



**Water
Purification**

Parker Hannifin Corporation
Filtration Group / Water Purification
2630 E. El Presidio Street
Carson, CA 90810

Office 310 608 5600
Fax 310 608 5692

LPD 30 AF – Terms and Conditions

Applicable Job Code: 52987P30
Prime Contract No(s): N00024-18-C-2406
Hii Pascagoula Contract No.: 1099585/1
Priority Rating: DO-A3

The following terms and conditions and flow downs apply to any purchase orders issues referencing the above job code and prime contract number.

- 1) Parker Terms and Conditions of Purchase – Government Supplement available on www.villagemarine.com following the Suppliers link.
- 2) Ingalls Shipbuilding General Provisions for Orders under U.S. Government Contracts SBF P9328.
- 3) Additional Provisions for orders issued pursuant to the LPD 30 Detail Design and Construction Prime Contract No. N00024-18-C-2406

Items 2 and 3 can be found at <https://spars.huntingtoningalls.com/procurement/procforms.html> and attached to this document.

General Provisions for Orders under U.S. Government Contracts

NNS: Appendix A-DOD
CONTRACTS

Provision Number and Heading:

5	Acceptance of Offer	19	Government-Industry Data Exchange Program (GIDEP)
54	Additive Manufacturing (A.K.A., 3D Printing)	2	Headings
53	Amendments Required by Prime Contract	36	Hazardous Materials
7	Assignment	38	Indemnification - Government Requirements
47	Bankruptcy	37	Indemnification - Third Party Claims
44	Business Conduct	40	Independent Contractor
4	Buyer Authorization	34	Information Security
26	Buyer or Government Property	14	Inspection
21	Changes	25	Insurance
43	Choice of Law	16	Invoices
42	Compliance with Laws	3	Language and Currency
30	Computer Software and Databases	13	Liens
18	Conflict Minerals Disclosure	32	Marking Requirements
45	Continuing Terms and Severability	55	Non-Solicitation
56	Cybersecurity	46	Non-Waiver
31	Date/Time Processing Requirement - Information Technology	52	Obsolescence
1	Definitions	6	Order of Precedence
12	Delivery of Seller Data	10	Packing and Shipping
11	Delivery, Title	29	Patent, Trademark, Trade Secret, and Copyright Indemnity
24	Disputes	48	Program Management
9	DoD Rated Order	28	Proprietary Information
8	Entire Agreement	41	Release of Information and Advertising
49	Equal Employment Opportunities	27	Representations and Certifications
22	Equitable Adjustments; Waiver and Release of Claims	35	Site Conditions
33	Export and Import Compliance	17	Suspect/Counterfeit Parts
50	FAR/DFARS Clauses/Provisions	15	Taxes
51	Flow Down Provision	23	Termination for Default
39	Force Majeure	20	Warranty

1. DEFINITIONS. [\(back to top\)](#)

- A. BUYER means Huntington Ingalls Incorporated (HII), a subsidiary of Huntington Ingalls Industries, acting through Buyer’s authorized purchasing representative at its Ingalls Shipbuilding division or its Newport News Shipbuilding division.
- 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 this 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 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 HII division supplement including FAR and DFARS clauses (and any other regulations referenced therein) or other 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 (and any other regulations referenced therein).
 - (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, such consent not to be unreasonably withheld. Prior to any sale or merger of Seller with a third party that results in the transfer of any rights or obligations arising under this Order, Seller shall notify Buyer and execute any documents requested by Buyer in connection with such transfer.

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](#))

- A. 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.
- B. Seller shall include the substance of this provision in all subcontracts Seller places in support of this Order.

10. PACKING AND SHIPPING. ([back to top](#))

- A. Seller shall be responsible for ensuring the proper packaging and shipping of Product in accordance with Buyer's carrier routing/shipping instructions, which are incorporated herein and available at:
Newport News Shipbuilding – <http://supplier.huntingtoningalls.com/sourcing/index.html>
Ingalls Shipbuilding – <https://spars.huntingtoningalls.com/procurement/index.html>
- B. 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 Free 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 paragraph D shall not limit Buyer's rights under the "Termination for Default" provision of this Order.
 - E. All Parties expressly agree that time is and shall remain of the essence in performing this Order and no acts of Buyer, including without limitation, modifications to this Order or acceptance of late deliveries, shall constitute a waiver of this provision.

12. DELIVERY OF SELLER DATA. [\(back to top\)](#)

All drawings, procedures, manuals, forms, test reports, software (including software documentation) and other data that is required to be delivered under this Order ("Seller Data") shall comply with the terms of this Order. Seller Data shall be delivered to Buyer on or before the time specified in this Order, or if no time is specified, 45 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 the shipment, *CERTIFICATES AND/OR TEST REPORTS ENCLOSED*.

13. LIENS. [\(back to top\)](#)

All Products furnished under this Order shall be free of all liens, claims, charges, and encumbrances of any kind. Upon request, Seller shall furnish Buyer with formal releases from Seller's subcontractors. Buyer may discharge any lien, claim, charge, or encumbrance if Seller, at Buyer's request, fails to do so and Seller shall reimburse Buyer for the reasonable costs thereof.

14. 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 Seller of its obligations under this Order.
- B. Buyer or Buyer's customer has the right to inspect and test all Products to the extent practicable, at all places and times, including the period of manufacture, and in any event before acceptance. Buyer assumes no contractual obligation to perform any inspection and test for the benefit of Seller. If Buyer or Buyer's customer performs an inspection or test on the premises of Seller or a subcontractor of Seller, Seller shall furnish, and shall require its subcontractors to furnish, at no increase in Order price, all reasonable facilities and assistance for the safe and convenient performance of such inspection and test. Buyer reserves the right to charge to Seller any additional cost of inspection or test by Buyer or Buyer's customer when (1) Products are not ready at the time such inspection or test is required by this Order or has been otherwise

- scheduled by mutual agreement of the parties, or (2) reinspection or retest of the Products is necessitated by prior rejection.
- 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 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.

15. TAXES. [\(back to top\)](#)

Seller shall not collect any sales or use taxes inasmuch as Buyer has direct pay permits held for Louisiana, Mississippi and Virginia. Seller shall pay all other State, Federal and Local taxes, assessments and duties that may be applicable to Products or Seller's performance hereunder.

16. 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: (i) supplies delivered at Buyer's facility or such other facility as designated by Buyer; or (ii) 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 the Huntington Ingalls Incorporated address on the first page of this Order, Attention: Accounts Payable. 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 will be required to certify that

invoiced amounts are commensurate with the value of the work accomplished, and Seller shall note "Final Invoice" on the final billing documents sent to Buyer. These actions are necessary to ensure proper closeout of this Order.

17. 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. The term "suspect/counterfeit parts" also includes 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 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. 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. 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 provision in all subcontracts under this Order.

18. CONFLICT MINERALS DISCLOSURE. [\(back to top\)](#)

Pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and its implementing regulations, Buyer is required to identify the presence and source of Conflict Minerals (gold, tantalum, tin or tungsten) contained in Buyer's manufactured products.

Buyer has implemented a comprehensive Conflict Minerals compliance program, which includes posting relevant information for suppliers at this website: <http://www.huntingtoningalls.com/who-we-are/ethics-compliance/conflict-minerals/>. It is a requirement of this Order that Seller shall be familiar with this information and make all reasonable efforts to assist Buyer in identifying the presence and source of Conflict Minerals contained in the products sold by Seller to Buyer, as described further below.

- A. As of the time of award of this Order, Seller represents that:
- (i) The Product(s) Seller will be supplying under this Order do not contain (a) gold or (b) tantalum, tin, or tungsten (derivatives of columbite-tantalite (coltan), cassiterite, and wolframite); or
 - (ii) Alternatively, if the Product(s) contain gold, tantalum, tin, or tungsten, Seller agrees to provide the Buyer one of the following completed forms prior to delivery of the Product(s):
 - a. The Global E-Sustainability Initiative Conflict Minerals Reporting Template ("GeSI CMRT") available at <http://www.conflictreesourcing.org/conflict-minerals-reporting-template/>, with "Product" selected under the "Declaration Scope or Class" field;
 - b. Written documentation about the source of Conflict Minerals in the Product(s) that provides substantively similar information to that requested by the GeSI CMRT.
- B. Any GeSI CMRT provided pursuant to paragraph A(ii) above shall be submitted on the web platform of Buyer's conflict minerals data vendor, Source Intelligence. If Seller has previously registered with Source Intelligence, Seller may use its existing username and password at www.sourceintelligence.net. If Seller is not registered, instructions may be obtained by emailing hii@sourceintelligence.com or by calling toll free in the United States 1-855-207-8015. Any questions regarding this requirement should be addressed to the authorized purchasing representative of Buyer listed on the face of this Order.
- C. If the status of any Product(s) changes during performance of this Order so that the representation or information provided pursuant to paragraph A of this provision is no longer accurate, then Seller must within 30 days complete and submit updated, accurate and current information as provided in paragraph B above.
- D. If Buyer determines that any representation made by Seller pursuant to this provision is inaccurate or incomplete in any respect, or Seller fails to timely submit the information required by this provision, then Buyer may, at its option, either withhold up to 10% of the Order price until such information is provided or terminate this Order pursuant to the provision of this Order titled "Termination for Default."

19. 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>.

20. 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; and
 - (ii) Conform to all requirements of this Order.
- 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 provision, 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(ii) of this provision. 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 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 Buyer's authorized purchasing representative describing the deficiency and Seller's plan to remedy the deficiency. For the purposes of this paragraph G, a deficiency occurs when Seller's Product fails to meet any of the performance obligations set forth in paragraph A of this provision. Seller's notice shall in no way affect the rights and remedies of Buyer.
 - H. Nothing herein shall relieve Seller of its liability for latent defects, fraud or such gross mistakes amounting to fraud, regardless of when such defects or deficiencies are discovered. 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.

21. CHANGES. ([back to top](#))

- A. Buyer, may at any time by written order make changes within the general scope of this Order including but not limited to the following items:
 - (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.

22. EQUITABLE ADJUSTMENTS; WAIVER AND RELEASE OF CLAIMS. [\(back to top\)](#)

Whenever Seller, after receipt of a change made pursuant to the "CHANGES" clause or after assertion of a constructive change under the "NOTIFICATION OF CHANGES" clause, submits any claim for equitable adjustment under the foregoing, such claim shall include all types of adjustments in the total amounts to which the foregoing entitle Seller, including but not limited to adjustments arising out of delays or disruptions or both caused by such change. In support of any Seller request for equitable adjustment brought under the "CHANGES" clause or any other clause of this Order, Seller shall provide Buyer sufficient detail to reasonably support Seller's proposal for a request for equitable adjustment or which Buyer's customer should require in evaluating such request. Further, Seller agrees that, if required by Buyer, it will execute a release, in form and substance satisfactory to Buyer, as part of the supplemental agreement providing an equitable adjustment. Failure of Seller and Buyer to agree on any proposed adjustment or change claimed by Seller shall not excuse Seller from diligently proceeding with performance of this Order.

23. TERMINATION FOR DEFAULT. [\(back to top\)](#)

- A. Buyer may terminate this Order in whole or in part at any time 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. Refund of Payments. Seller shall, upon termination by Buyer due to default by Seller, return any payments Seller received under this Order for the terminated work.
- C. If, after a default termination, it is determined that 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 Buyer.
- D. 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 in equity or otherwise provided under this Order.

