**NATIONAL TECHNOLOGY AND ENGINEERING SOLUTIONS OF SANDIA, LLC (NTESS)**

**SF 6432-CR (05/01/2017)**

**SECTION II**

**STANDARD TERMS AND CONDITIONS FOR COST-REIMBURSEMENT SUBCONTRACTS**

**THE FOLLOWING CLAUSES APPLY TO THIS SUBCONTRACT AS INDICATED UNLESS SPECIFICALLY DELETED, OR EXCEPT TO THE EXTENT THEY ARE SPECIFICALLY IDENTIFIED AS BEING CHANGED, SUPPLEMENTED, OR AMENDED IN WRITING ISSUED BY THE SUBCONTRACTING PROFESSIONAL (SP). (CTRL+CLICK ON A LINK BELOW TO ADVANCE DIRECTLY TO THAT SECTION)**

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[**APPLY TO SUBCONTRACTS IF $25,000 OR MORE**](#_APPLY_TO_CONTRACTS_4)

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[**APPLY TO ALL SUBCONTACTS THAT MAY INVOLVE ACCESS TO CLASSIFIED INFORMATION OR MATERIAL**](#_APPLY_TO_ALL)

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[**APPLY TO ALL WORK PERFORMED ON A GOVERNMENT SITE UNDER THIS SUBCONTRACT**](#WORK_ON_GOVT_SITE)

[**APPLY TO SUBCONTRACTS TO BE PERFORMED ON A GOVERNMENT SITE WHEVEVER THE WORK (1) COULD RESULT IN POTENTIAL EXPOSURE TO: (A) RADIOACTIVE MATERIALS; (B) BERYLLIUM; OR (C) ASBESTOS OR (2) INVOLVES A RISK ASSOCIATED WITH CHRONIC OR ACUTE EXPOSURE TO TOXIC CHEMICALS OR SUBSTANCES OR OTHER HAZARDOUS MATERIALS THAT CAN CAUSE ADVERSE HEALTH IMPACTS, IN ACCORDANCE WITH 10CFR PART 851**](#_APPLY_TO_CONTRACTS_14)[**CERTIFICATE OF INSURANCE**](#_CERTIFICATE_OF_INSURANCE)

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[**SUBCONTRACTOR USE OF GOVERNMENT-OWNED VEHICLES**](#_CONTRACTOR_OR_SUBCONTRACTOR)

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# ACCEPTANCE OF TERMS AND CONDITIONS (Ts&Cs)

Subcontractor, by signing this subcontract, beginning performance, and/or delivering items or services ordered under this subcontract, agrees to comply with all the Ts&Cs and all specifications and other documents that this subcontract incorporated by reference or attachment. Sandia hereby objects to any Ts&Cs contained in any acknowledgment of this subcontract that are different from or in addition to those mentioned in this document. Failure of Sandia or Subcontractor to enforce any of the provisions of this subcontract shall not be construed as evidence to interpret the requirements of this subcontract, nor a waiver of any requirement, nor of the right of Sandia or Subcontractor to enforce each and every provision. All rights and obligations shall survive final performance of this subcontract.

# ALLOWABLE COSTS AND FEE

**(a)** Payment for allowable cost as hereinafter defined, and of fee, if any, shall constitute full and complete compensation for the performance of the work under this subcontract.

**(b)** The fee, if any, payable to the Subcontractor for the performance of the work under this subcontract is set forth in Section I. (c) "Allowable cost" of performing the work under this subcontract shall be the costs and expenses (less applicable income and other credits) that are actually incurred by the Subcontractor, are applicable and properly chargeable, either as directly incident or as allocable through appropriate distribution or apportionment, to the performance of the subcontract work in accordance with its terms, and are determined by the Subcontracting Professional (SP) to be allowable pursuant to this subcontract, including the additional provisions, if any, contained elsewhere in this subcontract relating to Advance Understanding on Particular Cost Items, and pursuant to Federal Acquisition Regulation (FAR) Part 31 as supplemented by Part 931 of the Department of Energy Regulations (DEAR) in effect on the effective date of this subcontract, subject to the following: (1) With respect to billing for indirect cost, Subcontractor shall bill for indirect cost at rates as close as possible to costs being experienced during subcontract performance. Subcontractor understands that subcontract overruns, due to under recovered indirect cost, may not be reimbursed by NTESS; and, over recoveries of indirect cost shall be payable upon demand, at any time, by the ~~SCR~~SP. Subcontractor may, with the SP’s approval, bill at predetermined overhead and general and administrative rates applied to bases agreed upon by any government agency, which are determined in

accordance with FAR Part 31 as supplemented by the DEAR in effect on the effective date of this subcontract; provided, however, that the Subcontractor shall adjust the indirect billing to conform to actual cost within sixty (60) days or the Subcontractor's normal monthly accounting cycle, whichever is earlier. (2) In the absence of predetermined overhead rates as provided for in subparagraph (1) above, if at any time prior to the final determination of costs hereunder there exists a rate or rates established by any government agency, based on audit of actual costs for the period of performance of the work hereunder or any substantial portion thereof, such rate or rates may, at the SP's option, be used (after adjustment by NTESS if deemed appropriate, to reflect the application of cost principles contained in this Allowable Costs Clause and the DEAR and FAR subparts referred to above) in determining allowable indirect costs hereunder. (3) In the absence of predetermined overhead rates as provided for in subparagraph (1) above and in the absence of a rate or rates acceptable to NTESS as provided for in subparagraph (2) above, indirect cost shall be determined in accordance with FAR Part 31, as supplemented by Part 931 of the DEAR by a NTESS audit. (4) No overtime premium costs, shift differential, holiday, or other premium pay for time worked on direct labor are authorized as direct charges to this subcontract except when paid for work: Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns, of production equipment, or occasional production bottlenecks of a sporadic nature; by indirect labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting; and in the performance of tests, industrial processes, laboratory procedures, loading or unloading of transportation media, and operations in flight or afloat, which are continuous in nature and cannot reasonably be interrupted or otherwise completed; or which will result in lower cost to NTESS. (5) As used in FAR Part 31 and DEAR 931 the words: "Contracting Officer" or "Field Office Manager" shall mean the SP, "Department of Energy/National Nuclear Security Administration (DOE/NNSA)" or "Sponsoring Agency" shall mean NTESS; "federal government" or "government," in connection with government agencies or government property, shall mean the United States of America.

