMSD Ventilation Crew for the installation
- d. When ships ventilation is secured, subcontractors may set up blowers with lay flat ducting to provide fresh air to the space. Ensure the lay flat is properly strung and exhausts out to open air

**13. Ladder Uses**

- a. The use of furniture, buckets, equipment, etc. is not an authorized working /access platform. There are primarily two types of ladders used at CMSD, straight ladders and step ladders
  - 1) **Straight Ladders:** When used, these ladders must be secured to prevent top and bottom movement. The employee must face the ladder when ascending or descending the ladder. The employee may not carry anything that would prevent him / her from using both hands on the ladder. Utilize a rope to pass items between decks. If you must carry something while using the ladder, use a shoulder bag or strap. The ladder must extend a minimum of three feet beyond the top of the platform or deck for safe access
  - 2) **Step Ladders:** Must not be used to access a platform. Do not step on the top two steps. Don't extend yourself out to the sides. Do not stand on the ladder and another object at the same time. The use of two ladders and planks between them is forbidden
- b. **Metal Ladders:** May not be used on board ships or other area with electrical hazards
- c. Ladders may not be used at anytime on any type of scaffolding platform.
- d. The use of ladders with broken or missing rungs or steps, broken or split side rails, or other faulty construction is prohibited
- e. Anytime an employee is working on a ladder next to a fall area or above guardrails a body harness and lanyard shall be utilized
- f. The use of furniture, buckets, equipment, etc. in place of a ladder or stepladder is

expressly forbidden

**14. Scaffolding and Staging**

- a. Scaffolding utilized on CMSD availabilities shall only be erected, dismantled, altered or modified by a scaffold competent person employed by the scaffolding company hired for that job
- b. Access to scaffolding shall only be accomplished at the designated installed ladder
- c. A status tag shall be hung at the access point. A "green" tag denotes a safe scaffold structure. A "red" or "no" tag represents an unsafe scaffold and only scaffolding personnel are allowed to access
- d. Personnel working on scaffolding and staging over water must wear a personal floatation device
- e. Personnel working outside the confines of a scaffold platform must wear a safety harness and hook into a hard point that is not part of the scaffold structure
- f. All work performed on a scaffold over water or near the edge must be contained to prevent materials and debris from falling into the water and on other employees

**15. Communication Requirements**

- a. Ensure that your employees communicate with others around them about any potential hazard(s) they may create or that they observe. Also, these should be reported to the group that is responsible for correcting the hazard
- b. Any accident or injuries that are incurred while working on a CMSD job must be reported to the Security Department immediately by phone at (619) 234-8851, at ext. 218. In addition, a formal written report of the incident and/or injury as well as the investigation of the accident showing cause must be provided to the Health and Safety Department within 24 hours
- c. The report must be on the CMSD Subcontractor Accident Report form or one that covers the same information.

**16. Identifying Asbestos-Containing Materials (ACM)**

- a. Assume all construction surfacing and flooring materials, thermal systems insulation, roofing and siding, acoustical materials, gaskets, armor cabling, brake pads and clutch plates contains asbestos unless otherwise identified as such by a qualified inspector.
- b. Only California State Certified Asbestos Inspectors or Consultants, AHERA Certified Asbestos Inspectors, and OSHA "Qualified" Persons are considered qualified inspectors
- c. Only Asbestos "Qualified" Inspectors may make these inspections and collect bulk samples for asbestos analysis. Inspectors may or may not require bulk sample collection and analysis, depending on the Qualified Inspector's opinion
- d. Bulk samples of materials shall be taken to an outside laboratory certified in testing for asbestos
- e. Documentation of ACM inspections must be in writing with a copy being provided to the CMSD Safety Department

**17. Lead and Heavy Metals Program**

- a. Subcontractors will be required to submit the CMSD Safety Department a Lead Heavy Metals Work Health and Safety Plan for approval when their trade-related activities will disturb lead and/or heavy metal containing surface coatings
- b. Suspected materials shall be sampled and sent for testing by an outside laboratory. A copy of those results will be provided to the CMSD Safety Department prior to the start of work

**18. Rigging Requirements**

- a. Only approved, standard-rigging techniques shall be allowed. If you have not been

trained in good rigging practices, then DO NOT attempt the job. Incorporate the assistance of a qualified and experienced Rigger

- b. All rigging equipment must be inspected prior to use and used only in the fashion that it was designed to be used
- c. All chain falls and come-a-longs must be hooked in a straight-line pull only. No load line chain may be wrapped around the load. Only approved shackles, slings, beam clamps and approved pad eyes may be used
- d. Never overload a piece of rigging equipment. Do not use a handle extender (a.k.a. cheater bar) on any come-a-long