24. 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" clause 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 paragraph F, which shall be Seller's sole remedy for such disputes. Except as otherwise provided in paragraph F, all other disputes between Buyer and Seller will be resolved in accordance with paragraph 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" clause 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, 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 subparagraph F(i) of this provision. Seller shall bear the cost of prosecuting appeals brought pursuant to subparagraph 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, Buyer's parent and affiliates and their respective directors, officers, and employees (collectively, for the purposes of this subparagraph, "Buyer") from and against any and all liabilities, claims, losses, and expenses arising out 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, its employees, subcontractors or agents in connection with such claim; or
 - (c) a defect in Seller's certification.Seller shall, at its own cost, defend Buyer against such claims, losses, and liabilities, and, it shall pay Buyer's reasonable attorney fees and expenses, related to carrying out and enforcing the terms of this subparagraph, as those costs are incurred. Buyer has the right to conduct such defenses if it so chooses.
- (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.

25. 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.
- B. Seller shall also maintain, at its sole cost and expense, Employer Liability insurance in the amount of \$1,000,000.
- C. 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 a certificate of insurance (COI). COIs are only required to be submitted for the following:
 - (i) 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 Comprehensive General Liability Insurance and Workers' Compensation insurance.
 - (ii) Whenever performance requires driving onto a U.S. 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 automobile insurance coverage with a Combined Single Limit \$2,000,000 bodily injury and property damage covering all owned, hired and non- owned vehicles.
 - (iii) Seller shall maintain appropriate coverage under the Longshore and Harbor Workers' Compensation Act if any Seller employee will be within the production environment on the premises of Buyer.

- (iv) Seller shall maintain Defense Base Act Workers' Compensation if work is being performed on a U.S. military base on foreign soil.
 - (v) Whenever Seller provides design and/or engineering services, Seller shall, in addition to the other applicable insurance noted herein and at its sole cost and expense, procure and maintain professional liability (errors and omissions) insurance coverage in the minimum limits of \$1,000,000.
 - (vi) When the Order invokes milestone payments Seller shall, at its sole cost and expense, procure and maintain Comprehensive General Liability Insurance and Workers' Compensation insurance.
 - (vii) When the Order includes ship-in-place terms, Seller shall, at its sole cost and expense, procure and maintain Comprehensive General Liability Insurance and Workers' Compensation insurance.
 - (viii) When, as part of the Order, Buyer provides Seller material, Seller shall, at its sole cost and expense, procure and maintain Comprehensive General Liability Insurance and Workers' Compensation insurance.
 - (ix) When the Order is for transportation, handling and/or disposal of asbestos, radiological or any other hazardous waste, material or substances, Seller shall, at its sole cost and expense, procure and maintain Comprehensive General Liability Insurance and Workers' Compensation insurance.
 - (x) When the Order is for tugs and ship towing services, ship pilots or crews, Seller shall, at its sole cost and expense, procure and maintain Marine Liability Insurance, Workers' Compensation insurance, and appropriate coverage under the Longshore and Harbor Workers' Compensation Act.
 - (xi) When the Order is for facility construction/renovation projects or excavation services, Seller shall, at its sole cost and expense, procure and maintain Comprehensive General Liability Insurance and Workers' Compensation insurance. Builders Risk Insurance is also required.
- D. When Comprehensive General Liability is required it shall have at a minimum Combined Single Limit of \$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.
- E. For Orders stated in subparagraph (C) where a COI is required for Comprehensive General Liability and/or Automotive Liability, insurance coverage shall name Buyer as an additional insured.
- F. 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.
- G. 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 requirements for Comprehensive General Liability only.
- H. For Orders issued by the Newport News Shipbuilding division, when evidence of a COI is required, the Parties mutually agree that Buyer's third party insurance compliance provider, Avetta, LLC, is hereby authorized on behalf of Buyer to request, acquire and audit Certificates of Insurance in accordance with this provision's insurance requirements. In connection therewith, Seller shall take all steps necessary to register and maintain an active account with Avetta at the following website: <http://pages.avetta.com/Newport-News-Shipbuilding.html>.

- I. For Orders issued by the Newport News Shipbuilding division, renewal insurance certificates, if applicable, shall be provided to Avetta at least 15 days prior to the expiration date of the insurance under each required coverage.

26. 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.
- C. 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.
- D. Seller shall immediately discharge any lien, other than a lien held by Buyer or the Government on Buyer- or Government-furnished property.
- E. 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.

27. REPRESENTATIONS AND CERTIFICATIONS. ([back to top](#))

- A. As of the time of award of this Order, Seller represents and warrants that:
 - (i) Seller has submitted to Buyer Form SBF P9152, Huntington Ingalls Incorporated Supplier Data & Certifications, which is incorporated herein by reference;
 - (ii) Seller's information disclosed on SBF P9152 is current, accurate and complete;
 - (iii) Neither Seller nor any of its principals is debarred, suspended, or proposed for debarment by the Government.
- B. If Seller's information as disclosed in the SBF P9152 has changed, Seller shall complete and submit to Buyer revised SBF P9152 prior to acceptance of this Order.
- C. If Seller's information as disclosed on the SBF P9152 changes during performance of this Order, Seller shall complete and submit to Buyer a revised SBF P9152.

28. 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.
- 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. In making copies of Proprietary Information, Seller will preserve any legend, marking, or stamp contained on the Proprietary Information that identifies the data as Buyer's Proprietary Information. Unless otherwise provided in this Order, Seller further agrees to affix the following legend "Huntington Ingalls Industries Proprietary" on:
- (i) all improvements, modifications, and derivations of Proprietary Information; and
 - (ii) any Proprietary Information extracted from Buyer's computer systems or otherwise provided by Buyer to Seller if not already marked.
- C. Seller may disclose Proprietary Information to its subcontractors as required for the performance of this Order, provided each such subcontractor first assumes by written agreement the same obligations imposed on Seller under this Order relating to Buyer's Proprietary Information.
 - D. If a separate proprietary information or non-disclosure agreement relating to the subject matter of this Order exists between the Parties, all data, knowledge and information furnished by one Party to the other Party shall be protected pursuant to such proprietary information or non-disclosure agreement.
 - E. If no separate proprietary information or non-disclosure agreement exists between the Parties, Seller will keep Buyer's Proprietary Information confidential and, except as provided herein, (i) not disclose such Proprietary Information to any other person except to its officers, agents and employees who are under an obligation to keep such Proprietary Information confidential and have a need to know such Proprietary Information to fulfill Seller's obligation under this Order, and (ii) treat such Proprietary Information with the same degree of care as Seller uses in handling its own proprietary or confidential information and – in all events – with not less than reasonable care. 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 in writing.
 - F. Unless otherwise provided in DFARS 252.227-7013 or 252.227-7014 or 252.227-7015 or 252.227-7016, or in FAR 52.227-14 or 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.
 - G. Upon discovery by Seller of any inadvertent or accidental disclosure of Buyer's Proprietary Information, Seller shall notify Buyer promptly and take all commercially reasonable steps to retrieve such disclosed Proprietary Information and to cease and prevent any further disclosure of the Proprietary Information.

29. 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 harmless Buyer, Buyer's parent and affiliates and their respective officers, directors, employees, and customers ("Indemnified Parties") from and against any and all liabilities, claims, losses and expenses arising out of any allegation of patent, copyright, or trademark infringement or allegation of trade secret misappropriation (collectively or individually, "Claim") resulting 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. Seller shall, at its own cost, defend Buyer against such Claims, and, it shall pay Buyer's reasonable attorney fees and expenses, related to carrying out and enforcing the terms of this provision, as those costs are incurred. Buyer has the right to conduct such defenses if it so chooses.

- 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.

30. COMPUTER SOFTWARE AND DATABASES. ([back to top](#))

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.

31. 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.

32. MARKING REQUIREMENTS. [\(back to top\)](#)

Seller shall place the following statement on documents containing technical data controlled by either the Arms Export Control Act or the Export Administration Act: "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.

33. 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 U.S. immigration status.
- B. Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued thereunder.
- C. Foreign Personnel/Persons. Seller shall not give any Foreign Person (including Seller's own non-U.S. 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 paragraph C shall relieve Seller of its obligations to comply with paragraph B of this provision or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph B, nor constitute consent for Seller to violate any requirement of the Export Laws and Regulations.
- D. Indemnification. Seller shall indemnify and hold harmless Buyer, Buyer's parent and affiliates and their respective officers, directors, and employees from and against any and all liabilities, claims losses, and expenses arising out of the failure of Seller, its employees, subcontractors, or agents to comply with the requirements of this provision and breach of the warranty set forth in paragraph A. Seller shall, at its own cost, defend Buyer against such claims, losses, and liabilities, and, it shall pay Buyer's reasonable attorney fees and expenses, related to carrying out and enforcing the terms of this provision, as those costs are incurred. Buyer has the right to conduct such defenses if it so chooses. 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.
- E. Subcontracts. The substance of this provision shall be incorporated into any lower-tier subcontract entered into by Seller for the performance of any part of the work under this Order.

34. INFORMATION SECURITY. [\(back to top\)](#)

- A. Seller shall implement administrative, physical and technical safeguards to adequately protect Buyer-provided information ("Buyer Information") in accordance with any law, regulation or contractual obligations applicable to such information. For Buyer Information stored in an

- electronic database or transmitted electronically, Seller shall comply with any Buyer-specified safeguards set forth in this Order, or if no such safeguards are specified herein, Seller's safeguards shall be no less rigorous than the Center for Internet Security's CIS Controls™, found at <https://www.cisecurity.org/controls/>.
- B. If Seller becomes aware of any compromise of Buyer Information (an "Incident"), Seller shall take appropriate immediate actions to investigate and contain the Incident and any associated risks, including notification to Buyer within seventy-two (72) hours after learning of the Incident. As used in this clause, "compromise" means that information has been exposed to unauthorized access, inadvertent disclosure, known misuse, loss, destruction, or alteration other than as required to perform this Order.
 - C. Upon request, Seller shall provide reasonable assurances to Buyer of compliance with the requirements of this provision, and reasonable cooperation in connection with an investigation regarding the nature and scope of any Incident. Any costs incurred by Buyer or Seller in investigating or remedying Incidents shall be borne by Seller.
 - D. All Buyer Information shall be encrypted (i) if transmitted externally by Seller via any electronic network, or (ii) during electronic storage if potentially accessible by any electronic network external to Seller or otherwise by non-authorized users.
 - E. This provision is intended to set forth minimum information security requirements and does not alter, change or supersede any more stringent information security requirements found in other contractual obligations agreed to between the parties.

35. 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.

36. HAZARDOUS MATERIALS. ([back to top](#))

Seller's obligations and requirements with respect to hazardous materials, including obligations to communicate with Buyer, are defined as follows in this provision. Neither the requirements of this provision, nor any act or failure to act by Buyer, shall relieve Seller of any responsibility or liability for the safety of any person or property, or of any obligation to comply with the applicable Federal, State, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous materials.

"*Hazardous material*" means any material defined as hazardous under the latest version of Federal Standard No. 313 as maintained by the General Services Administration (GSA) <https://www.gsa.gov/portal/content/101201>.

A. Safety Data Sheets (SDS):

Seller shall not provide any hazardous materials or products containing hazardous materials unless Buyer has approved the Safety Data Sheet (SDS) for the product. SDS provided by Seller shall meet requirements of the United States Occupational Safety and Health Administration (OSHA) Hazard Communication Standard and be in the 16 section format of the United Nations Globally Harmonized System of Classification and Labeling of Chemicals (GHS) format as required by 29 CFR 1910.1200(g). **Placement of this Order does not constitute approval. If no SDS was approved prior to Order placement, then no hazardous material may be delivered to the Buyer unless and until the Buyer approves the SDS.**

If at any time during performance of this Order, there is a change in the composition of the products or a revision to Federal Standard No. 313, which renders incomplete or inaccurate the submitted SDS, Seller shall promptly notify the Buyer and resubmit the SDS.