# APPLICABLE LAW

The rights and obligations of the parties hereto shall be governed by this subcontract and construed in accordance with the law of the state of delivery, except for FAR- and FAR supplement clauses which shall be in accordance with federal law. The parties agree to jurisdiction in the Federal District Court, with venue in the district closest to the delivery point of the items or services giving rise to the claim. In the event the requirements for jurisdiction in Federal District Court are not present, such litigation shall be brought in the State Court closest to the delivery point of the items or services giving rise to the claim.

# ASSIGNMENT

Subcontractor shall not assign rights or obligations to third parties without the prior written consent of the SP. When the Subcontractor becomes aware that a change in its ownership has occurred, or is likely to occur, the Subcontractor shall notify the SP within 30 days. However, the Subcontractor may assign rights to be paid amounts due or to become due if the SP is promptly furnished an executed Assignment of Payments form. Administration of this subcontract may be transferred from NTESS to DOE/NNSA- or its designee, and in case of such transfer and notice thereof to the Subcontractor, NTESS shall have no further responsibilities hereunder.

# AUTHORIZED DISTRIBUTORS

Unless specifically authorized in this subcontract, in writing, the subcontractor shall only furnish items/components provided by authorized distributors and not independent distributors. Any item/components furnished from an independent distributor shall meet all OEM specifications and industry standards.

# BANKRUPTCY

If the Subcontractor enters into any proceeding relating to bankruptcy, it shall give written notice via certified mail to the SP responsible for this subcontract within five (5) days of initiation of the proceedings. The notification shall include the date on which the proceeding was filed, the identity and location of the court and a listing of the subcontract numbers for which final payment has not been made.

# CLAIM OF COSTS INCURRED

Subcontractor shall provide a claim of costs incurred (Electronic Cost Claim or “ECC”) to the NTESS Contract Audit Department annually within ninety (90) days after end of the subcontractor’s fiscal year. An ECC is prepared by the Subcontractor and provided to the Contract Audit Department in preparation for an audit of the costs incurred and claimed by the Subcontractor. It is used to compare and reconcile previously billed and paid amounts that are shown in NTESS’ accounting system. It also provides the Subcontractor with an additional opportunity to review previous billings to ensure there have not been omissions or errors. The ECC shall include all costs incurred on this subcontract during the fiscal year just ended. Additionally, an ECC shall be submitted for any adjustment to any previously reported cost for any prior year within 90 days of the date the adjustment is made. The Subcontractor may obtain templates and instructions for submission of the ECC from the Contract Audit Department upon request the following website: <http://www.sandia.gov/working_with_sandia/procurement/current_suppliers/contract_audit/>. With the agreement of the NTESS Auditor assigned to perform the audit, the Subcontractor may provide the required information in a different manner or format.

# DEFINITIONS

The following terms shall have the meanings set forth below for all purposes of this subcontract.

**(a)** **AUTHORIZED DISTRIBUTORS** – distributors who have contractual agreements with manufacturer to represent them in the sales of their parts.

**(b)** **SUBCONTRACT** means Purchase Order, Contract, Price Agreement, Ordering Agreement, or modifications thereof. (c) SUBCONTRACTOR means the person or organization that has entered into this subcontract to sell something to NTESS.

**(c)** **COMMERCIAL ITEM** means commercial items, commercial services, and commercial components as defined in FAR 52.202-1 Definitions.

**(d)** Independent distributors (often called brokers) – distributors who buy and sell parts (note: they have no contractual agreement with manufacturers and get parts where they can)

**(e)** **GOVERNMENT** means the United States of America and includes the U.S. Department of Energy/National Nuclear Security Agency (DOE/NNSA) or any duly authorized representative thereof.

**(f)** **NTESS** means National Technology and Engineering Solutions of Sandia, LLC, the management and operating contractor for the Sandia National Laboratories under Contract No. DE-NA0003525with DOE/NNSA.

**(g) SP** means Subcontracting Professional, the only person authorized to execute and/or administer this subcontractor for NTESS.

**(h)** **SDR** means Sandia Delegated Representative. The SP may delegate personnel as authorized representatives for such purposes as and to the extent specified in the delegation. Such delegation shall be in writing to the Subcontractor, and shall designate by name the personnel so delegated as authorized representatives. The SDR shall exercise no supervision over the Subcontractor's employees. THE SDR's AUTHORITY IS LIMITED SOLELY TO THE AUTHORITY ENUMERATED IN SUCH WRITTEN DELEGATION. THE SDR HAS NO AUTHORITY TO CHANGE ANY TERM OR CONDITION CONTAINED IN THIS SUBCONTRACT.

# DISPUTES

Subcontractor and NTESS agree to use the NTESS Acquisition Conflict Resolution Process set forth at <http://www.sandia.gov/working_with_sandia/procurement/current_suppliers/forms/policy/_assets/documents/sand2007_7107_P_AcquisitionConflict-res.pdf> for resolving any and all disputes arising from this subcontract. NTESS Acquisition Conflict Resolution Process available in “Policies” tab.

