

March 2018

Dear CMSD Vendors,

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 contact me the Subcontractors Managers 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 vendors (herein referred to as “Vendors”) establish a more cohesive, productive and profitable relationship.

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

Sincerely,

Subcontractors Manager  
Continental Maritime of San Diego Inc.

# Vendor 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.

**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)**

*VGB-01 REV B*

*Rev. Date: 03/14/2018*

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 vendor 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 suppliers 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 vendor 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, and 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 suppliers of Seller only when arising from causes beyond the control and without the fault or negligence of both Seller and such subcontractors or suppliers 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 vendor'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 <i>(“solicitation” means the Buyer’s customer’s solicitation under which the Order is issued)</i>	(Jan 2012)
52.203-3	Gratuities <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	(Sep 2006)

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
	<i>(applies to Orders over Simplified Acquisition Threshold (SAT)) (Alt 1 applies to commercial items)</i>	
52.203-7*	Anti-Kickback Procedures <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 <i>(applies to Orders over \$150,000)</i>	(Oct 2010)
52.203-13*	Contractor Code of Business Ethics and Conduct <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>	(Apr 2010)
52.203-14*	Display of Hotline Poster(s) <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 <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 <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 <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 <i>(applies to Orders over the Truth In Negotiations Act (TINA) threshold)</i>	(Oct 2010)
52.215-12*	Subcontractor Cost or Pricing Data <i>(applies to Orders over the TINA threshold)</i>	(Oct 2010)
52.215-13*	Subcontractor Cost or Pricing Data – Modifications <i>(applies to Orders over the TINA threshold)</i>	(Oct 2010)
52.215-14*	Integrity of Unit Prices and Alt I (Oct 1997) <i>(applies to Orders over the SAT threshold, delete paragraph(b))</i>	(Oct 2010)
52.215-15*	Pension Adjustments and Asset Reversions <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	(Jul 2005)

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
	Pensions ( <i>applies to Orders over the TINA threshold</i> )	
52.215-19*	Notification of Ownership Changes ( <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 ( <i>applies to Orders over the TINA threshold</i> )	(Oct 2009)
52.219-8	Utilization of Small Business Concerns	(Jan 2011)
52.219-9	Small Business Subcontracting Plan with Alt II (Oct 2001) ( <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 ( <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 ( <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 ( <i>applies to Orders of \$100,000 or more</i> )	(Sep 2010)
52.222-36*	Affirmative Action for Workers with Disabilities ( <i>applies to Orders over \$15,000</i> )	(Oct 2010)
52.222-37*	Employment Reports on Veterans ( <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 ( <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 ( <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 ( <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)

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
52.225-8	Duty-Free Entry <i>(applies to Orders over \$15,000 with foreign suppliers)</i>	(Oct 2010)
52.225-13*	Restrictions on Certain Foreign Purchases	(Jun 2008)
52.227-1*	Authorization and Consent <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 <i>(applies to Orders over the SAT threshold)</i>	(Dec 2007)
52.227-9*	Refund of Royalties <i>(applies when reported royalties exceed \$250)</i>	(Apr 1984)
52.227-10*	Filing of Patent Applications - Classified Subject Matter <i>( applies to Orders that cover classified subject matters)</i>	(Dec 2007)
52.228-3	Workers' Compensation Insurance (Defense Base Act) <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 <i>(applies to Orders requiring work on a Government installation)</i>	(Jan 1997)
52.230-2	Cost Accounting Standards (CAS) <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 <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 <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 <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 <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 <i>(applies to Orders of \$150,000 or more except as specified in FAR 48.201(a)) (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) <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 <i>(applies to all Orders unless it is known that the item being purchased contains no precious metals)</i>	(Dec 1991)
252.211-7000*	Acquisition Streamlining <i>(applies to Orders over \$1,500,000)</i>	(Oct 2010)
252.211-7003*	Item Identification and Valuation <i>(applies to Orders when any item is listed as requiring unique item identification)</i>	(Jun 2011)
252.215-7000	Pricing Adjustments <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) <i>(supplements FAR 52.219-9 above)</i>	(Sep 2011)
252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements <i>(applies to Orders over \$1,000,000, except commercial items)</i>	(Dec 2010)
252.223-7001	Hazard Warning Labels <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 <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 <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 <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 <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 <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)

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
252.225-7025*	Restriction on Acquisition of Forgings <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 <i>(applies to Orders with UK firms exceeding \$1,000,000)</i>	(Apr 2003)
252.225-7038	Restriction on Acquisition of Air Circuit Breakers <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)
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 <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 <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 <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) <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)



CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
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 ( <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 noncommercial items</i> )	(Mar 2000)
252.249-7002	Notification of Anticipated Contract Termination or Reduction ( <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 BC Representative:

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

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

#### ***Call the Ethics Openline***

CMSD (619) 234-8851, ext. 311

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 Vendors.