Shipments of hazardous materials or products containing hazardous materials shall have a copy of most recent SDS securely attached to external packaging. If Seller later determines that the SDS secured to the external packaging does not match the products delivered, Seller must immediately notify Buyer.

Seller must ensure that the most current SDS for its product has been provided to Buyer's technical authority and that the SDS provided to Buyer's technical authority matches the subsequent hazardous material shipping documents. Seller shall notify the Buyer and obtain Buyer's approval prior to shipment if the SDS for a shipment is different than the SDS previously provided for the same product.

Delay to Buyer's receipt of shipment and any transportation costs due to return of product for reasons of an unapproved, inconsistent or incomplete SDS/MSDS are at Seller's expense. Repeated non-compliance will result in the Seller being removed from the list of approved NNS suppliers.

B. Prohibited Hazardous Materials:

Except as agreed to in writing by the Buyer, or as specified in this Order (e.g., an industry specification or assembly drawing that specifies chromium steel), the hazardous material constituents in Prohibited Hazardous Materials Table shall not be included in or come in direct contact with any products furnished under this order. The products furnished under this Order include all ingredients in such products (e.g., newly formulated coatings) and all materials of construction in such product, including sub-component materials (e.g., batteries, circuit boards), applied coatings, applied primers, lubricants, adhesives, and any other consumables that remain on the delivered product. A hazardous material constituent that is an impurity, i.e., a trace amount that is not an ingredient and does not contribute to the function or usefulness of the product, is excluded from these requirements.

Prohibited Hazardous Materials Table		
Asbestos	Lead & Lead Compounds	Beryllium and Beryllium Compounds
Barium & Barium Compounds, including Barium Sulfate	Mercury & Mercury Compounds	Methylene Chloride
Brass and Bronze w/ >1% Lead	Ozone Depleting Substances (ODS) Class 1	Arsenic & Arsenic Compounds in Coatings
Boron Trifluoride	Polychlorinated Biphenyls (PCBs)	Benzene in Coatings
Cadmium & Cadmium Compounds	Selenium & Selenium Compounds	Organometallic Compounds in Coatings
Chromium & Chromium Compounds	Silver & Silver Compounds	

Seller may use "readily available information" to determine whether the product furnished under this order includes or has come in direct contact with the hazardous material constituents

identified in Prohibited Hazardous Materials Table. "Readily available information" sources include:

- (i) Actual knowledge or process knowledge
- (ii) SDS
- (iii) Technical data sheets
- (iv) Manufacturing data

Except as specified in this order, chemical analysis, testing, monitoring or certification is not required to determine whether the product includes or has come in direct contact with the hazardous material constituents identified in the Prohibited Hazardous Materials Table. At Buyer's request, Seller's "readily available information" shall be made available to the Buyer's technical authority.

C. Additional Notifications Required by Seller Relating to Materials Identified in the Prohibited Hazardous Materials Table:

The Seller shall obtain approval from Buyer's technical authority via the Vendor Information Request (VIR) or similar process as applicable to this order in the following circumstances:

- (i) If there is a change to the product involving the hazardous material constituents identified in the Prohibited Hazardous Materials Table, including the addition, deletion, or change in the type, concentration, usage, or location of a hazardous material constituent.
- (ii) If the Seller becomes aware that the product to be delivered under this Order includes or has come in direct contact with any of the hazardous material constituents identified in the Prohibited Hazardous Materials Table, based on "readily available information."
- (iii) If the product specifications allow for an alternative that includes a hazardous material constituent identified in the Prohibited Hazardous Materials Table and the Seller desires to select such alternative. The VIR shall include in form NN9168 or similar document a description of the new or changed information, the source of the "readily available information," and how to physically distinguish between the old and new product (serial numbers, model numbers, physical appearance, etc.).

D. Services on Site:

Buyer will not accept or manage hazardous materials unless otherwise specified in this Order. In no event shall title to hazardous material pass to the Buyer. The Seller shall be responsible for the cost of proper management of hazardous material and hazardous waste that results from the Work. Unless otherwise specified in their Order, all hazardous waste that arises out of or results from any work on Buyer's property shall be provided to the Buyer's collection area in accordance with site rules. Hazardous waste that arises out of or results from any work on Buyer's customer's property will be handled in accordance with site rules. Upon request Seller shall submit to Buyer upon work completion a summary report which shall detail all waste generated at Buyer's or Buyer's customer's property.

Buyer shall not be liable for any personal injury, disease or death, loss or damage, or any claim of any party, including, but not limited to the Contractor's employees or agents, in any way arising out of or resulting from any exposure or claimed exposure to any hazardous or toxic material (for example, without limitation, asbestos) that is present at the work site.

E. Additional Prohibitions:

- (i) PROHIBITION OF YELLOW WRAPPINGS OR PROTECTION DEVICES. Seller shall not use yellow wrapping material or attached yellow protection devices such as caps or plugs.

- (ii) BRASS AND COPPER BLACK OXIDE COATED THREADED FASTENER PROHIBITION. Seller shall not use brass or copper black oxide coated threaded fasteners when installing or replacing threaded fasteners in the accomplishment of any work required by this Order.

37. INDEMNIFICATION - THIRD PARTY CLAIMS. [\(back to top\)](#)

Seller shall indemnify and hold harmless Buyer, Buyer's parent and affiliates, and their respective directors, officers, and employees (collectively, for the purposes of this provision, "Buyer"), from and against any and all liabilities, claims, losses, and expenses, arising from the acts and omissions of Seller, its employees, subcontractors, or agents, in their performance of this Order, except where Buyer is solely negligent. Seller shall, at its own cost, defend Buyer against such claims, losses, and liabilities, and, it shall pay Buyer's reasonable attorneys' fees, and expenses, related to carrying out and enforcing the terms of this provision, as those costs are incurred. Buyer has the right to conduct such defenses if it so chooses.

38. INDEMNIFICATION - GOVERNMENT REQUIREMENTS. [\(back to top\)](#)

In addition to any other remedies provided for in this Order, Seller shall indemnify and hold harmless Buyer, Buyer's parent and affiliates, and their respective officers, directors, and employees (collectively, for the purposes of this provision, "Buyer") from and against any and all liabilities, claims, losses and expenses arising out of the failure of Seller, its employees, subcontractors or agents, 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 Truthful Cost and Pricing Data (TCPD) certification made by Buyer to the Government;
 - (ii) In the negotiation of this Order or any modifications thereto; or
- C. To comply with any other laws, regulations or ordinances.
- D. Seller shall, at its own cost, defend Buyer against such claims, losses, and liabilities, and, it shall pay Buyer's reasonable attorney fees and expenses, related to carrying out and enforcing the terms of this provision, as those costs are incurred. Buyer has the right to conduct such defenses if it so chooses.

39. 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, inability of the Government to pay prime contractor timely, 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.

40. 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.

41. 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 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.

42. 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.

43. 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 the Huntington Ingalls Incorporated facility issuing this Order, as identified in the Order, 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:

- A. United States District Court for the Eastern District of Virginia or Newport News Circuit Court for orders issued by Huntington Ingalls Incorporated-Newport News Shipbuilding division.
- B. United States District Court for the Southern District of Mississippi or the Circuit Court of Jackson County, Mississippi for orders issued by Huntington Ingalls Incorporated-Ingalls Shipbuilding division.

44. BUSINESS CONDUCT. ([back to top](#))

Buyer has implemented a comprehensive Ethics and Business Conduct Program, which includes a "Supplier Code of Conduct," or expectations that Buyer holds for its suppliers. The "Supplier Code of Conduct" is available at this website: <http://www.huntingtoningalls.com/wp-content/uploads/2016/07/ethicsba.pdf>. Commensurate with the size and nature of Seller's business, Buyer expects Seller to have management systems in place to support compliance with laws, regulations, and the expectations related to or addressed expressly within the Supplier Code of Conduct. In the event of a violation of any of the expectations set forth in the Supplier Code of Conduct, Buyer may pursue corrective actions to remedy the situation, up to and including termination of this Order.

45. CONTINUING TERMS AND SEVERABILITY. ([back to top](#))

The "Proprietary Information," "Suspect/Counterfeit Parts," "Indemnification – Government Requirements," "Indemnification – Third Party Claims," "Patent, Trademark, Trade Secret, And Copyright Indemnity," "Release of Information and Advertising," and "Warranty" provisions and the indemnification provisions contained in the "Disputes," and "Export And Import Compliance," provisions 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.

46. 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.

47. BANKRUPTCY. [\(back to top\)](#)

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

48. 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.

49. EQUAL EMPLOYMENT OPPORTUNITIES. [\(back to top\)](#)

Buyer, Seller and Seller's subcontractors shall abide by the requirements of the following laws, which are incorporated herein by reference: the EEO Clause of Executive Order 11246, at 41 CFR § 60-1.4(a) (including the pay transparency nondiscrimination clause), the EEO Clause for protected veterans at 41 CFR § 60-300.5(a), the EEO Clause for individuals with disabilities at 41 CFR § 60-741.5(a), and the Notice Clause of Executive Order 13496 regarding Employee Rights under the National Labor Relations Act (NLRA). Among other things, these regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. For additional obligations that may apply to purchases of \$50,000 or more, including the annual affirmative action plan (AAP) requirement, the annual EEO-1 Report, and the annual VETS-4212 Report, please see 41 CFR §§ 60-1.7, 60-1.12, 60-2.1, 60-300.10, and 29 CFR §2602.7. Also, note that you may be covered by the minimum wage obligations of Executive Order 13658 and/or Executive Order 13706, establishing Paid Sick Leave for federal contractors. As required by federal regulation, the parties reiterate that:

This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5 (a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

50. 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 Truthful Cost and Pricing Data (referred to as “TCPD,” and formerly known as TINA) threshold at \$750,000; Simplified Acquisition Threshold (SAT) at \$150,000; and Micro Purchase Threshold at \$3,500.
- D. Whenever the FAR or DFARS 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” in this Order.
- E. The full text of a clause may be accessed electronically at <http://farsite.hill.af.mil>.