**ETHICAL CONDUCT**

The Subcontractor, including any officers, employees or lower tier subcontractors while engaged in work related to this subcontract shall:

* Comply with all applicable laws, regulations and the terms of the subcontract
* Conduct themselves with the highest degree of ethics, integrity and honesty
* Treat others with respect and dignity, and create an environment free from
* discrimination, harassment, threats, violence bullying, intimidating conduct or other similar behavior
* Promptly report violations to the NTESS Ethics Organization and the NTESS
* Procurement Policy and Compliance Department Manager

# EXCESS FREIGHT CHARGES

When NTESS pays any amounts for freight charges in connection with this subcontract, Subcontractor is responsible for and shall pay to NTESS the amount of any excess freight charges if the routing specified in writing by the Subcontracting Professional is not used. If the specified routing cannot be used, Subcontractor shall promptly notify the SP before shipment, and obtain new routing directions from the SP.

# EXCUSABLE DELAYS

**(a)** Except for defaults of subcontractors at any tier, the Subcontractor shall not be in default because of any failure to perform this subcontract under its terms if the failure arises from causes beyond the control and without the fault or negligence of the Subcontractor. Examples of these causes are (1) acts of God or of the public enemy, (2) acts of NTESS, (3) acts of the Government in either its sovereign or contractual capacity, (4) fires, (5) floods, (6) epidemics, (7) quarantine restrictions, (8) strikes, (9) freight embargoes, and (10) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of the Subcontractor. "Default" includes failure to make progress in the work so as to endanger performance.

**(b)** If the failure to perform is caused by the failure of a subcontractor at any tier to perform or make progress, and if the cause of the failure was beyond the control of both the Subcontractor and lower-tier subcontractor, and without the fault or negligence of either, the Subcontractor shall not be deemed to be in default, unless- (1) The subcontracted supplies or services were obtainable from other sources; (2) The SP ordered the Subcontractor in writing to purchase these supplies or services from the other source; and (3) The Subcontractor failed to comply reasonably with this order.

**(c)** Upon request of the Subcontractor, the SP shall ascertain the facts and extent of the failure. If the SP determines that any failure to perform results from one or more of the causes above, the delivery schedule shall be revised, subject to the rights of NTESS or the Government under the Termination Clause of this Subcontract.

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# EXPORT CONTROL

**(a)** Any item, technical data, or software furnished by NTESS in connection with this purchase order/subcontract is supplied for use in the United States only. Subcontractor agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 USC 2751 - 2794, including the International Traffic in Arms Regulation (ITAR), 22 CFR 120 - 130; the Export Administration Act, 50 USC app. 2401 - 2420, including the Export Administration Regulations (EAR), 15 CFR 730 - 774; the Atomic Energy Act of 1954, as amended (AEA) and including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Subcontractor agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under subcontract to Subcontractor or Subcontractor's lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception. Subcontractor shall immediately notify the SP if it transfers any export controlled item, data, or services to foreign persons. Diversion contrary to U.S. export laws and regulations is prohibited.

**(b)** Subcontractor shall immediately notify the SP if Subcontractor is, or becomes, listed in any Denied Parties List or if Subcontractor's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency. **(c)** If Subcontractor is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Subcontractor represents that it is registered with the Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR. The Subcontractor shall flow down the requirements of this clause to all subcontracts.

# EXTRAS AND VARIATION IN QUANTITY

Except as otherwise provided in this subcontract no payment for extras shall be made unless such extras and their prices have been authorized in writing by the SP. No variation in the quantity of any item called for by this subcontract will be accepted unless such variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified elsewhere in this subcontract.

# GOVERNMENT PROPERTY MATERIAL AND EQUIPMENT

Except as provided for in Section I, Subcontractor must list the government material/equipment Subcontractor will use in the performance of the Statement of Work (SOW) in this subcontract and provide details concerning its use. Identification, inspection, maintenance, protection, and disposition of government property shall conform with the policies and principles of FAR Part 45, 48 CFR (DEAR) 945, the Federal Property Management Regulations 41 CFR 101, the DOE Property Management Regulations 41 CFR 109, and DEAR 970.5245-1 Property.

# INDEPENDENT SUBCONTACTOR RELATIONSHIP

Subcontractor is an independent subcontractor in all its operations and activities related to this subcontract. The workers used by Subcontractor to perform Work under this Subcontract shall be Subcontractor's employees, agents or subcontractors, without any relation whatsoever to NTESS (b) Subcontractor shall be responsible for all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of Subcontractor, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Contract. (c) Subcontractor shall indemnify and hold harmless NTESS from and against any actual or alleged liability, loss, costs, damages, fees of attorneys, and other expenses which NTESS may sustain or incur in consequence of: (i) Subcontractor's failure to pay any employee for the Work rendered under this Subcontract, or (ii) any claims made by Subcontractor's personnel against NTESS. The Subcontractor shall flow down the requirements of this clause to any applicable subcontracts for services.

# INFORMATION SECURITY

Official Use Only (OUO) and NTESS Proprietary Information (NPI)

Subcontractor shall ensure NTESS information utilized in the performance of this subcontract is not used or disseminated for any other purpose. Subcontractor shall protect OUO and SPI information from unauthorized dissemination (e.g. to persons who do not require the information to perform work under this subcontract) and shall follow all requirements for OUO and SPI documents specified below. In addition, Subcontractor shall adhere to any Nondisclosure Agreement terms and conditions executed between Subcontractor and NTESS.  In the event of conflict between such Nondisclosure Agreement and any provisions contained herein, the Nondisclosure Agreement terms and conditions shall govern.

Definition: OUO and SPI information are unclassified with the potential to damage government, commercial or private interests if disseminated to persons who do not have a need-to-know the information.

1. Protection in Use: Precautions shall be taken by the subcontractor to prevent access to documents marked as containing OUO information by persons who do not require the information to perform their jobs or other DOE-authorized activities.
2. Protection in Storage: Documents marked as containing OUO information shall be stored in a locked room or other locked receptacle (e.g., a locked file cabinet, desk).
3. Reproduction: Documents marked as containing OUO information shall be reproduced to the minimum extent necessary in performance of the subcontract. All copies of NTESS OUO and NPI (including 3-D print prototypes) shall be protected, accessed, stored, marked, transmitted and destroyed in the same manner as the originals.
4. Destruction: Disks shall be overwritten using approved software and destroyed. Hard copy OUO or SPI documentation shall be destroyed by using an approved shredder (strips no more than ¼ inch wide).