**19. Motorized Equipment**

- a. All vehicles with the driver's view directly blocked to the rear shall be equipped with a properly working back up alarm. In addition, when backing down any pier or other highly congested area, a ground guide /walker must be used
  - 1) All vehicle safety equipment is required to properly work, such as the horn, lights, brakes, etc.
  - 2) Fork Lifts: Subcontractor personnel shall not operate Forklifts owned or leased by CMSD. Any materials requiring the use of a fork lift for movement shall have arrangement made through the CMSD Ship Superintendent
  - 3) High Reach Equipment: To operate an aerial lift or scissor lift in the CMSD facility, the operator shall have attended and passed the aerial lift training class, and maintain a current Operator's License. Licenses are valid for two years from the date of issue. Arrangements for attending the class can be made by contacting the Program Manager, Ship Superintendent, or through the CMSD Production Control Center
  - 4) Bicycles: Bicycle use within the facility is limited. Bicycles must be in good working order and must have the name of the company attached to the bike. Bicycles operated during darkness must have a light. Bicycles shall not be ridden or left on any pier. They must be placed in the appropriate racks located throughout the facility. The use of portable radios, phones, headphones, or other devices that would distract the bicyclist are prohibited. Bicycles not meeting these requirements are subjected to confiscation
  - 5) ALL vehicles, including bicycles, are subject to the rules denoted by the California Vehicle Code and the rules established for the CMSD facility
- b. The maximum allowed speed limit in the CMSD Facility is 5 miles per hour.
- c. Drivers may not pass under suspended loads
- d. Motorized equipment, shall not be left unattended while running, must be left unlocked with the keys in the ignition. Diesel powered vehicles shall not idle for more than five minutes.
- e. Vehicles may not park in the fire lanes at any time

**20. Use of Air, Gas and Water**

- a. All gas hoses used at CMSD are to be in good repair, free from cuts, nicks and holes. There shall be no leaking around the connectors
- b. The use of any compressed gases from a manifold or bottle anywhere in the facility must place an identification washer at the manifold connection. The washer must identify the company and the worker's badge number
- c. All compressed gas hoses must be disconnected and the washer removed at the end of each shift, or when not in use
- d. Compressed gas hoses are not allowed to run through fire boundaries or left in any



- confined space
- e. Compressed gas hoses (oxy/gas) shall not be left unattended in confined spaces or unattended for more than 15 minutes in an enclosed space. Gas shall be secured and bled off from the hoses. Compressed gas hoses shall be visually checked from the point of work to the manifold having a hand over hand visual inspection performed. A two-minute drop test shall be performed every shift and every time a hose is connected to the manifold. Identification washers shall be used at all times
  - f. All Chicago type fittings / couplings must be secured with a safety clip inserted through the holes in the flange. If a safety clip is not available, then a piece of wire may be used and twisted off
  - g. Compressed gas, air and water hoses shall not be crimped off at any time to attach or remove any type of tool or device, or to secure flow, nor will it be left in that condition. A quick disconnect or valve must be used or pressure must be secured at the source, released and the hoses detached

**21. Ergonomics**

- a. CMSD encourages all Subcontractors to have a viable ergonomics program, which should include:
  - 1) Evaluating new tools for ergonomic risk hazards
  - 2) Using knee protection where required
  - 3) Using long-handled tools where available
  - 4) Using portable benches and stools where feasible, and
  - 5) Using vibration gloves with vibrating tools and equipment

**22. Eating, Drinking or Smoking**

- a. Eating, drinking and smoking is prohibited on board ships. Any eating, drinking or smoking shall be accomplished on the piers or designated areas. Water fountains shall be provided for employees or they may bring a plastic bottle, containing water only, on board labeled with their name and badge number.

**23. Federal, State, County or City Agency Inspections**

A CMSD Safety Department representative must accompany all inspections conducted by an outside agency. The foregoing is only a guide and represents only the most common situations and procedures. Further guidance is available in the CMSD Safety Policies and Procedures Manual and in the Federal and State of California Directives.

## Subcontractor Environmental Requirements

### Environmental Policy

CMSD is committed to maintaining a healthy environment for its employees and for the citizens of our community. Accordingly, it is the policy of the company to comply with all applicable environmental laws and regulations, and minimize environmental risks, emissions to the air and water, and the generation of waste. The company will establish environmental objectives to support our commitment to continual improvement and pollution prevention.

This policy is available to the public, and is communicated to employees through the acronym "SOAR", which summarizes the key points of our environmental policy.

- S – Stop Pollution
- O – Obey Rules
- A – Always Improve
- R – Reduce Waste

### Environmental Guidelines

#### Hazardous Materials

All Subcontractors shall be responsible for understanding the hazards of particular materials with which they are working (Read the MSDS.) All containers of hazardous material shall be properly labeled with the character of the material, including hazards. Subcontractors shall ensure that the materials they bring onto the CMSD facility have MSDSs and that they are available to employees on site.

Hazardous material liquids shall have tight fitting lids and be closed at all times when not in use. Storage of hazardous liquids shall be provided with secondary containment if staged for more than 12 hours, or immediately if staged near storm drains or on piers.