FAR CLAUSES/PROVISIONS		
CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
52.202-1	Definitions <i>(“solicitation” means the Buyer’s customer’s solicitation under which the Order is issued)</i>	(Nov 2013)
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 <i>(applies to Orders over Simplified Acquisition Threshold (SAT)) (ALT I applies to commercial items)</i>	(Sep 2006)
52.203-7*	Anti-Kickback Procedures <i>(except subparagraph (c)(1)) (applies to Orders over \$150,000)</i>	(May 2014)
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	(May 2014)
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	(May 2014)
52.203-12*	Limitation on Payments to Influence Certain Federal Transactions <i>(applies to Orders over \$150,000)</i>	(Oct 2010)

FAR CLAUSES/PROVISIONS		
CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
52.203-13*	Contractor Code of Business Ethics and Conduct <i>(applies to Orders over \$5.5 Million 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>	(Oct 2015)
52.203-14*	Display of Hotline Poster(s) <i>(applies to Orders over \$5.5 million except for commercial items or Orders performed entirely outside United States)</i>	(Oct 2015)
52.203-15*	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 <i>(applies to ARRA funded Orders only)</i>	(Jun 2010)
52.203-16*	Preventing Personal Conflicts of Interest <i>(applicable only to orders that exceed \$150,000 and in which subcontractor employees will perform "acquisition functions closely associated with inherently governmental functions")</i>	(Dec 2011)
52.203-19*	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements	(Jan 2017)
52.204-2*	Security Requirements <i>(applies to Orders that involve access to classified information, delete paragraph (c))</i>	(Aug 1996)
52.204-4	Printed or Copied Double-Sided on Postconsumer Fiber Content Paper <i>(applies to Orders requiring delivery of paper documents, such as offers, letters or reports)</i>	(May 2011)
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 <i>(unless already provided, Seller shall provide Buyer with the information contained in subparagraph (d)(2) and (d)(3) as applicable; no other terms of the clause apply)</i>	(Oct 2018)
52.204-21*	Basic Safeguarding of Covered Contractor Information Systems <i>(applies to Orders (including those for acquisition of commercial items, other than commercially available off-the-shelf items), in which the Seller may have "Federal contract information," as that term is defined in paragraph (a) of this clause, residing in or transiting through its information system.)</i>	(Jun 2016)
52.204-23*	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities	(Jun 2018)
52.209-6*	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment <i>(applies to Orders over \$35,000 for other than commercially available off-the-shelf items)</i>	(Oct 2015)
52.211-5	Material Requirements <i>(the clause's requirement that Contracting Officer approval be obtained before using "surplus property" applies also to residual inventory resulting from terminated Government contracts or purchase orders awarded thereunder)</i>	(Aug 2000)
52.211-15*	Defense Priority and Allocation Requirement	(Apr 2008)

FAR CLAUSES/PROVISIONS		
CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
52.215-2*	Audit and Records -- Negotiation <i>(applies to Orders over the SAT)</i>	(Oct 2010)
52.215-10	Price Reduction for Defective Certified Cost or Pricing Data <i>(applies only to Orders when it is contemplated that certified cost or pricing data will be required)</i>	(Aug 2011)
52.215-11	Price Reduction for Defective Certified Cost or Pricing Data – Modifications <i>(applies to Orders if it is contemplated that certified cost or pricing data will be required for the pricing of contract modifications)</i>	(Aug 2011)
52.215-12*	Subcontractor Certified Cost or Pricing Data <i>(applies to Orders over the TCPD threshold)</i>	(Oct 2010)
52.215-13*	Subcontractor Certified Cost or Pricing Data – Modifications <i>(applies to Orders over the TCPD threshold)</i>	(Oct 2010)
52.215-14*	Integrity of Unit Prices and Alt I (Oct 1997) <i>(applies to Orders over the SAT, delete paragraph(b))</i>	(Oct 2010)
52.215-15*	Pension Adjustments and Asset Reversions <i>(applies to Orders over the TCPD threshold)</i>	(Oct 2010)
52.215-18*	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions <i>(applies to Orders over the TCPD threshold)</i>	(Jul 2005)
52.215-19*	Notification of Ownership Changes <i>(applies to Orders over the TCPD threshold)</i>	(Oct 1997)
52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data – Modifications	(Oct 2010)
52.215-22	Limitations on Pass-Through Charges – Identification of Subcontract Effort	(Oct 2009)
52.215-23*	Limitations on Pass-Through Charges <i>(applies to Cost Reimbursable Orders over the TCPD threshold and Fixed Price Orders over the TCPD threshold unless the Order meets an exception at FAR 15.408(n)(2)(i)(B)(2))</i>	(Oct 2009)
52.219-8*	Utilization of Small Business Concerns	(Oct 2018)
52.219-9*	Small Business Subcontracting Plan and Alt II (Nov 2016) <i>(applies to Orders over \$700,000 except commercial items and small businesses)</i>	(Jan 2017)
52.222-1	Notice to the Government of Labor Disputes	(Feb 1997)
52.222-4*	Contract Work Hours and Safety Standards - Overtime Compensation	(May 2018)
52.222-19	Child Labor - Cooperation with Authorities and Remedies <i>(except paragraph (a))</i>	(Jan 2018)
52.222-20	Contracts for Materials, Supplies, Articles and Equipment Exceeding \$15,000 <i>(applies to Orders over \$15,000)</i>	(May 2014)
52.222-21*	Prohibition of Segregated Facilities	(Apr 2015)
52.222-24	Preaward On-Site Equal Opportunity Compliance Evaluation <i>(applies to Orders over \$10 million)</i>	(Feb 1999)
52.222-26*	Equal Opportunity	(Sep 2016)
52.222-35*	Equal Opportunity for Veterans <i>(applies to Orders of \$150,000 or more)</i>	(Oct 2015)
52.222-36*	Equal Opportunity for Workers With Disabilities <i>(applies to Orders over \$15,000)</i>	(Jul 2014)

FAR CLAUSES/PROVISIONS		
CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
52.222-37*	Employment Reports on Veterans <i>(applies to Orders of \$150,000 or more)</i>	(Feb 2016)
52.222-39	Notification of Employee Rights Concerning Payment of Union Dues or Fees <i>(applies to Orders of \$150,000 or more)</i>	(Dec 2004)
52.222-40*	Notification of Employee Rights Under the National Labor Relations Act <i>(applies to Orders over \$10,000)</i>	(Dec 2010)
52.222-50*	Combating Trafficking in Persons	(Mar 2015)
52.222-54*	Employment Eligibility Verification <i>(orders for services over \$3,500 for work performed in the United States)</i>	(Oct 2015)
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)
52.223-9	Estimate of Percentage of Recovered Material Content for EPA Designated Items	(May 2008)
52.223-11	Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons	(Jun 2016)
52.223-12	Maintenance, Service, Repair or Disposal of Refrigeration Equipment and Air Conditioners	(Jun 2016)
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*	Encouraging Contractor Policies to Ban Text Messaging While Driving <i>(applies to Orders over micro-purchase threshold)</i>	(Aug 2011)
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)</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 or are likely to 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>	(Jul 2014)
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 <i>(applies to negotiated Orders over \$750,000 with CAS covered Sellers, except paragraph "(b)")</i>	(Oct 2015)
52.230-3*	Disclosure and Consistency of Cost Accounting Practices <i>(applies to negotiated Orders over \$750,000 with CAS covered Sellers, except paragraph "(b)")</i>	(Oct 2015)
52.230-6*	Administration of Cost Accounting Standards <i>(applies to Orders over \$700,000 with CAS covered sellers)</i>	(Jun 2010)

FAR CLAUSES/PROVISIONS		
CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
52.232-17	Interest	(May 2014)
52.232-39	Unenforceability of Unauthorized Obligations	(Jun 2013)
52.232-40*	Providing Accelerated Payments to Small Business Subcontractors <i>(applies only to Orders with small business concerns)</i>	(Dec 2013)
52.234-1*	Industrial Resources Developed Under Title III, Defense Production Act	(Sep 2016)
52.236-13*	Accident Prevention	(Nov 1991)
52.242-5	Payments to Small Business Subcontractors <i>(applies to Orders over \$700,000 except commercial items and small businesses)</i>	(Jan 2017)
52.242-14	Suspension of Work <i>(change 20 days to 10 days)</i>	(Apr 1984)
52.243-7	Notification of Changes <i>(insert "five (5)" in paragraph (b))</i>	(Jan 2017)
52.244-6*	Subcontracts for Commercial Items	(Jan 2019)
52.245-1	Government Property & Alt I (Aug 2010) <i>(excluding any warranty of suitability/serviceability contained in paragraph (d)(2) and (d)(2)(iii))</i>	(Jan 2017)
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 "1 year" to "six months.")</i>	(Apr 2012)
52.249-6	Termination (Cost-Reimbursement) <i>(except that paragraph "(d)" is changed from "120" to "60" and paragraph (f) is changed from "1 year" to "six months," and except that all references to default are deleted) (cost-reimbursement Orders only) (for Time and Material orders use Alt. IV)</i>	(May 2004)

DFARS CLAUSES/PROVISIONS		
CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
252.203-7001*	Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies <i>(applies to Orders over the SAT except commercial items)</i>	(Dec 2008)
252.203-7002*	Requirement to Inform Employees of Whistleblower Rights	(Apr 2014)
252.203-7003	Agency Office of the Inspector General	(Dec 2012)
252.203-7004*	Display of Hotline Posters <i>(applies to Orders over \$5.5 million except Orders for commercial items)</i>	(Oct 2016)
252.204-7000*	Disclosure of Information	(Dec 1991)
252.204-7012*	Safeguarding Covered Defense Information and Cyber Incident Reporting <i>(applies if covered defense information is provided to, or delivered by, Seller under this Order; Seller shall also provide Buyer with any reports it receives from lower tier subcontractors pursuant to this clause)</i>	(Oct 2016)

DFARS CLAUSES/PROVISIONS		
CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
252.204-7015*	Notice of Authorized Disclosure of Information for Litigation Support	(May 2016)
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)
252.211-7003*	Item Unique Identification and Valuation <i>(applies to Orders when any item is listed as requiring unique item identification)</i>	(Mar 2016)
252.211-7006	Passive Radio Frequency Identification	(Mar 2018)
252.211-7007	Reporting of Government-Furnished Property	(Aug 2012)
252.215-7000	Pricing Adjustments <i>(applies when it is contemplated that Cost or Pricing Data will be required)</i>	(Dec 2012)
252.219-7003	Small Business Subcontracting Plan (DoD Contracts) <i>(supplements FAR 52.219-9 above)</i>	(Apr 2018)
252.219-7004	Small Business Subcontracting Plan (Test Program) <i>(applies to subcontracts expected to exceed \$700,000 for subcontractors that participate in the Test Program described in DFARS 219.702-70)</i>	(Apr 2018)
252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements <i>(applies to Orders over \$1 million, 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)
252.223-7006*	Prohibition on Storage, Treatment, and Disposal of Toxic or Hazardous Materials—Basic <i>(applies only when performing work on a DoD facility)</i>	(Sep 2014)
252.223-7008*	Prohibition of Hexavalent Chromium <i>(applies to subcontracts for supplies, maintenance and repair services, or construction materials)</i>	(Jun 2013)
252.225-7001	Buy American and Balance of Payments Program	(Dec 2017)
252.225-7002	Qualifying Country Sources as Subcontractors	(Dec 2017)
252.225-7004	Report of Intended Performance Outside the United States and Canada – Submission After Award <i>(Reporting obligation applies to Seller only for Orders over \$700,000 that could be performed in United States or Canada but could be)</i>	(Oct 2015)
252.225-7007*	Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies <i>(applies to Orders for items covered by the United States Munitions List and 600 series of the Commerce Control List)</i>	(Dec 2018)
252.225-7008	Restriction on Acquisition of Specialty Metals	(Mar 2013)
252.225-7009*	Restriction on Acquisition of Certain Articles Containing Specialty Metals <i>(except paragraphs (d) and (e)(1); Sellers utilizing the minimal content exception in paragraph (c)(6) shall submit a “Good Faith Estimate” on a form designated by Buyer)</i>	(Oct 2014)
252.225-7012	Preference for Certain Domestic Commodities	(Dec 2017)
252.225-7013*	Duty-Free Entry	(May 2016)
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)