## **Material Support Department**

All vendors are required to provide their quotes in the same format as required by the CMSD Material Support Manager or a Material Support Department Representative. CMSD will provide the format upon requests.

Upon CMSD award, a CMSD Material Support Department representative will contact the Vendor and a purchase order will be issued.

## **Vendor 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/Vendors 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. Unescorted visitors not complying with this standard may be asked to leave the CMSD facility.**

Vendors must take immediate action upon identification of any health or safety issue that affects personnel or property. All vendors 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 ground for removal from the facility.

## **Drug and Alcohol Policy**

It is CMSD policy to promote a drug and alcohol free work environment. To this end, all suppliers are to employ methods and institute policies to ensure a drug and alcohol free workforce. Additionally, suppliers 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 supplier who violates this drug and alcohol policy may be barred from access to the CMSD facility and all contracts being performed by CMSD.

## **Security**

### **Security Guidelines**

1. All Vendor personnel are required to display their company badge upon entry to and while at the CMSD Facility.
2. All non-CMSD visitors coming into CMSD are required to obtain a CMSD badge when working longer than twenty-one days.
3. 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.
4. Vendor company vehicles will be allowed in the facility to load and unload supplies. Vendors are not authorized to park in CMSD parking lots without a parking permit.
5. No vehicles are allowed on the piers.
6. THE MAXIMUM SPEED LIMIT AT CMSD IS 5 MPH.
7. All vehicles, tool bags, and personal effects are subject to search upon entering or departing CMSD.
8. Material will be unloaded in the loading zones only and the CMSD material movement system utilized.
9. Personnel must check in with the Security Department prior to bringing photographic equipment within the facility.
10. A Material Transfer Chit (MTC) is required for CMSD property taken offsite.

## **No Foreign Nationals**

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

## **Access to Specification and Drawings**

Vendors 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 Supplier 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 Vendors. The certification form can be found at:

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

## **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. Vendors/Vessel Personnel
  - 1. All vendors are required to have valid photo employee ID badges from their company prior to entry. Security issues a CMSD visitor badge for any supplier whose company does not issue photo ID badges. Suppliers for Navy vessels are pre-approved by each Navy Vessel and a list is provided to security prior to the arrival of any suppliers.
  - 2. While at the facility all vendor /vessel personnel must possess valid ID and present it upon request by security/competent authority/government representative.

Note: If the arrival of suppliers, 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. While at the facility, truck drivers/passengers must present an ID when requested by any security/government representative. They must either be pre-approved or on a valid vendor access list. CMSD deliveries are allowed access to shipping and receiving. 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 a one-day pass 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. If the visitor must be escorted, 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 suppliers and contractors. Deliveries for vessels are offloaded at the head of the pier where the vessel is docked and screened by the roving security guard. 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 vendors 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.

## **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 PCC Form 005, Gate Pass, for vendor equipment and material brought onto CMSD facilities in performance of any subcontract, and Vendors are required to present the completed/signed PCC Form 005 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)

In order to confirm compliance with this policy, CMSD's Procurement Department is required to received verification of compliance from all of its suppliers whose personnel requires unescorted access to CMSD.



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

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

### **Procedure**

1. Evaluation Criteria
  - a. Vendors 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. Vendor Evaluation
  - a. Vendors are evaluated by reviewing Vendor 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. Vendor Evaluation Forms are sent.
3. Vendor Control
  - a. Vendor performance is evaluated by the material support buyer as a function of timeliness, accuracy and product quality. Discrepancies are documented using CMSD Corrective Action Response (CAR) Database.
  - b. Vendors 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 their vendor to provide a product that 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.

**Please fill out the following forms and return them to the designated Sourcing Administrator:**

- BIMS SCF-132 Vendor Signature Acceptance Form
- Current Insurance Certificate
- W-9 (Government form)

**Register for System for Award Management (SAM) and Joint Certification Program (JCP) certifications at the following links:**

SAM :

<https://www.sam.gov/portal/SAM/#1>

JCP:

<https://public.logisticsinformationservice.dla.mil/jcp/search.aspx>

**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 Vendor being approved.