# NOTICE OF POTENTIAL DELAY

Subcontractor shall strictly comply with the delivery requirements of this subcontract. Whenever the Subcontractor has knowledge of any actual or potential delay or threatened delay in the timely performance of this subcontract, the Subcontractor shall immediately give notice thereof, confirmed in writing, including all relevant information with respect thereto, to the SP.

**OPERATIONS SECURITY**

(a) Operations Security (OPSEC) as used herein means a process designed to disrupt or defeat the ability of foreign intelligence or other adversaries to exploit U.S. Department of Energy/National Nuclear Security Administration (DOE/NNSA) sensitive programs and activities (SP&A) or OPSEC Critical Information and to prevent the unauthorized disclosure of such information. OPSEC is meant to prevent the inadvertent release of critical information that our adversaries want to collect.

(b) Subcontractor agrees to participate in the U.S. Department of Energy OPSEC program defined in National Security Decision Directive 298, *National Operations Security Program*, and DOE O 471.6, *Information Security*, current version.  In addition to security requirements that may be contained elsewhere in the Purchase Order (POs) or subcontract, OPSEC requires the Subcontractor to:

i.  Use the OPSEC 5-step process to protect classified, sensitive unclassified, proprietary and critical information on NTESS POs, subcontracts, and all performance thereunder, to preclude the dissemination of such information except as provided for in Section II, Clause titled, "Release of Information."

ii.  NTESS critical information supporting Subcontractor operations must be shared solely by the supported NTESS organization with the subcontractor and critical information must be protected. The subcontractor should develop and keep up to date, its own critical information related to any NTESS subcontractor, especially when NTESS developed critical information is not available or provided. Critical information must be shared with all personnel working on the Subcontract, including support personnel, to ensure the personnel are aware and the information is to be protected from inadvertent release.

iii. Assure all Subcontract employees given access to NTESS’~~s~~ POs, subcontracts, and information concerning the performance of work thereunder, shall be made aware of the need to protect such documents and information. Ensure OPSEC risk management decisions are made by those who are responsible for mission accomplishment and implement OPSEC measures, if appropriate. This may mean contacting the responsible program manager at NTESS.

iv.  Notify the NTESS OPSEC Program Office by calling 505/844-OPSEC (6773) of any request for critical information for SP&A, critical information recommendations, or OPSEC implementation questions (roles and responsibilities, indicators, vulnerabilities, training, OPSEC plan, risk assessments, OPSEC awareness, definitions, etc.) on NTESS POs, and/or subcontracts not directly related to that needed for subcontract performance.

(c). References:

i. FSO Tool cart http://www.sandia.gov/FSO/

(d) Definitions:

i**.** Critical Information: Specific facts about friendly (e.g., U.S., DOE, Sandia National Laboratories) intentions, capabilities, or activities vitally needed by adversaries for them to plan and act effectively so as to guarantee failure or unacceptable consequences for accomplishment of friendly objectives.

ii. Critical Information List (CIL): is a compilation of critical information topics, generally organized by SP&A.

iii. OPSEC Measure: Anything that effectively negates or mitigates an adversary's ability to exploit vulnerabilities.

iv. Sensitive Programs and Activities (SP&A): Classified or unclassified facilities, materials, programs, operations, inquiries, investigations, research and development, exercises, tests, training, and other functions at SNL or its subcontractors, which, if disclosed, could reasonably be expected to adversely affect national security interests.

(e) Required Training:

The Subcontract shall complete any training that may be required, in the future, as a result of possible changes in the Security requirements, as directed by the SDR.

# ORDER OF PRECEDENCE

Any inconsistencies shall be resolved in accordance with the following descending order of precedence: (1) Signature Page, (2) Section I; (3) SF 6432-CR, Section II, (4) specifications, drawings, and other documents incorporated into the subcontract

# PAYMENT

**(a)** Payments on Account of Allowable Costs, once each month (or at more frequent intervals, if approved by the SP) the Subcontractor may submit to NTESS, Accounts Payable Department, in such form and reasonable detail as may be required by the SP, an invoice or voucher supported by a statement of costs incurred by the Subcontractor in the performance of this subcontract and claimed to constitute allowable costs. "Allowable costs" includes, but is not limited to, actual indirect rate cost experience during the period of performance unless Section I of this subcontract indicates otherwise. Promptly after receipt of each invoice or voucher NTESS shall, subject to the provisions of (b) below, make payment thereon in accordance with subcontract provisions. Payments will be made by electronic funds transfer. Payment shall be deemed to have been made as of the date on which an electronic funds transfer was made. Costs for items of Capital Property (48 CFR Part 45, 48 CFR 945, the Federal Property Management Regulations 41 CFR Chapter 101, the DOE Property Management Regulations 41 CFR Chapter 109,) if applicable, shall be separately listed in invoices. Discount time will be computed from the date the correct invoice or voucher is received in the office specified in the subcontract, or date of completion of work under this subcontract, whichever is later. Payment is deemed to be made, for the purpose of earning the discount, on the date on which electronic funds transfer was made NTESS may take subcontract or invoice prompt payment discount. Any travel outside the United States by Subcontractor personnel, in connection with work under this subcontract, requires advance written approval by the SP.

**(b)** Payments on Account of Fee, if any. The fee shall become due and payable in periodic installments in amounts based on the proportion of the work then completed as determined by the SP.

**(c)** Audit Adjustments. At any time or times prior to settlement under this subcontract the SP may have invoices or vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the SP, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices or vouchers.