DFARS CLAUSES/PROVISIONS		
CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
252.225-7021	Trade Agreements	(Dec 2017)
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 million)</i>	(Apr 2003)
252.225-7038	Restriction on Acquisition of Air Circuit Breakers	(Dec 2018)
252.225-7043	Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States	(Jun 2015)
252.225-7048*	Export-Controlled Items	(Jun 2013)
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 & Alt II (Mar 2011) <i>(applies only to technical data any portion of which was developed in any part at Government expense)</i>	(Feb 2014)
252.227-7014*	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation <i>(applies only to computer software or computer software documentation any portion of which was developed in any part at Government expense)</i>	(Feb 2014)
252.227-7015*	Technical Data – Commercial Items & Alt. I (Dec 2011) <i>(applicable to Orders calling for the delivery of technical data for commercial items developed in any part at private expense)</i>	(Feb 2014)
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>	(Sep 2011)
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked With Restrictive Legends	(May 2013)
252.227-7026	Deferred Delivery of Technical Data or Computer Software <i>(applicable only to Orders that require the delivery of technical data or computer software)</i>	(Apr 1988)
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	(Jun 2013)
252.227-7038*	Patent Rights—Ownership by the Contractor (Large Business) <i>(applies to Orders for experimental, developmental, or research work)</i>	(Jun 2012)
252.227-7039	Patents - Reporting of Subject Inventions	(Apr 1990)
252.231-7000	Supplemental Cost Principles	(Dec 1991)
252.234-7004*	Cost and Software Data Reporting System—Basic <i>(applies to Orders over \$50 million)</i>	(Nov 2014)
252.235-7003*	Frequency Authorization – Basic <i>(applies to Orders requiring radio frequency authorization)</i>	(Mar 2014)
252.236-7013*	Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers <i>(applies only to steel being procured as a construction material with funds appropriated by Title I of the Military Construction and Veterans Affairs Appropriations Act, 2009 (Pub. L. 110-329, Division E))</i>	(Jan 2009)

DFARS CLAUSES/PROVISIONS		
CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
252.237-7010*	Prohibition on Interrogation of Detainees by Contractor Personnel <i>(applies only if subcontractor personnel may interact with detainees in the course of their duties)</i>	(Nov 2010)
252.237-7019*	Training for Contractor Personnel Interacting with Detainees <i>(applies only if subcontractor personnel may interact with detainees in the course of their duties)</i>	(Sep 2006)
252.239-7000	Protection Against Compromising Emanations	(Jun 2004)
252.239-7016*	Telecommunications 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)
252.243-7002	Requests for Equitable Adjustment	(Dec 2012)
252.244-7000*	Subcontracts for Commercial Items and Commercial Components (DoD Contracts) <i>(supplements FAR 52.244-6)</i>	(Jun 2013)
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>	(Dec 2017)
252.245-7003	Contractor Property Management System Administration	(Apr 2012)
252.245-7004	Reporting, Reutilization, and Disposal <i>(Seller shall provide inventory disposal schedules to Buyer)</i>	(Dec 2017)
252.246-7001	Warranty Of Data–Basic	(Mar 2014)
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>	(Jun 2013)
252.246-7007*	Contractor Counterfeit Electronic Part Detection and Avoidance System <i>(excluding the introductory text and including only paragraphs (a) through (e)) (applicable only where the Order requires delivery of electronic parts or assemblies containing electronic parts)</i>	(Aug 2016)
252.246-7008*	Sources of Electronic Parts <i>(applies to Orders for electronic parts or assemblies containing electronic parts, unless Seller is the original manufacturer)</i>	(May 2018)
252.247-7023*	Transportation of Supplies by Sea - Basic <i>(applies to Orders over the SAT; below the SAT only paragraphs (a) through (e), and paragraph (i), apply)</i>	(Feb 2019)
252.249-7002	Notification of Anticipated Contract Termination or Reduction <i>(applies to Orders at or above \$700,000; delete paragraph (d)(1) and the first five words of paragraph (d)(2))</i>	(Oct 2015)

* Denotes mandatory flow down where applicable.

51. FLOW DOWN PROVISION. [\(back to top\)](#)

Buyer has indicated that certain provisions and FAR/DFARS clauses are required to be included in Seller's subcontracts with its lower tier subcontractors. That a clause or provision is not identified as

a mandatory flow down, however, does not relieve Seller of its obligation to include the clause in lower tier subcontracts when required to satisfy Seller's contractual obligations under this Order.

52. OBSOLESCENCE. [\(back to top\)](#)

If during the performance of this Order Seller becomes aware that any equipment, assemblies, subassemblies, parts, components or items sold under this Order will be going out of production or will no longer be commercially available Sellers shall notify the Buyer of such obsolescence. Seller shall specifically identify those items by name or title, part number(s), function, and name and location of manufacturer.

53. AMENDMENTS REQUIRED BY PRIME CONTRACT. [\(back to top\)](#)

Buyer may modify these general provisions to add or delete any provisions that are not reflected in the applicable Prime Contract or in subsequent amendments to the Prime Contract. Accordingly, Seller agrees that upon the request of Buyer it will negotiate in good faith with Buyer relative to modifications to this Order to incorporate additional provisions herein or to change provisions hereof, as Buyer may reasonably deem necessary in order to comply with the provisions of the applicable Prime Contract or with the provisions of amendments to such Prime Contract. If any such modification to this Order causes a material increase or decrease in the cost of, or the time required for, performance of any part of the work under this Order, an equitable adjustment shall be processed pursuant to the "Changes" clause of this Order.

54. ADDITIVE MANUFACTURING (A.K.A., 3D PRINTING). [\(back to top\)](#)

Seller shall provide advance written notice to Buyer and obtain Buyer's written approval if it intends to provide any additively manufactured parts or supplies that include additively manufactured parts under this Order. Seller shall flow down the substance of this clause to its suppliers under this Order.

55. NON-SOLICITATION. [\(back to top\)](#)

- A. During the term of this Order and for twelve (12) months after termination of this Order, Seller shall not solicit, or attempt to solicit, for employment any technical or professional employee of Buyer who has been assigned to work on this Order. This subsection does not preclude discussions of employment if Buyer's employee initiates the conversation or responds to a public solicitation.
- B. The Parties agree that no adequate remedy at law exists for violations of this section and this section may be enforced by any equitable remedy, including specific performance and injunction, without limiting Buyer's right to obtain such relief as may be available at law.

56. CYBERSECURITY. [\(back to top\)](#)

Buyer has implemented a Supply Chain Cybersecurity Compliance and Risk Mitigation Program (SC3RMP) to help assess and appropriately mitigate cybersecurity risks, raise awareness, and develop proportionate and effective defenses of and across Buyer's suppliers. A critical element of SC3RMP is Buyer's use of Exostar's Partner Information Manager Tool (PIM), which provides a secure platform to report the status of a company's compliance with DFARS 252.204-7012, and more specifically the security requirements of NIST SP 800-171. Upon request of Buyer, Seller agrees to register and maintain an active account with Exostar PIM (located at <https://my.exostar.com/pages/viewpage.action?pagelId=12125152>) and to complete the Exostar PIM cybersecurity questionnaire. Seller also agrees to provide Buyer with information reasonably required by Buyer to assess and address any cybersecurity risks identified by SC3RMP.

**ADDITIONAL PROVISIONS FOR ORDERS ISSUED PURSUANT TO THE
LPD 30 DETAIL DESIGN AND CONSTRUCTION PRIME CONTRACT NO. N00024-
18-C-2406**

INGALLS SHIPBUILDING DIVISION SUPPLEMENT

(This document is to be used in conjunction with Huntington Ingalls Incorporated form SBF P9328, GENERAL PROVISIONS FOR ORDERS UNDER U.S. GOVERNMENT CONTRACTS, or form SBF P9482, GENERAL PROVISIONS FOR ORDERS FOR COMMERCIAL ITEMS ACQUIRED UNDER U.S. GOVERNMENT CONTRACTS, for Orders issued by the Ingalls Shipbuilding division.)

PROVISION NUMBER AND HEADING

2	<u>ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE</u>
3	<u>ACCESS TO VESSELS BY NON-U.S. CITIZENS</u>
21	<u>ADJUSTMENTS RELATING TO DEFECTS</u>
4	<u>ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS</u>
10	<u>CALIBRATION SYSTEM REQUIREMENTS</u>
14	<u>COST OF QUALITY DATA</u>
20	<u>DELIVERY OF SELLER DATA</u>
5	<u>DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING</u>
6	<u>EXTENSION OF COMMERCIAL WARRANTY</u>
23	<u>FAR/DFARS - PROVISIONS INCORPORATED BY REFERENCE</u>
11	<u>INSPECTION AND TEST RECORDS</u>
12	<u>LIAISON PERSONNEL</u>
15	<u>LOGISTIC SUPPORT REQUIREMENT</u>
9	<u>MARKING AND PACKING LIST(S)</u>
16	<u>TERMINATION FOR CONVENIENCE</u>
18	<u>PERMITS AND RESPONSIBILITIES</u>
7	<u>PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS</u>
19	<u>REQUIREMENTS FOR AIR CIRCUIT BREAKERS IN NAVAL VESSELS</u>
13	<u>QUALIFICATION OF SELLER NONDESTRUCTIVE TESTING (NDT) PERSONNEL</u>
1	<u>REFUNDS (SPARES AND SUPPORT EQUIPMENT)</u>
22	<u>STANDARDIZATION</u>
17	<u>SUSPENSION OF WORK</u>
8	<u>WARRANTY PERIOD</u>

1. REFUNDS (SPARES AND SUPPORT EQUIPMENT). [\(back to top\)](#)

- A. In the event that the price of a spare part or item of support equipment delivered under this contract significantly exceeds its intrinsic value, the SELLER agrees to refund the difference. Refunds will only be made for the difference between the intrinsic value of the item at the time an agreement on price was reached and the contract price. Refunds will not be made to recoup the amount of cost decreases that occur over time due to productivity gains (beyond economic purchase quantity considerations) or changes in market conditions.
- B. For purpose of this clause, the intrinsic value of an item is defined as follows:
 - i. If the item is one that is sold or is substantially similar or functionally equivalent to one that is sold in substantial quantities to the general public, intrinsic value is the established catalog or market

price, plus the value of any unique requirements, including delivery terms, inspection, packaging, or labeling.