#### Hazardous Waste

Hazardous wastes do not have MSDSs that identify the hazards of the materials in question if those materials have undergone any change or have been mixed with other materials. Additionally, hazardous wastes have specific handling and storage requirements which differ from those required of hazardous materials. For these reasons, particular attention is given to the management of hazardous waste. Some of these requirements include:

1. Hazardous waste shall not be accumulated (stored) for more than 90 days. The 90-day clock starts running as soon as any material is placed into the waste container. As soon as waste has been placed into a container it must have a label affixed to it. When a container is full it shall be scheduled for disposal as soon as practical.
2. All containers must have a 90 day accumulation label which includes the following information:
  - a) The name and address of the generator
  - b) The words "Hazardous Waste"
  - c) The contents, composition, and physical state of the waste
  - d) The hazardous properties
  - e) The accumulation date
3. All hazardous waste containers shall have their lids and rings affixed
4. All waste shall be evaluated for compatibility prior to storing or disposing of

- dissimilar materials
5. Empty drums/containers shall be labeled as ("Empty".) If an empty drum/container previously contained waste, the nature of that waste shall also be identified
  6. Hazardous waste shall not be transported to or from off-site jobs and the CMSD facility. Hazardous waste generated at these off-site locations must be manifested /transported from the location where the waste was generated directly to a Treatment, Storage, and Disposal Facility (TSDF). Subcontractor environmental personnel shall arrange for, and coordinate with, CMSD environmental personnel for the pick-up of waste from these job sites
  7. In no case shall hazardous waste be placed into trash dumpsters. This includes such wastes as oily rags, aerosol cans, paint chips, and abrasive blast grit
  8. Abrasive blast (sandblast) grit shall be labeled as "Excluded Recyclable Material" and shall be handled with the same degree of care as all other hazardous waste. This includes the requirement to immediately cleanup abrasive blast grit which may be accumulating on pallets, equipment, under abrasive blast pots, and on or near the dry docks where abrasive blasting activity is taking place
  9. CMSD shall direct which TSDFs and abrasive recycling facilities may be utilized for the disposal of all hazardous waste generated by CMSD

### **Water Quality**

Discharges to San Diego Bay from the shipyard are regulated through a permit issued by the Regional Water Quality Control Board. This permit is known as the National Pollutant Discharge Elimination System or NPDES program. This program controls the discharges from CMSD to the receiving water (San Diego Bay.)

One of the requirements of the NPDES permit is to establish and implement Best Management Practices or BMPs. These BMPs are designed to protect San Diego Bay from pollution resulting from CMSD ship repair operations. These BMPs establish methods for containment of pollutants, storm water control, and general housekeeping. This BMP program includes a process to review and improve the effectiveness of techniques used to prevent pollution. Copies of these BMPs should be maintained by all Subcontractors and should be referenced when conducting any activity which may cause pollution . A copy of the CMSD BMPs is attached for your use.

Storm water management is everyone's responsibility. The storm water management program focuses on housekeeping, pollution prevention, and pollution control. More formally, this program is called the Storm Water Pollution Prevention Plan or SWPPP and an associated Monitoring Plan. These plans describe the methods of control, as well as the monitoring activities, to be employed to ensure that the environment is being adequately protected. The primary ingredient to a successful storm water program is housekeeping and prevention of storm water from coming into contact with industrial activity. Therefore all Subcontractors shall do their part to keep their areas of production clean at all times in order to eliminate possible pollution pathways to San Diego Bay.

### **Air Quality**

San Diego Air Pollution Control District (APCD) Rules require permits for all devices, equipment, or processes that emit or could emit pollutants unless specifically exempted.

Copies of all permits need to be given to the Environmental Affairs Department. It is imperative that all

Subcontractors operating such equipment know and understand the conditions identified on their permits. Non-compliance with permit and operating conditions is a violation of law. Examples of permitted equipment or operations include spray painting, abrasive blasting equipment and diesel engines >5bhp. Prior to conducting Marine coating operations for a CMSD job at any site, the contractor must obtain a copy of the site Marine Coatings Operation Permit and abide by those conditions.

Emission control is especially important in the case of paint and solvent due to the volatile organic compounds (VOCs) associated with these products. In all cases, Contractors must record the use of VOC emissions containing chemicals daily, and shall be reported to the Environmental Affairs Department by the 10<sup>TH</sup> of the following month, in the required format, for all such chemical used at CMSD. For VOC containing chemicals used on CMSD jobs at other locations those reports are to be submitted directly to the host site by the 10<sup>th</sup> of each month.

### **Reporting of Releases of Hazardous Materials/Waste**

The CMSD facility is regularly inspected to ensure that all Subcontractors, employees and customers are all doing their part to protect the environment. Identification and reporting of incidents involving hazardous materials is an important part of the environmental program at CMSD.

CMSD has a legal responsibility to document and report spills and releases of hazardous materials and waste. More importantly, the prompt reporting of these incidents can save lives and protect the environment. It is for these reasons that all Subcontractors are required to report releases and spills of hazardous materials or waste to Environmental Affairs as soon as possible. Subcontractors using the absorbent materials maintained on their job site can readily clean small spills of oil and other lubricants. If you are unfamiliar with the spilled material or are in any way unsure of the situation, call environmental affairs for support.

All environmental emergencies shall be reported to Security at ext. 218. For non-emergencies you may call 510.