**(d)** Completion Voucher. On receipt and approval of the invoice or voucher designated by the Subcontractor as the "completion invoice" or "completion voucher" and upon compliance by the Subcontractor with all the provisions of this subcontract (including, without limitation, the provisions relating to patents and provisions of (e) below) NTESS shall promptly pay to the Subcontractor any balance of allowable cost and fee. The completion invoice or voucher shall be submitted by the Subcontractor promptly following completion of the work under this subcontract but in no event later than sixty (60) days (unless the SP grants a further specific period of time) from the date of such completion. NTESS may, at its own discretion, perform an administrative close of subcontracts upon completion of the period of performance; such an action does not relieve either party of any rights or responsibilities with respect to final audit activities and settlements.

**(e)** Applicable Credits. The Subcontractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Subcontractor or any assignee under this subcontract shall be paid by the Subcontractor to NTESS to the extent that they are properly allocable to costs for which the Subcontractor has been reimbursed by NTESS under this subcontract. Reasonable expenses incurred by the Subcontractor for the purpose of securing such refunds, rebates, credits, or other amounts shall be allowable costs hereunder when approved by the SP.

**(f)** Financial Settlement. Prior to final payment under this subcontract, the Subcontractor and each assignee whose assignment is in effect at the time of final payment under this subcontract shall execute and deliver: (1) an assignment to NTESS in form and substance satisfactory to the SP of refunds, rebates, credits or other amounts (including any interest thereon) properly allocable to costs for which the Subcontractor has been reimbursed by NTESS under this subcontract; and (2) a release discharging NTESS and the government, their officers, agents and employees from all liabilities, obligations, and claims arising out of or under this subcontract, subject only to the following exceptions: (i) specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Subcontractor; (ii) claims, together with reasonable expenses incidental thereto, based upon liabilities of the Subcontractor to third parties arising out of performance of this subcontract; provided that such claims are not known to the Subcontractor on the date of the execution of the release; and provided further that the Subcontractor gives notice of such claims in writing to the SP not more than three (3) years after the date of the release or the date of any notice to the Subcontractor that NTESS is prepared to make final payment, whichever is earlier; and (iii) claims for reimbursement of costs (other than expenses of the Subcontractor by reason of any indemnification of NTESS or the government against patent liability), including reasonable expenses incidental thereto, incurred by the Subcontractor under the provisions of this subcontract relating to patents. The Subcontractor and each such assignee hereby agree that the failure to execute and deliver the aforesaid assignment and release within sixty (60) days of a written request therefore by NTESS shall be deemed to be and shall have the same effect as a release as set forth above in item (2), including a release of all claims set forth in sub-items (i)(iii) of such item (2).

**(g)** Payments. Payments may be made either by check or electronic funds transfer, at the option of NTESS. Payment shall be deemed to have been made as of the date of mailing or the date on which an electronic funds transfer was made.

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# PERFORMANCE EVALUATION PROGRAM

In keeping with NTESS'~~s~~ goals of continuous improvement, and promoting and creating an environment for superior Subcontractor performance, NTESS has established a collaborative feedback process through the Performance Evaluation Program. This program is intended to create an environment, which fosters dialog, provides feedback, and improves communication. Any subcontract awarded by NTESS is a candidate for evaluation under this program.

# PRICING OF SUBCONTRACT AND LOWER-TIER SUBCONTRACT MODIFICATIONS

The cost principles and procedures set forth in FAR Part 31 as modified by DEAR Part 931 shall be used to price subcontract and lower-tier modifications, if any, whenever cost analysis is performed to negotiate the price of any such modification.

# QUALITY ASSURANCE PROGRAM

If Section I of this subcontract includes Clause 109-QSP- Quality Significant Purchase, the Subcontractor shall have a Quality Assurance (QA) program which provides for control of activities affecting quality of the item(s) or service(s) specified in the Statement of Work (SOW) to an extent consistent with their importance. Such program shall be documented by written policies, procedures, or instructions and shall be carried out by the Subcontractor in accordance with those policies, procedures, or instructions. The Subcontractor’s QA program shall be in accordance with 10 CFR 830 and DOE O 414.1C http://www.directives.doe.gov

# RECYCLED AND/OR NEW MATERIALS

Unless otherwise specified in this subcontract, all items delivered shall consist of recycled and/or new materials. New is defined as previously unused which may include residual inventory or unused former government surplus property.

Subcontractor shall give preference to the use of recycled materials.

# RELEASE OF INFORMATION

**(a)** No invention, export control or classified information relating to this subcontract shall be released other than to Subcontractor's employees or those of Subcontractor's lower-tier subcontractors requiring the information for performance of the SOW of this subcontract without advance written approval of the SP. In no event shall the interest of NTESS or the DOE/NNSA or the government in this subcontract be indicated in any advertising or publicity without advance written approval of the SP. This shall not be construed to prohibit Subcontractor from fulfilling routine internal or external reporting of its activities, including the disclosure of the existence and nature of this subcontract as required by law. External reporting as used in this clause refers to reports submitted to state or federal government offices.

**(b)** The Subcontractor shall closely coordinate with the SP regarding any proposed scientific, technical, or professional publication of the results of the work performed or any data developed under this subcontract. The subcontractor shall provide NTESS an opportunity to review any proposed manuscripts describing, in whole or in part, the results of the work performed or any data developed under this subcontract at least forty-five (45) days prior to their submission for publication. NTESS will review the proposed publication and provide comments. A response shall be provided to the Subcontractor within forty-five (45) days; otherwise, the Subcontractor may assume that NTESS has no comments. Subject to the security requirements of this subcontract, the Subcontractor agrees to address any concerns or issues identified by NTESS prior to submission for publication.

**(c)** The Subcontractor may acknowledge the Subcontractor and government sponsorship of the work as appropriate.

**(d)** The Subcontractor shall insure that the recipient of any information provided by the Subcontractor complies with the provisions of this clause.

# RELEASES VOID

NTESS and the government's representatives shall not be required to waive or release any personal rights in connection with any visits to Subcontractor's premises and Subcontractor agrees that no such waiver or release shall be pleaded by Subcontractor in any action or proceeding.