- ii. If there is no comparable item sold in substantial quantities to the general public, intrinsic value is defined as the price an individual would expect to pay for the item based upon an economic purchase quantity as defined in FAR 52.207-4, plus the value of any unique requirements, including delivery terms, inspection, packaging or labeling.
 - C. At any time up to two years after delivery of a spare part or item of support equipment, the BUYER may notify the SELLER that based on all information available at the time of the notice, the price of the part or item apparently exceeds its intrinsic value.
 - D. If notified in accordance with subparagraph C above, the SELLER agrees to enter into good faith negotiations with the BUYER to determine if, and in what amount, the BUYER is entitled to a refund.
 - E. If agreement pursuant to subparagraph D above cannot be reached, and the BUYER'S return of the new or unused item to the SELLER is practical, the BUYER, subject to the SELLER'S agreement, may elect to return the item to the SELLER. Upon return of the item to its original point of BUYER acceptance, the SELLER shall refund in full the price paid. If no agreement pursuant to subparagraph D above is reached, and return of the item by the BUYER is impractical, the BUYER may, issue a final decision on the matter, subject to the Disputes Clause.
 - F. The SELLER will make refunds, as required under this clause, in accordance with instructions from the BUYER.
 - G. The SELLER shall not be liable for a refund if the SELLER advised the BUYER in a timely manner that the price it would propose for a spare part or item of support equipment exceeded its intrinsic value, and with such advice, specified the estimated proposed price, the estimated intrinsic value and known alternative sources or items, if any, that can meet the requirements.
 - H. This clause does not apply to any spare parts or items of support equipment whose price is determined through adequate price competition. This clause also does not apply to any spare part or item of support equipment with a unit price in excess of \$100,000; or in excess of \$25,000 if the SELLER submitted, and certified the currency, accuracy and completeness of, cost or pricing data applicable to the item.
2. **ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE.** [\(back to top\)](#)
 - A. Performance under this Order may require that SELLER have access to technical data, computer software, or other sensitive data of another party who asserts that such data or software is proprietary. If access to such data or software is required or to be provided, SELLER shall enter into a written agreement with such party prior to gaining access to such data or software. The agreement shall address, at a minimum, (1) access to, and use of, the proprietary data or software exclusively for the purposes of performance of the work required by this contract, and (2) safeguards to protect such data or software from unauthorized use or disclosure for so long as the data or software remains proprietary. In addition, the agreement shall not impose any limitation upon the Government or its employees with respect to such data or software. A copy of the executed agreement shall be provided to the Government's Contracting Officer. Upon modification of the Prime Contract by the Government, Buyer may correspondingly unilaterally modify this Order to list those third parties with which SELLER has agreement(s).
 - B. SELLER agrees to: (1) indoctrinate its personnel who will have access to the data or software as to the restrictions under which access is granted; (2) not disclose the data or software to another party or other SELLER personnel except as authorized by the Contracting Officer; (3) not engage in any other action, venture, or employment wherein this information will be used, other than under this contract, in any manner inconsistent with the spirit and intent of this requirement; (4) not disclose the data or software to any other party, including, but not limited to, joint venture, affiliate, successor, or assign of SELLER; and (5) reproduce the restrictive stamp, marking, or legend on each use of the data or software whether in whole or in part.
 - C. The restrictions on use and disclosure of the data and software described above also apply to such information received from the Government through any means to which SELLER has access in the performance of this Order that contains proprietary or other restrictive markings.
 - D. SELLER agrees that it will promptly notify BUYER of any attempt by an individual, company, or Government representative not directly involved in the effort to be performed under this Order to gain access to such proprietary information. Such notification shall include the name and organization of the individual, company, or Government representative seeking access to such information.
 - E. SELLER shall include this requirement in subcontracts of any tier which involve access to information covered by subparagraph A, substituting "subcontractor" for "SELLER" where appropriate.
 - F. Compliance with this requirement is a material requirement of this Order.
3. **ACCESS TO VESSELS BY NON-U.S. CITIZENS.** [\(back to top\)](#)
 - A. No person not known to be a U.S. Citizen shall be eligible for access to naval vessels, work sites and adjacent areas when said vessels are under construction, conversion, overhaul, or repair, except upon a

- finding by COMNAVSEA or his designated representative that such access should be permitted in the best interest of the United States. SELLER shall establish procedures to comply with this requirement and NAVSEAINST 5510.2 C Change 2 dated 28 Feb 2017.
- B. If SELLER desires to employ non-U.S. citizens in the performance of work under this Order that requires access as specified in subparagraph A of this requirement, approval of the Contracting Officer under the Prime Contract must be obtained prior to access. To request such approval for non-U.S. citizens of friendly countries, SELLER shall submit to BUYER an Access Control Plan (ACP) that shall contain as a minimum the following information:
- i. Badge or Pass oriented identification, access, and movement control system for non-U.S. citizen employees with the badge or pass to be worn or displayed on outer garments at all times while on BUYER's facilities and when performing work aboard ship.
 1. Badges must be of such design and appearance that permits easy recognition to facilitate quick and positive identification and identifies the person as a non-U.S. citizen.
 2. Access authorization and limitations for the bearer must be clearly established and in accordance with applicable security regulation and instructions.
 3. A control system, which provides rigid accountability procedures for handling lost, damaged, forgotten or no longer required badges, must be established.
 4. A badge or pass check must be performed at all points of entry to the BUYER's facilities or by a site supervisor for work performed on vessels outside BUYER's plant.
 - ii. SELLER's plan for ascertaining citizenship and for screening employees for security risk.
 - iii. Data reflecting the number, nationality, and positions held by non-U.S. citizen employees, including procedures to update data as non-U.S. citizen employee data changes, and pass to cognizant CAO.
 - iv. SELLER's plan for ensuring subcontractor compliance with the provisions of the SELLER's ACP.
 - v. These conditions and controls are intended to serve as guidelines representing the minimum requirements of an acceptable ACP. They are not meant to restrict SELLER in any way from imposing additional controls necessary to tailor these requirements to a specific facility.
- C. To request approval for non-U.S. citizens of hostile and/or communist-controlled countries (Listed in Department of Defense Industrial Security Manual, COC 5220.22-M or available from cognizant CAO), SELLER shall include in the ACP the following employee data: name, place of birth, citizenship (if different from place of birth), date of entry to U.S., extenuating circumstances (if any) concerning immigration to U.S., number of years employed by SELLER, position, and stated intent concerning U.S. citizenship. COMNAVSEA or his designated representative will make individual determinations for desirability of access for above group. Neither approval of the ACP nor approval of access by non-U.S. citizens from friendly countries will be delayed awaiting approval of access by non-U.S. citizens from hostile communist-controlled countries. Until approval is received, SELLER must deny access to vessels for employees who are non-U.S. citizens.
- D. SELLER shall fully comply with approved ACPs. Noncompliance by SELLER or its subcontractors serves to cancel any authorization previously granted, in which case SELLER shall be precluded from the continued use of non-U.S. citizens on this Order until such time as the compliance with an approved ACP is demonstrated and upon a determination by the CAO that the Government's interests are protected. Further, the Government and BUYER reserve the right to cancel previously granted authority when such cancellation is determined to be in the Government's or BUYER's best interest. Use of non-U.S. citizens, without an approved ACP or specific approval for such non-U.S. citizen, or when a previous authorization has been canceled, will be considered a violation of security regulations. Upon confirmation by the CAO of such violation, this Order may be terminated for default.
- E. SELLER shall have full responsibility for the proper administration of the approved ACP for all work performed under this Order, regardless of the location of the vessel, and must ensure compliance by all of its subcontractors, technical representatives and other persons granted access to U.S. Navy vessels, adjacent areas, and work sites.
- F. In the event SELLER does not intend to employ non-U.S. citizens in the performance of the work under this Order, but has non-U.S. citizen employees, such employees must be precluded from access to the vessel and its work site and those shops where work on the vessel's equipment is being performed. The ACP must spell out how non-U.S. citizens are excluded from access to contract work areas.
- G. The same restriction as in paragraph (F) above applies to other than non-U.S. citizens who have access to the BUYER's facilities (e.g., for accomplishing facility improvements, from foreign crewed vessels within its facility, etc.), except that, with respect to access to the vessel and worksite, the restrictions shall not apply to uniformed U.S. Navy personnel who are non-U.S. citizens and who are either assigned to the ship or require access to the ship to perform their duties.
4. **ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS.** [\(back to top\)](#)
To the extent that National Stock Numbers (NSNs) or preliminary NSNs are assigned by the Government or BUYER for the identification of parts, pieces, items, subassemblies or assemblies to be furnished under this

Order, SELLER shall use such NSNs or preliminary NSNs in the preparation of provisioning lists, package labels, packing lists, shipping containers and shipping documents as required by applicable specifications, standards or Data Item Descriptions (DIDs) of this Order or as required by orders for spare and repair parts. BUYER shall be responsible for conveying to SELLER such NSNs or preliminary NSNs that may be assigned and that are not already in the possession of SELLER.

5. **DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING.** [\(back to top\)](#)
Attention of SELLER is directed to Public Law 91-596, approved December 29, 1970 (84 Stat. 1590, 29 USC 655) known as the "OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970" and to the "OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIPYARD EMPLOYMENT" promulgated thereunder by the Secretary of Labor (29 CFR 1910 and 1915). These regulations apply to all shipbuilding and related work, as defined in the regulations. Nothing contained in this Order shall be construed as relieving SELLER from any obligations that it may have for compliance with the aforesaid regulations.
6. **EXTENSION OF COMMERCIAL WARRANTY.** [\(back to top\)](#)
SELLER shall extend to BUYER and the Government the full coverage of any standard commercial warranty normally offered in a similar commercial sale, provided that such warranty is available at no additional cost to BUYER and the Government. SELLER shall provide a copy of the standard commercial warranty with the item. The standard commercial warranty period shall begin upon the final acceptance of the applicable Product. Acceptance of the standard commercial warranty does not waive the BUYER's or Government's rights under the "Inspection" clause, nor does it limit BUYER's rights with regard to other terms and conditions of this Order. In the event of a conflict, the terms and conditions of this Order shall take precedence over the standard commercial warranty.
7. **PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS.** [\(back to top\)](#)
- (a) The printing, duplication, and binding of all technical manuals, books, and other publications, and changes, amendments, and revisions thereto, including all copies and portions of such documents which are required to be prepared and furnished under this Order for review, approval or otherwise, shall be accomplished in accordance with the following:
- i. DOD Instruction 5330.03, Defense Logistics Agency (DLA) Document Services of February 8, 2006;
 - ii. Federal Acquisition Regulation (FAR) Subparts 8.8 and 17.5, as in effect on the date of the Prime Contract; and
 - iii. "Government Printing and Binding Regulations," published by the Joint Committee on Printing, Congress of the United States, as in effect on the date of the Prime Contract.
- (b) Publications and other printed or duplicated material which (1) are prepared and carried by equipment manufacturers for regular commercial sale or use, and (2) require no significant modification for military use or to meet the requirements of this Order, or (3) are normally supplied for commercial equipment, shall be provided by SELLER. Except for material falling within (1) through (3) of this paragraph, the printing of technical manuals, publications, changes, revisions, or amendments by the SELLER is prohibited.
- (c) SELLER shall have the printing and binding of final approved technical manuals, publications, changes, revisions and amendments thereto, as required under this Order (whether prepared by SELLER or a subcontractor), printed at Government expense by or through the DLA Document Services in the Naval District in which the Contractor is located, in accordance with the following general procedures:
- i. Prior to preparation of materials for printing (photolithographic negatives, camera-ready copies or digital media (CD/DVD) by SELLER or a subcontractor, SELLER shall make arrangements with the DLA Document Services and with the designated Contract Administration Office for printing and binding that shall include:
 1. Citation of Prime Contract number;
 2. Security classification of materials to be printed;
 3. Establishment of a schedule for printing, including estimated delivery date to DLA Document Services;
 4. Provisions for furnishing photolithographic negatives or camera-ready copies and art work in the proper sequence for printing;
 5. A check-off list to verify the printing sequence of test pages and foldouts in the form prescribed by DLA Document Services;
 6. Complete printing instructions, which shall specify colors, if required for specific pages, the trim size, including apron, if required, for each foldout/in or chart, or other unique requirements;
 7. Type of binding (side stitch, perfect bound, saddle stitch, glue bound, tape bound plastic comb/wire bound, loose leaf, screw posts, etc.); and

8. Other instructions, as applicable, such as packing instructions, banded, shrink pack, strap, binders, fill and seal cartons/boxes, inset padding of any type of envelope, water type packaging or other container quantity for each addressee, required delivery schedule, or delivery instructions. (SELLER shall provide an address list and addressed mailing labels for each addressee.)
 9. Special handling of classified materials from Confidential up to Top Secret requiring printing through DLA Document Services or the GPO are managed in accordance with DODD 5200.32. Contact the appropriate DLA Document Services location before delivering classified originals to ensure proper handling and disposition.
- ii. SELLER shall ship the complete set of photolithographic negatives, camera-ready copies or digital media (CD/DVD) required to be printed in accordance with the detailed procedures specified by DLA Document Services. All transportation charges are paid to DLA Document Services or a contract printer designated by DLA Document Services.
 - iii. For steam and electrical plant composite diagrams, SELLER shall provide an original Mylar print or digital media (CD/DVD) of the diagram to the DLA Document Services with a guide indicating the color of each line. DLA Document Services will prepare the color separation negatives for the composite diagram and return those to SELLER for editorial review. DLA Document Services will correct any errors and print the corrected composite diagram.
 - iv. DLA Document Services will furnish or provide for all supplies and services (including binders) which are necessary to accomplish the printing and binding.
 - v. DLA Document Services will pack and ship or provide for packing and shipping of the printed material to SELLER and the distribution list furnished by SELLER in accordance with the printing order, unless distribution by SELLER is otherwise required by the terms of this Order, the specifications, or otherwise, in which case the printed and bound publications will be returned to SELLER for distribution.
 - vi. DLA Document Services will pack and ship the material used for printing to the DLA Document Services, 4th Naval District (Philadelphia, PA), for storage.