**CMSD has a progressive recycling program, all sub contractors are required to ensure their personnel are segregating recyclables and placing the recyclable material in the appropriate container. CMSD takes recycling very seriously. Failure to properly participate in CMSD's recycling program or improper disposal of any waste may include minor disciplinary action such individual removal from the facility, up to revocation of active contracts and prohibition from future contracts.**

**Additional Resources**

The following is a list of environmental programs and information available for use as necessary to ensure that activities conducted by Subcontractors are protective of the environment:

1. CMSD Environmental Management System Manual
2. National Pollutant discharge elimination System (NPDES) permit
3. Best Management Practices (BMP) Plan
4. Storm Water Pollution Prevention Plan (SWPPP)
5. Storm Water Monitoring Plan (SWMP)
6. Storm Water Diversion System Operating Plan
7. Hazardous Materials Business Plan for Emergency Response
8. Spill Prevention Control and Countermeasures Plan (SPCC)
9. Industrial Wastewater Management Plan
10. APCD equipment permits
11. CMSD MSDS system
12. CMSD Hazard Communication System (Chemical Safety)
13. "Crafting Quality Environments" training materials

## Security

### Subcontractor's Security Guidelines

1. Subcontractors currently unapproved on the Subcontractor Status List will be denied access to the facility until they resolve issues pertaining to their unapproved status.
2. All Subcontractor personnel are required to display a CMSD ID badge starting January 1<sup>st</sup> of 2016.
3. All non-CMSD visitors coming into CMSD are required to obtain a CMSD badge while working at CMSD.
4. All pedestrians, including those with bicycles, are required to enter and exit through the Main Gate. Bicycles are not authorized on the piers and must be parked in the bicycle racks at the entrance of Main gate.
5. Subcontractor company vehicles will be allowed in the facility to load and unload supplies. Subcontractors are not authorized to park in CMSD parking lots without a parking permit.
6. No vehicles are allowed on the piers.
7. THE MAXIMUM SPEED LIMIT AT CMSD IS 5 MPH.
8. All vehicles, tool bags, and personal effects are subject to search upon entering or departing CMSD.
9. Material will be unloaded in the loading zones only and the CMSD material movement system utilized.
10. Personnel must check in with the Security Department prior to bringing photographic equipment within the facility.
11. A Material Transfer Chit (MTC) is required for CMSD property taken offsite by a CMSD employee.

### Classified Contracts

If access to classified information is required a security requirement clause and a contract security classification specification shall be incorporated in the solicitation and the subcontract. Subcontractors must possess an appropriate Facility Clearance Level (FCL) and employee must possess the appropriate Personal Clearance Level (PCL), if possessing of classified information will be required, safe guarding capability is required.

- If access is not required during the pre-award phase an FCL is not required to receive a solicitation

- If access is required during the pre-award phase all prospective subcontractors must possess the appropriate FCL and PCL

#### Prospective subcontractors without an FCL

- Subcontractors cannot request an FCL for themselves. A government contracting agency or a presently cleared contractor must sponsor them
- Request must be based on a bona fide procurement need for the prospective subcontractor to have access to classified information

### **No Foreign Nationals**

On contracts that are designated “No Foreign Nationals,” access is restricted to U.S. citizens only.

### **Access to Specification and Drawings**

Subcontractors who wish to obtain access to Specifications and Drawings for bidding purposes must complete and return the Certification of Export Control Compliance set forth below. These specifications, drawings and other documents provided during the bidding process contain technical data whose export are restricted by the ARMS Export Control Act (Title 22,U.S.C. Section 2751, et seq.) or Executive Order 12470. Violation of these export laws are subject to severe criminal penalties. Export of restricted data occurs when it is provided-to, or viewed by, a “Foreign Person” within the meaning of the above export control laws. Completion and return of this Certification is also required to obtain a password in order to access the San Diego Ship Repair Subcontractor On-Line Specification and Drawing web site.

### **Certification of Export Control Compliance**

In order to ensure Export Control compliance, a certification will be required of all CMSD Subcontractors. The certification form can be found at:

<http://www.continentalmaritime.com/oasis.stm>.

### **Security and Visit Requests**

When hired as a subcontractor for CMSD and there is a need for your employees to board and work on a vessel, a visit request must be submitted electronically to the Security Department. All visit requests must include the verbiage “All employees have been certified through E-Verify”. Please call (619) 234-8851 ext. 215 or 217 for more information. The SWRMC –Contractor visitor Request form can be downloaded from the Southwest Regional Maintenance Center (SWRMC) website <http://www.swrmc.navy.mil/visitors.html> The Contractor Visitor Request form must be sent to CMSD as soon as possible but at least 7 business days prior to your employees accessing the vessel.

All information must be complete on the Contractor Visitor Request form. If any of the requested information does not apply, please mark with N/A. Certificate of Naturalization # or Passport # must

appear for all employees born outside of the United States who are now US citizens. Alien Registration # must appear for all employees who are not US citizens.

Nuclear vessels require Radcon Training. Each employee submitted for access must have completed Radcon Training and that date must appear on the Visit Request Form the date must be month/day/year. Radcon Training is valid for one year. Refresher course is available and must be taken yearly. If you have any questions on how to get the required training, please feel free to contact CMSD Training Department at extension 291. All employees submitted for access to a nuclear vessel must be US citizens.