# REPORTS REQUIRED BY THIS SUBCONTRACT

Final reports following completion of the work required by this subcontract and interim reports as may be required by this subcontract constitute deliverables under this subcontract and shall be submitted in an electronic format such as Microsoft Word or other format commonly used at NTESS along with any paper format required by this subcontract and shall be submitted on, CD ROM, DVD ROM, or other media requested by the SDR.

# RIGHTS AND INTERESTS

All rights and interests resulting from this subcontract shall pass directly from the Subcontractor to the government. FAR 52.227-17 applies to all deliverables which are copyrightable works produced as part of the performance of this subcontract.

# RISK OF LOSS

If NTESS is responsible for the risk of loss during transportation of compliant items, NTESS shall compensate Subcontractor the lesser of: (1) the agreed price of such Items, or (2) the Subcontractor's cost of replacing such items; and such loss shall entitle the Subcontractor to an equitable adjustment in delivery schedule obligations.

# NTESS-PROVIDED INFORMATION

Any and all physical forms of designs, design data, drawings, specifications, technical, scientific data, and other information furnished by NTESS to the Subcontractor shall remain the property of the government and shall be protected from unauthorized use, reproduction, and disclosure. Subcontractor shall protect the information at least to the same extent it would use to protect its own most valuable and proprietary information. Dissemination or use of such information is limited to such of its employees and Subcontractors, if any, whose job performance for this specific subcontract requires the information and only for those purposes. No other dissemination or use is permitted without prior written approval of the Subcontracting Professional/Sandia Delegated Representative. Any and all such information provided by NTESS to the Subcontractor shall be used only for the purpose of enabling performance of this subcontract and the Subcontractor shall use its best efforts to prevent disclosure to others except when necessary in the performance of this subcontract.

# LOWER-TIER SUBCONTRACTS

All lower-tier subcontracts shall be made in the name of the Subcontractor and shall not bind nor purport to bind NTESS or shall not relieve Subcontractor of any obligation under this purchase order/subcontract. If Subcontractor subcontracts any work in the performance of this subcontract, Subcontractor shall incorporate into every such subcontract an appropriate set of NTESS Ts&Cs found at: http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html or may use the latest revision of SF6432-CI for the purchase of Commercial Items that are products or SF 6432-CS for commercial services, into any such subcontract.

**SUSPECT/COUNTERFEIT ITEMS (S/CI)**

Suspect/counterfeit item(s), fraudulent services, and fraudulent misrepresentation of goods or services, are of serious concern to NTESS because they not only threaten personal safety, equipment, and system reliability; but also may inhibit compliance with regulatory standards. Failure of a safety or mission critical system due to S/CI could also result in security implications at DOE facilities.

DEFINITIONS

* Suspect Item(s). An item is suspect when inspection or testing indicates that it **may not** conform to established Government or industry-accepted specifications or standards; and/or the item’s documentation, appearance, performance, material, or other characteristics **may have been** misrepresented by the vendor, supplier, distributor, or manufacturer.
* Counterfeit Item(s). A counterfeit item is one that has been copied, substituted, or appended without legal right or authority or whose material, performance, or characteristics **have been** misrepresented or not fully disclosed by the vendor, supplier, distributor, or manufacturer.
* Suspect/Counterfeit Items (S/CI) include but are not limited to: (i) items that are intentionally manufactured, refurbished, appended, or altered to imitate original products without authorization in order to be passed off as genuine; (ii) unlawful or unauthorized substitution or addition of component parts; (iii) false identification of grade, lot number, serial number, or performance characteristics, (iv) fraudulent services; (v) misrepresented items and services, (vi) items that introduce unintended features such as surveillance, transmissions, or other malicious characteristics.

The following provisions supplement and incorporate the existing Subcontract terms by reference:

1. Subcontractor expressly warrants that all items, services, or software provided under this Subcontract are suitable for the intended or specified use, and do not include unintended or unspecified characteristics.
2. Subcontractor warrants and shall ensure that counterfeit items, including component parts, and/or materials will not be furnished or delivered to NTESS.
3. Subcontractor warrants authorized and lawful use of any labels, trademarks, or logos designed for/affixed to items supplied or delivered to NTESS.
4. Subcontractor warrants that all items, goods, or services provided to NTESS are verifiably compliant with applicable quality, and/or safety and manufacturing standards including, but not limited to U.S. Government or industry-accepted specifications and national consensus standards.
5. Subcontractor shall use counterfeit prevention and/or quality assurance procedures, that include a S/CI detection program.
6. Subcontractor shall immediately notify NTESS if Subcontractor suspects, or becomes aware of used or counterfeit goods furnished to NTESS. Subcontractor is required to disclose the source of the S/CI to NTESS and shall provide documentation authenticating traceability of affected item(s). Subcontractor must immediately notify NTESS by either:
   1. contacting the Subcontracting Professional (listed on the first page of this subcontract); or
   2. emailing the Sandia National Laboratories Suspect/Counterfeit Items Program Coordinator at [sqasci@sandia.gov](mailto:sqasci@sandia.gov).
7. Unless otherwise specified, Subcontractor shall purchase directly from product manufacturers or authorized manufacturer distributors whenever possible.
8. Suspect/counterfeit items furnished under this Subcontract will be impounded by NTESS. Subcontractor may be required to replace such items, at no cost, with items acceptable to NTESS. Subcontractor shall be liable for all costs relating to discovery, removal, impoundment, and replacement of materials and equipment that exhibit suspect or counterfeit item characteristics or conditions.
9. Subcontractor shall indemnify NTESS, its agents, and third parties for any financial loss, injury, or property damage resulting directly or indirectly from any and all suspect or counterfeit services, goods, software, materials, components, or parts.

Detection of suspect counterfeit item(s), services, or software; evidence of misrepresentation of goods or services; or any fraudulent misrepresentations may result in reporting and/or investigation by the Department of Energy and the Office of the Inspector General.