(d) In establishing the schedule for printing,

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

<u>Printing Services</u>	<u>Minimum number of working days required by DLA Document</u>
Up to 200 Pages	30
201 pages to 400 pages inclusive	40
401 pages to 600 pages inclusive	50
601 pages and over	60

2. If DLA Document Services exceeds the delivery requirements established in accordance with subparagraph C(i)(3) for the item(s) specified, the time shall be extended by an equivalent number of working days, provided that SELLER requests such extensions, in writing, to the BUYER's Contracting Officer and submits with its request sufficient evidence to enable the BUYER's Contracting Officer to determine the validity of SELLER's request. If performance of all or part of the work under this Order is delayed or interrupted by said late shipment by DLA Document Services, and if the Government makes an adjustment to the Prime Contract pursuant to the "GOVERNMENT DELAY OF WORK" (FAR 52.242-17) clause of the Prime Contract, BUYER shall make an appropriate adjustment to this Order.
- E. SELLER shall not be responsible for the quality, or quality control, of printing performed by DLA Document Services or a printer under contract to DLA Document Services, and if the Government reimburses BUYER for any costs incurred on account of replacement of material lost or damaged by DLA Document Services or a printer under contract to DLA Document Services, BUYER will likewise reimburse SELLER.
 - F. The costs of printing, binding, packing and distribution by DLA Document Services of the publications and changes described herein (but not the costs of preparing photolithographic negatives, camera-ready copies and other materials for printing and the costs of transporting or shipping such materials to DLA Document Services or a contract printer designated by DLA Document Services shall be borne by BUYER on behalf of the Government.
 - G. BUYER agrees to cooperate with SELLER to ensure compliance with this clause.

8. **WARRANTY PERIOD.** [\(back to top\)](#)

Provision 20B of form SBF P9328 is hereby replaced in its entirety as follows:

B. The warranty period shall begin upon Buyer's acceptance of the Product and end 18 months after preliminary 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.

9. **MARKING AND PACKING LIST(S).** [\(back to top\)](#)

- A. Marking. Shipments, shipping containers and palletized unit loads shall be marked in accordance with best commercial practice.
- B. Packing List(s). A packing list (DD Form 250 Material Inspection and Receiving Report may be used) identifying the contents of each shipment, shipping container or palletized unit load shall be provided by SELLER with each shipment. When a contract line item identified under a single stock number includes an assortment of related items such as kit or set components, detached parts or accessories, installation hardware or material, the packing list(s) shall identify the assorted items. Where assortment of related items is included in the shipping container, a packing list identifying the contents shall be furnished.
- C. Master Packing List. In addition to the requirements in paragraph B above, a master packing list shall be prepared where more than one shipment, shipping container or palletized unit load comprise the contract line item being shipped. The master packing list shall be attached to the number one container and so identified.
- D. Part Identification. All items within the kit, set, installation hardware or material shall be suitably segregated and identified within the unit pack(s) or shipping container by part number and/or national stock number.

10. **CALIBRATION SYSTEM REQUIREMENTS.** [\(back to top\)](#)

The calibration of measuring and testing equipment shall, as a minimum, adhere to the requirements of ANSI/NCSL Z540.3-2006.

11. **INSPECTION AND TEST RECORDS.** [\(back to top\)](#)

Inspection and test records shall, as a minimum, indicate the nature of the observations, number of observations made, and the number and type of deficiencies found. Data included in inspection and test records shall be complete and accurate, and shall be used for trend analysis and to assess corrective action and effectiveness.

12. **LIAISON PERSONNEL.** [\(back to top\)](#)

The delivery of the Products in strict accordance with the specifications and delivery schedule is of paramount importance. To assure attainment of this requirement, the parties agree that BUYER may, at its option, assign representatives from Engineering, Manufacturing, Quality Assurance, Procurement, or other specialties as necessary as resident or itinerant representatives to be located at SELLER's plant. SELLER shall at no cost to BUYER, provide adequate office space and equipment for BUYER liaison personnel at its plant during the performance of this Order.

13. **QUALIFICATION OF SELLER NONDESTRUCTIVE TESTING (NDT) PERSONNEL.** [\(back to top\)](#)

Any NDT SELLER (as hereinafter defined) shall utilize for the performance of required Nondestructive Testing (NDT) (which includes radiography, magnetic particle, liquid penetrant, eddy current, ultrasonic inspections and visual inspections) shall utilize for the performance of required NDT, only Level I, II and III personnel currently certified in accordance with NAVSEA Technical Publication T9074-AS-GIB-010/271, Revision I of 11 September 2014. Documentation pertaining to the qualification and certification of NDT personnel shall be made available to Buyer and the Prime Contract Contracting Officer for review upon request. The term "NDT SELLER" is defined to be a first tier subcontractor performing NDT in conjunction with the production of materials, components, or equipments for the vessel(s).

14. **COST OF QUALITY DATA.** [\(back to top\)](#)

SELLER shall maintain and use quality cost data as a management element of its quality program. The specific quality cost data to be maintained and used shall include the costs associated with the prevention and correction of defects. Data on the cost of failures must include all labor and material costs of rework. These data shall, on request, be identified and made available for "on site" review by BUYER or the Government.

15. **LOGISTIC SUPPORT REQUIREMENT.** [\(back to top\)](#)

- A. This requirement applies whenever the contract specifications, by reference to a Military Specification or otherwise, specify repair parts or stock components (hereinafter called "repair parts") for a ship component or item of equipment.
 - B. With respect to ship components or equipments manufactured other than in the United States and Canada, SELLER agrees that, in addition to any other data required by this Order, it will furnish under this Order sufficient data so that the repair parts can be reproduced in the United States or Canada unless the suppliers of the ship components or equipments shall have made arrangements satisfactory to SELLER and approved by the BUYER and BUYER's Contracting Officer for the manufacturing of repair parts in the United States or Canada. For the purpose of this requirement, "sufficient data" shall mean detail drawings and other technical information sufficiently extensive in detail to show design, construction, dimensions, and operation or function, manufacturing methods or processes, treatment or chemical composition of materials, plant layout and tooling. All data shall be in the English language and according to the United States system of weights and measures, and drawings for components, assemblies, subassemblies and parts protected by U.S. patents shall contain a prominent notation to that effect fully identifying the patent or patents involved, and bearing the Prime Contract number.
 - C. In order to satisfy the requirements of paragraph (b) above, unless SELLER or SELLER's supplier of the ship components or equipments shall have made arrangements, satisfactory to SELLER and approved by the BUYER and BUYER's Contracting Officer, for the manufacture of such repair parts in the United States or Canada, SELLER and SELLER's subcontractors shall both provide and shall include in all subcontracts for the purchase of ship components or equipments from foreign sources this clause that hereby grants to the United States Government for a period of seven (7) years, "Government Purpose Rights" (as defined in paragraph (a)(13) of the clause of this Order entitled "RIGHTS IN TECHNICAL DATA – NONCOMMERCIAL ITEMS" (DFARS 252.227-7013)) in all technical data necessary to manufacture spare and repair parts for such components or equipments.
16. **TERMINATION FOR CONVENIENCE. [\(back to top\)](#)**
- A. Buyer may terminate this Order in whole or in part at any time for its sole convenience. Buyer will terminate by delivering to Seller a Notice of Termination specifying the extent of termination and the effective date. After receipt of a Notice of Termination, Seller shall immediately proceed with the following obligations:
 - (i) stop work as specified in the notice;
 - (ii) place no further subcontracts or orders (referred to as subcontracts in this clause); and
 - (iii) terminate all subcontracts to the extent they relate to the work terminated.
 - B. Buyer's sole obligation to Seller in the event of a termination for convenience shall be to pay Seller a percentage of the Order price corresponding with the percentage of the terminated work actually performed prior to the notice of termination, plus Seller's reasonable expenses incurred as a direct result of the termination. No amount will be allowed for anticipated profit on the terminated work. The amount paid shall be reduced by the reasonable resale or salvage value of any undelivered work or uncompleted work in progress. Seller shall submit to Buyer supporting documentation in sufficient detail to justify any termination payments requested from Buyer. Seller will not be paid for any work performed or costs incurred that could reasonably have been avoided.
17. **SUSPENSION OF WORK. [\(back to top\)](#)**
- Buyer may, by written notice, suspend work under this Order at any time. Upon receipt of such notice, Seller shall immediately comply with its terms and, during the work suspensions, take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the suspension notice. If the suspension of work ordered under this provision results in an increase in the time required for, or in Seller's cost properly allocable to the performance of any part of this Order, Buyer shall make an adjustment in the delivery schedule or Order price or both. Seller shall assert its right to an adjustment no later than 20 days after the work suspension is lifted.
18. **PERMITS AND RESPONSIBILITIES. [\(back to top\)](#)**
- SELLER shall, without additional expense to the BUYER or Government, be responsible for obtaining any necessary licenses and permits, and for complying with any applicable Federal, State, and Municipal laws, codes, and regulations, in connection with any movement over the public highways of overweight/overdimensional materials.
19. **REQUIREMENTS FOR AIR CIRCUIT BREAKERS IN NAVAL VESSELS. [\(back to top\)](#)**
- SELLER agrees that air circuit breakers for naval vessels provided under this purchase order shall be manufactured in the United States, Canada, or the United Kingdom.

20. DELIVERY OF SELLER DATA. ([back to top](#))

All drawings, procedures, manuals, forms, test reports, software (including software documentation) and other data that is required to be delivered under this Order ("SELLER Data") shall comply with the terms of this Order. SELLER Data shall be delivered to BUYER on or before the time specified in this Order, or if no time is specified, 45 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 a form and quality that is satisfactory to BUYER. 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.

21. ADJUSTMENTS RELATING TO DEFECTS. ([back to top](#))

Notwithstanding any term or condition of this Order to the contrary, Seller agrees to hold Buyer harmless from any and all liabilities, claims, losses, costs and expenses incurred by or charged to Buyer in connection with any defect in materials or workmanship (each, a "Defect") that requires processing of a specification waiver with the Government and/or results in any withholding or price adjustment under the Prime Contract. Buyer will notify Seller as soon as possible after receipt of notice of any kind from the Navy requiring a repair, correction or Prime Contract withhold or price adjustment relating directly to a Defect. Seller agrees to pay any invoice from Buyer to reimburse a Prime Contract price adjustment relating directly to such Defect within 10 business days of receipt. Should any repair or correction of such Defect be required, Seller agrees to promptly commence such repairs at its sole expense, and shall also reimburse Buyer for any work performed directly in support of Seller's repairs. If following any notice by Buyer under this paragraph Seller states or by its actions indicates its inability or unwillingness to comply, then Buyer shall proceed to accomplish the work by the most expeditious means available to it and to backcharge Seller for the cost of the required work. The parties agree that for any work performed by Buyer hereunder, 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.