If you have any questions, please contact the Facilities Security Officer, at (619) 234-8851 ext. 215.

### **Additional Security Requirements for Access to CMSD Premises**

CMSD access requirements apply to all visitors, subcontractors, third parties and any other non-CMSD employees requesting access to CMSD as described below.

#### **A. Subcontractors/Vessel Personnel**

1. All subcontractors are required to have valid photo employee ID badges from their company prior to entry. Security issues a CMSD ID badge for any Subcontractor who is U.S. Person Subcontractors for Navy vessels are pre-approved by each Navy Vessel and a list is provided to security prior to the arrival of any Subcontractors.
2. While at the facility all subcontractors/vessel personnel must possess a CMSD ID badge and must be visible at all times and present it upon request by security/competent authority/government representative.

Note: If the arrival of Subcontractors, contractors, or pilots is not pre-arranged, entry is prohibited until the need to enter is verified by proper authority.

#### **B. Truck Drivers/Passengers**

1. Truck drivers and passengers are required to have a valid photo employee ID badge from their company. CMSD will issue a CMSD ID badge once it's been verified the person/driver is a U.S. person. They must either be pre-approved or on a valid Subcontractor or contractor access list. All CMSD deliveries are allowed access to shipping and receiving after verification of U.S person and a CMSD badge is issued. Deliveries for the vessel are unloaded at the head of the pier where the vessel is docked. Once the cargo is unloaded, delivery personnel are required to leave the facility.

#### **C. Visitors (all personnel not falling into other categories)**



1. Visitors must be pre-approved and are required to have a valid photo ID for verification purposes. Visitors are then issued an escorted badge that must be worn in plain sight. While at the facility, all visitors are required to present photo ID upon request by any security personnel/cognizant government representative. The visitor must be escorted at all times; security contacts the cognizant individual to escort the visitor.
2. Visitors not scheduled in advance are denied entry until the proper authority authorizes the visit.
3. Children will not be granted access to CMSD unless pre-approved by CMSD management or the facilities security officer.

D. Deliveries

1. All deliveries are spot checked by security at the Main Gate. If the delivery is for a vessel, Security checks the delivery sender against access lists for approved Subcontractors and contractors. All Subcontractors and contractors will need to present a CMSD ID badge before entering CMSD premises. Deliveries for vessels are offloaded at the head of the pier where the vessel is docked and screened by the roving security officer. Deliveries to the shipping and receiving department are screened by shipping and receiving. Signs are posted advising personnel of this requirement at the Main Gate. This does not include cargo containers.
2. Arrival of deliveries from Subcontractors/contracts not on pre-approved access lists must be scheduled in advance. Where not scheduled in advance, deliveries are prohibited entry to facility until approved by a competent authority or Subcontractor/contractors will need to be escorted by CMSD personnel or ship's force

### **Parking Regulation**

- A. Vehicles without parking passes will not be permitted to park in CMSD parking lots. Parking passes are issued only by the Facilities Security Officer.
- B. Vehicles with parking passes are only to be parked where instructed by the Security department.

### **Camera Pass and Authorization**

- A. A request for a camera pass is required to be submitted on the Visit Request Form.
- B. Personnel must check in with the Security Department prior to bringing equipment within CMSD.

- C. Individuals found with photographic equipment prior to approval will be barred from the facility.

### **Search Requirements**

All persons, packages and vehicles entering or leaving the facility are subject to search by Security personnel. Signage is posted in clear view of anyone entering the facility stating that all vehicles entering or leaving the facility are subject to search.

### **Workplace Violence Prevention Program**

- A. CMSD does not tolerate any threats, intimidation or acts of violence. The company is dedicated to providing a safe workplace for employees and visitors and maintains compliance with applicable laws and regulations. The company is committed to furnishing a work environment that is free of acts of violence, the threat of violence or employee intimidation at all company elements.
- B. Employees, subcontractors, contract labor, visitors and anyone else on CMSD premises are prohibited from creating and contributing to circumstances which create or result in an abusive or violent workplace environment.
- C. Notify CMSD Security of any reports of threats, intimidation or acts of violence.

### **Gate Pass Instructions**

To ensure only authorized material, tools and equipment are removed from CMSD facilities, all equipment and material must be identified and all required forms (provided by CMSD Security) must be properly completed and approved by CMSD Security prior to exiting the CMSD facility. Note that Team member superintendents and/or Ship Manager's are required to sign form SECF-032, Gate Pass, for subcontractor equipment and material brought onto CMSD facilities in performance of any subcontract, and Subcontractors are required to present the completed/signed form SECF-032 to CMSD Security before exiting.

CMSD Security will inspect all gang boxes for all companies working within the CMSD facility, and will seal it after inspection. After CMSD Security applies a seal, the gang box may not be reopened without re-initiating this process.