If this Subcontract provides for the use of credit cards, their use in no way relieves the Subcontractor from complying with all requirements of this section.

Additional detailed information is available at the Department of Energy (DOE) webpage and in the DOE Suspect/Counterfeit Items Resource [Handbook](http://www.energy.gov/sites/prod/files/2016/08/f33/DOE-HDBK-1221-2016.pdf).

For questions or to report suspect or counterfeit items, materials, services, or software email the Sandia National Laboratories Suspect/Counterfeit Items Program Coordinator at [sqasci@sandia.gov](mailto:sqasci@sandia.gov). Suspected fraud, waste, or abuse by a DOE employee, subcontractor, or grant recipient involving DOE programs may also be reported to the Office of Inspector General (OIG) by phone (800) 541-1625, or by email ighotline@hq.doe.gov. Additional information is available at: <http://energy.gov/ig/office-inspector-general>.

# PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION (PII)

In performing this subcontract, the Subcontractor may be provided with Personally Identifiable Information (PII) relating to NTESS employees, subcontractor employees, and any other individuals related to the work under this subcontract. The Subcontractor agrees that the Subcontractor shall take all reasonable steps and precautions to ensure this provided PII is adequately controlled, protected and only used to perform work called for under this subcontract. For the purposes of this agreement PII is defined as: Any of the information listed below that can be used to distinguish or trace an individual's identity, is collected and maintained for the purpose of conducting official NTESS business, and is not solely comprised of information that is available to the general public: social security number, driver's license number, passport number, other federal- or state-issued identification card number, bank account number (with or without routing number, access code, or Personal Identification Number [PIN]), financial or benefit account number in combination with any required code permitting access, background information or verification reports or credit report, including consumer reports, medical or health information, including biometric, biomonitoring, or genetic information, employment history including ratings, salary, wage, deduction information, and disciplinary actions, security clearance history or related information, criminal history, date of birth or age, place of birth, mother’s maiden name, race or ethnicity.

Notes: One means of distinguishing or tracing an individual’s identity is to include the first name or the first initial and last name of an individual in combination with any information listed above. PII does not include information that is on NTESS computing resources as a result of incidental personal use of computing and information resources or other assets.

Loss of Control of PII: If the Subcontractor becomes aware or suspects that any NTESS provided Personally identifiable Information, has been inappropriately, taken, used, disclosed, and/or released or that the controls for access to the information have been compromised, the Subcontractor shall immediately take steps to prohibit further disclosure and shall give verbal notice to NTESS’~~s~~ Security Incident Management Program (SIMP) by calling and reporting the incident at either at (505) 283-7467 or for subcontracts issued in California call 1-925-294-2600 ( these are manned 7 days a week 24 hours a day). After notifying SIMP, also verbally notify the SP and SDR (if one is identified in this subcontract). In addition to the immediate verbal notifications, written notification shall be provided to the SP and SDR (if one is identified in the subcontract,) within 72 hours of the Subcontractor’s learning of the situation. The Subcontractor shall cooperate with NTESS and provide information needed to allow NTESS to evaluate the nature and extent of the release or loss of control.

The provisions of this clause shall survive and continue in force following the completion of work under this agreement until such time that any provided PII is either destroyed in its entirety in a manner that ensures it is not readable or decipherable through any means, or that the information including all copies is returned to NTESS. The Subcontractor shall ensure that these provisions shall be made applicable to any lower-tier subcontractor or non-governmental third party who receives PII provided through this agreement.

# TAXES

For many purchases, NTESS can provide Transaction Exemption Certificates for both New Mexico and California, and certificates for other states may also be available. Direct any request for Transaction Exception Certificates to [taxes@sandia.gov](mailto:taxes@sandia.gov). FAR 52.229-10 State of New Mexico Gross Receipts and Compensating Tax as modified by DEAR 970.2904-1 (a) is applicable in New Mexico. NTESS holds California Contractor’s Permit Number OH-98033576. Purchases made under this subcontract are exempt from California Sales and Use Taxes if performance occurs in California. Prices include all applicable federal taxes.

# TRANSPORTATION

All transportation shall be "FOB Destination" unless otherwise specified in this subcontract. If transportation is specified "FOB Origin": (a) no insurance cost shall be allowed unless authorized in writing, and (b) the bill of lading shall indicate that transportation is for DOE/NNSA and the actual total transportation charges paid to the carrier(s) shall be reimbursed by the government pursuant to Contract No. DE-NA0003525. Confirmation will be made by NTESS.

# WARRANTY

Subcontractor expressly warrants that no counterfeit items or components in items shall be delivered to NTESS on this subcontract. Subcontractor expressly warrants that all items provided under this subcontract shall have a rightful transfer of good title thereto and are delivered free of any rightful claims of any third person by way of infringement of any intellectual property right The warranty shall begin upon receipt of conforming items and extend for a period of: (1) the manufacturer's warranty period or six (6) months, whichever is longer, if the Subcontractor is not the manufacturer and has not modified the item, or (2) one (1) year or the manufacturer's warranty period, whichever is longer, if the Subcontractor is the manufacturer of the item or had modified it. If any nonconformity with item appears within that time, Subcontractor shall promptly repair, replace, or reperform such items at Subcontractor's election. Transportation of replacement items and return of nonconforming items and repeat performance of services shall be at Subcontractor's expense. NTESS shall notify Subcontractor of such nonconformity within a reasonable time after discovery, and Subcontractor shall notify NTESS of whether it chooses to make repairs or replacements within three (3) working days after NTESS'~~s~~ notice of nonconformity. If repair or replacement or reperformance of services is not timely, NTESS may elect to return the nonconforming items or repair or replace them or reprocure the services at Subcontractor's expense.