22. STANDARDIZATION. ([back to top](#))

SELLER shall furnish and/or employ standard components/equipment in accordance with the requirements of this Order. To the maximum extent possible, SELLER shall utilize equipment and components identical to those of the previous LPD 17 SAN ANTONIO Class Ships. Where equipment or components are not reasonably available, SELLER shall select hull, mechanical, and electrical components for approval by Buyer in the following order: (1) common within the ship, (2) common for application within the LPD 17 Class, and (3) common with equipment/components currently installed in U.S. Navy ships. If at any time during the performance of this Order, should SELLER believe that the use of non-standard components/equipment is necessary or desirable, it shall notify BUYER immediately, in writing, including the reasons therefore and proposing any consideration that will flow to BUYER or the Government if authorization to use such supplies is granted; provided, however, that non-standard components/equipment shall not be furnished without the prior written approval of BUYER.

23. FAR/DFARS – PROVISIONS INCORPORATED BY REFERENCE. ([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, and supersede and replace all FAR and DFARS clauses incorporated by reference in the Section titled FAR/DFARS CLAUSES/PROVISIONS in BUYER's Form SBF P9328, General Provisions for Orders under U.S. Government Contracts, or Form SBF P9482, General Provisions For Orders For Commercial Items Acquired Under U.S. Government Contracts, as applicable.
- B. Unless the 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 Truthful Cost and Pricing Data (formerly known as TINA) threshold at \$2,000,000; Simplified Acquisition Threshold (SAT) at \$250,000; and Micro Purchase Threshold at \$10,000.
- D. Whenever the FAR or DFARS 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" in this Order.
- E. The full text of a clause may be accessed electronically at <http://farsite.hill.af.mil>.

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
FAR	Federal Acquisition Regulation	
52.202-1	Definitions (<i>“solicitation” means the Buyer’s customer’s solicitation under which the Order is issued</i>)	(Nov 2013)
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 (<i>applies to Orders over Simplified Acquisition Threshold (SAT)) (Alt 1 applies to commercial items)</i>)	(Sep 2006)
52.203-7*	Anti-Kickback Procedures (<i>applies to Orders over SAT) (Alt 1 applies to commercial items)</i>)	(May 2014)
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	(May 2014)
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	(May 2014)
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>)	(Oct 2015)
52.203-17	Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights (<i>applies to Orders over SAT</i>)	(Apr 2014)
52.204-2*	Security Requirements (<i>applies to Orders that involve access to classified information, delete para. (c)</i>)	(Aug 1996)
52.204-4	Printed or Coped Double-Sided on Postconsumer Fiber Content Paper	(May 2011)
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	(Oct 2016)
52.204-21	Basic Safeguarding of Covered Contractor Information Systems (<i>applies to Orders in which Seller may have Federal contract information residing in or transiting through its information system</i>)	(Jun 2016)
52.209-6*	Protecting the Government’s Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (<i>applies to Orders that exceed \$30,000, except COTS items</i>)	(Oct 2015)
52.211-5	Material Requirements	(Aug

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
		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)</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	(Aug 2011)
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	(Oct 2010)
52.215-14*	Integrity of Unit Prices and Alt I (Oct 1997) <i>(applies to Orders over the SAT, 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 Pensions <i>(applies to Orders over the TINA threshold)</i>	(Jul 2005)
52.215-19*	Notification of Ownership Changes	(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)
52.215-23*	Limitations on Pass-Through Charges <i>(applies to Orders over the TINA threshold) (ALT I)</i>	(Oct 2009)
52.219-8*	Utilization of Small Business Concerns <i>(applies to Orders over the SAT threshold except for personal services or performed entirely outside United States)</i>	(Nov 2016)
52.219-9*	Small Business Subcontracting Plan with Alt II (Nov 2016) <i>(applies to Orders over \$700,000 except commercial items and small businesses)</i>	(Jan 2017)
52.222-2	Payment of Overtime Premiums	(Jul 1990)
52.222-4*	Contract Work Hours and Safety Standards Act – Overtime Compensation	(May 2014)
52.222-19	Child Labor – Cooperation with Authorities and Remedies <i>(except paragraph (a))</i>	(Oct 2016)
52.222-20	Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000	(May 2014)
52.222-21*	Prohibition on Segregated Facilities	(Apr 2015)
52.222-26*	Equal Opportunity	(Sep 2016)
52.222-35*	Equal Opportunity for Veterans <i>(applies to Orders of \$100,000 or more)</i>	(Oct 2015)
52.222-36*	Affirmative Action for Workers with Disabilities <i>(applies to Orders over \$15,000)</i>	(Jul 2014)
52.222-37*	Employment Reports on Veterans <i>(applies to Orders of \$100,000 or more).</i>	(Feb 2016)

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
52.222-40*	Notification of Employee Rights Under the National Labor Relations Act	(Dec 2010)
52.222-50*	Combating Trafficking in Persons	(Mar 2015)
52.222-54*	Employment Eligibility Verification	(Oct 2015)
52.223-3	Hazardous Material Identification and Material Safety Data	(Jan 1997)
52.223-11	Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons	(Jun 2016)
52.223-12	Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners	(Jun 2016)
52.223-18*	Encouraging Contractor Policies to Ban Text Messaging While Driving	(Aug 2011)
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)
52.227-10*	Filing of Patent Applications – Classified Subject Matter <i>(applies to Orders that cover classified subject matters)</i>	(Dec 2007)
52.227-14	Rights in Data – General	(May 2014)
52.230-2*	Cost Accounting Standards (CAS) (Deviation 2018-O0012) <i>(applies to negotiated Orders over \$2,000,000 with CAS covered Sellers, except paragraph “(b)”)</i>	(Apr 2018)
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	(May 2014)
52.232-40*	Providing Accelerated Payments to Small Business Subcontractors <i>(applies to Orders issued to small business concerns)</i>	(Dec 2013)
52.234-1*	Industrial Resources Developed Under Defense Production Act Title III	(Sep 2016)
52.243-7	Notification of Changes (replace “thirty (30)” with “twenty (20)” in paragraphs (b) and (f)(2))	(Jan 2017)
52.242-15	Stop Work Order (Aug 1989) – Alternate I	(Apr 1984)
52.244-6*	Subcontracts for Commercial Items	(Nov 2017)
52.245-1	Government Property <i>(excluding any warranty of suitability/serviceability contained in para. (d)(2) and (d)(2)(iii))</i>	(Jan 2017)
52.247-63*	Preference for U.S. Flag Air Carriers	(Jun 2003)
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</i>	(Oct 2010)

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
	<i>paragraph (m) where “Government” shall mean “Government and/or Buyer.”)</i>	

DFARS	Defense Federal Acquisition Regulation Supplement	
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)
252.203-7002*	Requirement to Inform Employees of Whistleblower Rights	(Sep 2013)
252.203-7003	Agency Office of the Inspector General	(Dec 2012)
252.203-7004*	Display of Hotline Posters (<i>applies to Orders over \$5,500,000</i>)	(Oct 2016)
252.204-7000*	Disclosure of Information	(Oct 2016)
252.204-7012*	Safeguarding Covered Defense Information and Cyber Incident Reporting	(Oct 2016)
252.204-7015*	Notice of Authorized Disclosure of Information to Litigation Support Contractors	(May 2016)
252.211-7000*	Acquisition Streamlining (<i>applies to Orders over \$1,500,000</i>)	(Oct 2010)
252.211-7003*	Item Unique Identification and Valuation (<i>applies to Orders when any item is listed as requiring unique item identification</i>)	(Mar 2016)
252.211-7006	Passive Radio Frequency Identification	(Mar 2018)
252.211-7007	Reporting of Government-Furnished Property	(Aug 2012)
252.215-7000	Pricing Adjustments (<i>applies when it is contemplated that Cost or Pricing Data will be required</i>)	(Dec 2012)
252.219-7003	Small Business Subcontracting Plan (DoD Contracts) (Deviation 2018-O007) (<i>supplements FAR 52.219-9 above</i>)	(Apr 2018)
252.223-7008*	Prohibition of Hexavalent Chromium	(Jun 2013)
252.225-7001	Buy American Act and Balance Of Payments Program – Basic	(Dec 2017)
252.225-7002	Qualifying Country Sources as Subcontractors	(Dec 2017)
252.225-7004	Report of Intended Contract Performance Outside the United States and Canada – Submission After Award (<i>applies to Orders over \$700,000 and could be performed in United States or Canada</i>)	(Oct 2015)
252.225-7007*	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies	(Sep 2006)
252.225-7008	Restriction on Acquisition of Specialty Metals (except paragraph (d))	(Mar

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
		2013)
252.225-7009*	Restriction on Acquisition of Certain Articles Containing Specialty Metals <i>(except paragraph (d) and (e)(1); Sellers utilizing the minimal content exception in paragraph (c)(6) shall submit a “Good Faith Estimate” on a form designated by Buyer)</i>	(Oct 2014)
252.225-7012	Preference for Certain Domestic Commodities <i>(applies to Orders over the SAT threshold)</i>	(Dec 2017)
252.225-7013*	Duty-Free Entry – Basic	(May 2016)
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 – Basic	(Dec 2017)
252.225-7025*	Restriction on Acquisition of Forgings <i>(applies to forged items or items containing forged items)</i>	(Dec 2009)
252.225-7036	Buy American – Free Trade Agreement – Balance of Payments Program—Basic	(Dec 2017)
252.225-7038	Restriction on Acquisition of Air Circuit Breakers <i>(applies to Orders over the SAT)</i>	(Jun 2005)
252.225-7048*	Export-Controlled Items	(Jun 2013)
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 and Alt II (Mar 2011)	(Feb 2014)
252.227-7014*	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	(Feb 2014)
252.227-7015*	Technical Data—Commercial Items and Alt I (Dec 2011)	(Feb 2014)
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>	(Sep 2016)
252.225-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends	(May 2013)
252.227-7027	Deferred Ordering of Technical Data or Computer Software	(Apr 1988)
252.227-7037	Validation of Restrictive Markings on Technical Data	(Sep 2016)

CLAUSE NUMBER	CLAUSE NAME	CLAUSE DATE
252.227-7039	Patents – Reporting of Subject Inventions	(Apr 1990)
252.231-7000	Supplemental Cost Principles	(Dec 1991)
252.234-7004	Cost and Software Data Reporting System—Basic (<i>applies to Orders over \$50 million</i>)	(Nov 2014)
252.239-7001	Information Assurance Contractor Training and Certification	(Jan 2008)
252.243-7001	Pricing of Contract Modifications	(Dec 1991)
252.243-7002	Requests for Equitable Adjustment	(Dec 2012)
252.244-7000*	Subcontracts for Commercial Items (<i>supplements FAR 52.244-6</i>)	(Jun 2013)
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>)	(Dec 2017)
252.246-7001	Warranty Of Data	(Mar 2014)
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>)	(Jun 2013)
252.246-7007*	Contractor Counterfeit Electronic Part Detection and Avoidance System	(Aug 2016)
252.246-7008	Sources of Electronic Parts	(May 2018)
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>)	(Apr 2014)
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 \$700,000 or more when Seller is first-tier subcontractor or \$150,000 or more for lower-tier subcontractor</i>)	(Oct 2015)

* Denotes mandatory flow down where applicable.