## **Policy for Suppliers Unescorted Access to CMSD Facility**

It is a CMSD policy to ensure that suitable checks (conducted in a manner fully compliant with applicable national laws, national regulations and contractual obligations, and appropriate to the work that the individual will undertake) are applied to all employees prior to recruitment and to any contractors either located on or requiring unescorted access to CMSD. Verification of the following elements is required as a minimum:

- A. Identity and right to Work Verification (Criteria: A successful I-9/E-Verify System check)
- B. Criminal conviction check, to the extent permitted by applicable law, for a minimum of previous seven years for each country lived in (Criteria: No record of misdemeanors, occurrence greater than seven years prior, then the Supplier may choose to provide an explanation of the event to CMSD. CMSD will review the explanation against security requirements.
- C. Education verification for decreed positions only; and
- D. Employment verification for a minimum of three years of employment history (Criteria: Employment history is confirmed as presented)
- E. DMV history check in the state of current license
- F. Denied Party Screening, Background Investigations.

In order to confirm compliance with this policy, CMSD's Security Department is required to receive the verification of compliance from all of its suppliers whose personnel will be requiring a CMSD ID badge to access CMSD.

## **Invoicing Procedure**

### **Purpose**

This instruction provides the steps for approving progress payment invoices at 25%, 50%, 75%, and 100% and for completion and routing of Certificates of Completion (COCs) Form BIMS CF-100. It also establishes responsibilities and time frames for each group responsible for approving completion of work and payment for subcontractors.

### **Scope**

Applies to Accounts Payable (A/P), Quality Assurance (QA), Program Management, Contracts, Environmental Health & Safety (EH&S), CMSD NPA Representative (GFM/PTD), Material Support, and Facilities.

### **Procedure**

**PROGRESS PAYMENTS:** The following is applicable to all firm-fixed-price subcontractor invoices requesting progress payments.

Subcontractors submit invoices properly identifying the Purchase Order number and/or ship as well as the percent invoiced (25%, 50%, 75%, etc.) to Contracts and/or Accounts Payable. Invoices may be e-mailed, faxed or mailed. Only one copy of the invoice is required.

- 1) Invoicing on individual line items is accepted at the Contract Administrator's discretion.
- 2) Progress payment percentages are 25%, 50%, 75%, etc. and are contingent on the Contract Administrator's approval.

Accounts Payable and/or Contracts stamps the invoice (25%, 50%, 75%, etc.) and obtains the required signatures from Contracts Administrator and Program Management (authorizing email from Program Management is acceptable and shall be attached to invoice, if received). If there is disagreement with the percent invoiced, the documents are immediately returned to the subcontractor with an appropriate explanation.

After the required signatures are obtained, Accounts Payable pays the invoice per the pay cycle policy. A Certificate of Completion (COC) Form BIMS CF-100 is not required for progress payments on subcontractor purchase orders.

**100% PAYMENTS:** The following is applicable to all firm-fixed price subcontractor invoices for 100% payment of a Purchase Order.

A COC Form BIMS CF-100 is required for 100% payment of Purchase Orders that do not specify "No Certificate of Completion Required". COC Form BIMS CF-100 is provided with the purchase order. In addition, this form is available in the Contracts Department upon request or ready for download at the following link: <http://www.continentalmaritime.com>, under 'Vendor-Supplier.'

The COC Form BIMS CF-100 is submitted to Contracts where it gets logged into the CoC Log to initiate the routing process.

The parties responsible for the 100% COC Form BIMS CF-100 (Program Management,

Subcontracts Manager, Contracts Administration, Quality Assurance, CMSD NPA Representative (GFM/PTD), and Environmental Health & Safety) are contacted by Contracts by e-mail or voice mail (or both) for approvals.

Each functional area required to sign the COC Form BIMS CF-100 ensures the subcontractor has met their obligations relative to the functional area; e.g., QA ensures the subcontractor has met all quality assurance requirements, inspections, and reports. Any incomplete contract requirements are reported to Contracts to notify the subcontractor of the deficiencies.

If there are no deficiencies, the person(s) responsible for signing the COC Form BIMS CF-100 do so and return to the Contracts office (central location). Contracts notifies the subcontractor (by email or voicemail (or both)) that the 100% COC Form BIMS CF-100 is complete and is being submitted to Accounts Payable (if invoice is attached) for processing, or requests that invoice be submitted for prompt payment. It is the subcontractor's responsibility to turn in the invoice(s) corresponding to 100% PO billing to Contracts and/or Accounts Payable.

For COCs Form BIMS CF-100 where the subcontractor has not fulfilled their obligation the Contracts Administrator notifies the subcontractor's senior management of the areas of deficiency and the additional information needed to complete the COC Form BIMS CF-100. Contracts Administration annotates the COC Form BIMS CF-100 with the date and time of notification. If the subcontractor does not respond within seven days, the COC Form BIMS CF-100 is forwarded to the senior management for resolution.

In those instances where A/P receives a 100% invoice without the corresponding COC Form BIMS CF-100, A/P will place the invoice in Contracts inbox for review. Contracts will verify the information on the invoice is accurate and proceed accordingly for approvals.

Invoices are aged for payment from the later of, the date of invoice, or the date of the final signature on the COC Form BIMS CF-100.

## **Drug and Alcohol Policy**

It is CMSD policy to promote a drug and alcohol free work environment. To this end, all Subcontractors are to employ methods and institute policies to ensure a drug and alcohol free workforce. Additionally, Subcontractors are not to report to work in a condition that would impair their ability to perform their job duties efficiently and safely due to the influence of drugs or alcohol. The possession, sale, and/or distribution of restricted substances are prohibited. Any Subcontractor who violates this drug and alcohol policy may be barred from access to the CMSD facility and all contracts being performed by CMSD.

## Export Clause

### EXPORT RELATED REQUIREMENTS:

- (i) Export Compliance. Seller is advised that its performance of the purchase order may involve the use of or access to articles, technical data or software that is subject to export controls under 22 United States Code 2751 – 2796 (Arms Export Control Act) and 22 Code of Federal Regulations 120 – 130 (International Traffic in Arms Regulations) or 50 United States Code 2401 – 2420 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as the “Export Laws and Regulations”). Seller represents and warrants that it is either 1) a U.S. Person as that term is defined in the Export Laws and Regulations, or 2) that it has disclosed to Buyer’s Representative in writing the country in which it is incorporated or otherwise organized to do business, or if a natural person, all citizenships and US immigration status. Seller shall not give any license(s) issued there under.
- (ii) Foreign Personnel. Seller shall not give any Foreign Person access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Buyer. Any request for such consent must state the intended recipient’s citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 11324 (the “Immigration and Naturalization Act”), and such other information as Buyer may reasonably request. No consent granted by Buyer in response to Seller’s request hereunder shall relieve Seller of its obligations to comply with the provisions of (i) above or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of (i) above, nor constitute consent for Seller to violate any provision of the Export Laws and Regulations.
- (iii) Indemnification. Seller shall indemnify and save harmless Buyer from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorney fees arising out of claims, suit, allegations or charges of Seller’s failure to comply with the provisions of this paragraph and breach of the warranty set forth in (i) above. Any failure of Seller to comply with the requirements or any breach of the warranty contained in this paragraph shall be a material breach of the purchase order.
- (iv) Subcontracts. The substance of this paragraph shall be incorporated into any subcontract entered into by the Seller for the performance of any part of the work under the Purchase Order.

## **Program Management**

The Program Manager (PM) or Ship Superintendent (SS) is the Subcontractor's production point of contact for all jobs.

During all availabilities (CMA, emergent, SRA, DPMA, or PMA) the Subcontractor must coordinate all material deliveries/pick-ups, for lift/crane support, etc. through the PM or SS. Work chits are required for these requests.

All Inspection Discrepancy Reports (IDRs) must be submitted to PM or SS for review prior to submittal to the government. Answered IDRs will be review by PM prior to distribution, typically in designated mailboxes in the Production office or trailer.

All Subcontractors will be notified of and expected to attend Daily Pier Meetings, normally conducted at 0700 each morning. Additionally, a weekly Production Update meeting is held. Subcontractor is expected to provide current job status, percent physical progress, and material availability for each work item. At this time any schedule changes will be noted.

Prior to contract start Subcontractor will be required to attend a Pre-Availability Meeting. At this meeting all issues will be discussed including milestones, meeting time frames, safety issues, specification review, quality assurance requirements, etc. Additionally, you will be asked to provide a preliminary production schedule. Information to provide includes start dates, completion dates, durations, interface issues, etc.

All overtime requests must be provided to the PM or SS by noon Thursday. All overtime (where additional compensation is requested) must be approved by PM, SS, or Contract Administrator prior to being worked.

Notification must be provided by 1300 when 2<sup>nd</sup> shift work is required.

No smoking, eating or drinking, except for water, is allowed on ships. Areas are designated throughout the yard for smoking. Lunch area is provided on pier apron, as are vending machines and microwave. Lunch truck is available prior to first shift and during lunch.

Parking in yard is very limited and requests must be forwarded to Security office.

Production shops are off limits. If entry is required for any reason, Subcontractor must be escorted by shop personnel.

### **CMSD Work hours:**

First Shift 0600 – 1430

Second Shift 1400-2230

Third Shift 2230-0630



## Quality Assurance

All pertinent quality assurance issues will be discussed during each Subcontractor's Approval Review and during each Pre-Availability Meeting. Upon issuance of a purchase order (PO) to your company, you may be contacted by your assigned Quality Assurance Representative to schedule a formal in-brief prior to being issued a Test and Inspection Plan (TIP). If PO is for growth work or additional material, or the like, QA may at its discretion issue the TIP without conducting this in-brief. You must be in receipt of a TIP for all work that requires test/inspections/reports prior to accomplishing work. The issues to be discussed include, but are not limited to, check point notification, Test Inspection Plan (TIP) input, and Corrective Action Requirements (CAR). Should you have any specific questions regarding quality assurance please contact the quality assurance department direct at (619) 234-8851, ext. 297.

Failure to provide or address the following issues may result in removal from contract, delayed payment processing or exclusion from the CMSD Approved Subcontractor List:

1. Failure to provide proof of personnel certification, training or other required documentation of ability to perform the assigned task
2. Failure to provide required records, procedures or instructions where required by specification
3. Incomplete or unanswered requests for audits, corrective or preventive action(s)
4. Objective Quality Evidence not received and/or accepted by CMSD, including
  - a. Check Point Forms
  - b. Required Reports
  - c. Inspection or Test Reports
  - d. Completed Test Memos
  - e. Corrective Actions Closed out/Accepted

## **EC-06 Best Management Practices**

EC-06 BMP can be found at, [www.continentalmaritime.com](http://www.continentalmaritime.com), under Oasis, Subcontractor Guidebook.

## **Appendices**

- A. General Requirements for Navy and Ship Repair Subcontractors

## General Requirements for Navy Ship Repair Subcontractors

Subcontractors doing ship repair work for CMSD must comply with the procedure outlined below, in addition to all purchase order terms and conditions:

1. All subcontractor personnel are required to have a valid company badge prior to being permitted access to the CMSD facility.
2. The subcontractor will contact the CMSD ship superintendent before commencing any work on board the ship. The subcontractor is not to communicate with the Supervisor of Shipbuilding, Conversion and Repair representatives without prior permission from the CMSD ship superintendent.
3. After the ship superintendent or his representative has checked out all areas in which work is to be accomplished, the Subcontractor(s) will be notified to proceed. A security list containing the name, badge number, social security number, date of birth, place of birth, citizenship and security clearance (if any) of all personnel must be provided via email to the CMSD security officer at least three (3) working days prior to any requirement to board any ship where work is required or to enter a CMSD facility. The VAR located on the Southwest Regional Maintenance Center (SWRMC) website may be used (SWRMC.navy.mil)
4. The Subcontractor(s) will ensure that he has all necessary specifications and drawings required to complete the job. If the Subcontractor cannot obtain such specifications and drawings, the CMSD ship superintendent shall be notified immediately prior to any work beginning.
5. In general, any question or problem concerning subcontractor's processing of work for CMSD shall be brought to the immediate attention of the CMSD ship superintendent or his representative.
6. The Subcontractor(s) will comply with the provisions of OSHA Regulations Part 1915.10 with regard to safety and health regulations for ship repairing. Maintain a current Log of Inspection by shipyard competent person (formerly OSHA-74) posted in all spaces requiring such safety precautions. While in the CMSD facility, hard hats, safety glasses, and leather shoes conforming to CMSD safety requirement must be worn by all subcontractor personnel. Subcontractor personnel must wear a photo identification badge at all times that conforms to CMSD security procedures.
7. You must comply with all applicable NAVSEA Standard Items of the fiscal year invoked on the work specification. A copy will be provided to you upon request. Submit welding procedures and supply certifications, when applicable. Duplicate documentation must accompany shipment. Forward completed test and inspection plans immediately following completion of work to the CMSD Quality Assurance. Standard items are invoked requiring certification and calibration of test and measuring equipment. Forward documentation verifying compliance with these requirements to CMSD, Quality Assurance, when required.
8. Your purchase orders for all work being sent from your plant to be accomplished outside of a 50 mile radius of the Contractors yard, will be delivered to CMSD Quality Assurance prior to any equipment leaving your facility. Purchase orders will include the name, address, and zip code of your Subcontractor that is to accomplish the work, along with copies of relative drawings, work specifications, and an accurate description of work to be accomplished. Your purchase order must pass along to your Subcontractor all contractual and quality requirements invoked on you by CMSD purchase order. If Government Source Inspection (GSI) is invoked, evidence of Government inspection must be evident on completed test and inspection documentation.

9. During performance on this order, your quality control or inspection system and manufacturing processes are subject to review, verification, and analysis by authorized Government representatives and the CMSD. Quality Assurance. Government inspection or release of product prior to shipment is not required unless you are otherwise notified.
10. The Subcontractor will comply with CMSD memorandum of company policy on providing and accomplishing Process Control Procedure (PCP) to meet the requirements of Standard Item 009-09. As part of this procedure, your proposed PCP(s) are subject to final acceptance by CMSD Quality Assurance. That department may recommend that specific changes be incorporated in the proposed procedure(s) as originally submitted by your company. Completed PCPs will be submitted to the CMSD Quality Assurance. Completed PCPs must include all objective Quality Evidence (e.g. training documents, checkpoints, required reports, etc.).
11. Subcontractor shall maintain all required material certifications in an immediately available file (24-hour recovery) for a period of 1 year from delivery of the material ordered by buyer. Subcontractor shall continue to maintain such material certification in recoverable archives for an additional 5 year period.

**Please fill out the following forms and return them to the designated Material Support representative:**

- BIMS SCF-131 Subcontractor Signature Acceptance Form
- QA Form 080 Supplier Quality Questionnaire
- HSF-014 Contractor Pre-Performance Questionnaire
- System for Award Management (Government form)
- Joint Certification Program (Government form)
- Current Insurance Certificate
- W-9 (Government form)

***Note:** All forms must be completed, signed, and returned for approval prior to performing any work for CMSD. CMSD will not issue any purchase orders prior to Subcontractor being approved.*