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# WORK FOR HIRE

NTESS recognizes that the Subcontractor has pre-existing intellectual property embedded in its deliverables, and that Subcontractor retains any and all ownership rights in that pre-existing intellectual property. For the purposes of this subcontract, the data subject to Subcontractor’s pre-existing intellectual property rights are considered to be Limited Rights Data under the pertinent FAR clause, such as per FAR 52.227-14(a), and that Subcontractor retains any and all ownership rights in such data.    
  
If Subcontractor asserts  and gains ownership to the copyright on data first produced in the performance of this subcontract, the Subcontractor grants to NTESS and the Government and others acting on its behalf, a paid-up, nonexclusive, irrevocable worldwide license in such copyrighted data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government to use that data as well as the use permitted under the pertinent FAR clause, such as FAR 52.227-14 (c)(1).   
  
If the Subcontractor does not assert copyright or does not gain ownership to the copyright on data first produced in the performance of this subcontract, Subcontractor hereby agrees and acknowledges that all duties performed hereunder are specifically ordered or commissioned by NTESS ("Work"); that Subcontractor has required all of its employees who will do the Work to assign all intellectual property generated in the course of employment to the Subcontractor; that the Work constitutes and shall constitute a work-made-for-hire as defined in the United States Copyright Act of 1976; that NTESS is and shall be the author of said work-made-for-hire and the owner of all rights in and to the Work. To the extent that the Work is not recognized as a work-made-for-hire, Subcontractor hereby assigns, transfers, and conveys to NTESS, without reservation, all of Subcontractor’s rights, title and interest in the Work, including, without limitation, all rights of copyright and copyright renewal in said Work or any part thereof. Subcontractor agrees to execute all papers and to perform such other proper acts as NTESS may deem necessary to secure for NTESS the rights herein assigned.   
  
For data not first produced in the performance of the subcontract, the subcontractor grants to NTESS and the Government and others acting on its behalf a license as per the pertinent FAR clause, such as FAR 52.227-14 (c)(2).

**WRITTEN NOTICES**

A. The Subcontractor shall immediately notify the NTESS Subcontracting Professional in writing of: (1) any action, including any proceeding before an administrative agency, filed against the Subcontractor arising out of the performance of this Subcontract; and (2) any claim against the Subcontractor, the cost and expense of which is allowable under the terms of this Subcontract.

B. If, at any time during the performance of this Subcontract, the Subcontractor becomes aware of any circumstances which may jeopardize its performance of all or any portion of the Subcontract, it shall immediately notify the NTESS Subcontracting Professional ~~i~~n writing of such circumstances, and the Subcontractor shall take whatever action is necessary to cure such defect within the shortest possible time.

# ADDITIONAL TERMS AND CONDITIONS

This subcontract incorporates by reference with the same force and effect as if they were given in full text, the following cited Federal Acquisition Regulation (FAR) clauses and Department of Energy Acquisition Regulation (DEAR) clauses. The full text of these clauses may be found at Title 48 of the Code of Federal Regulations (CFR) At <http://www.ecfr.gov> or at the FARSite at <http://farsite.hill.af.mil> under regs – FAR or DEARs. Where the FAR/DEAR clauses refer to Government and Subcontracting Officer, substitute NTESS and Subcontracting Professional (SP) .

# APPLY TO SUBCONTRACTS AT ANY VALUE

FAR 52.203-99 Prohibition of Contracting with Entities that Require Certain Internal Confidentiality Agreements (Deviation 2015-02

FAR 52.208-8 Required Sources for Helium and Helium Usage Data

FAR 52.209-10 Prohibition on Contracting With Inverted Domestic Corporations

FAR 52.211-5 Material Requirements

FAR 52.211-15 Defense Priority and Allocation Requirement

FAR 52.222-29 Notification of Visa Denial

FAR 52.222-50 Combating Trafficking in Persons

FAR 52.223-2 Affirmative Procurement of Biobased Products under Service and Construction FAR Contracts

FAR 52.223-17 Affirmative Procurement of EPA-Designated Items in Service and Construction Contracts

FAR 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving

FAR 52.225-8 Duty Free Entry

FAR 52.225-13 Restrictions on Certain Foreign Purchases

FAR 52.226-1 Utilization of Indian Organizations and Indian-Owned Economic Enterprises

FAR 52.227-3 Patent Indemnity

FAR 52.227-10 Filing of Patent Applications – Classified Subject Matter

FAR 52.227-23 Rights to Proposal Data (Technical) This clause applies only in any subcontract awarded based on consideration of a technical proposal.

FAR 52.229-8 Taxes Foreign Cost-Reimbursement Contracts

FAR 52.229-10 State of New Mexico Gross Receipts and Compensating Tax as modified by DEAR 970.2904-1(a)

FAR 52.232-39 Unenforceability of Unauthorized Obligations

FAR 52.232-40 Providing Accelerated Payments to Small Business Subcontractors

FAR 52.242-15 Stop Work Order with Alternate I

FAR 52.244-6 Subcontracts for Commercial Items

FAR 52.245-1 Government Property

FAR 52.246-1 Contractor Inspection Requirements

FAR 52.246-3 Inspection of Supplies -- Cost-Reimbursement

FAR 52.246-5 Inspection of Services -- Cost-Reimbursement

FAR 52.247-1 Commercial Bill of Lading Notations

FAR 52.247-64 Preference for Privately Owned U.S. Flag Commercial Vessels

FAR 52.247-67 Submission of Transportation Documents for Audit

FAR 52.249-6 Termination (Cost-Reimbursement), as modified by DEAR 970.4905-1(b)

DEAR 952.204-71 Sensitive Foreign Nations Controls

DEAR 952.204-77 Computer Security

DEAR 952.211-71 Priorities and Allocations (Atomic Energy) This clause applies only if Section I designates a Government Priority.

DEAR 952.217-70 Acquisition of Real Property

DEAR 952.235-71 Research Misconduct

DEAR 952.247-70 Foreign Travel

DEAR 952.250-70 Nuclear Hazards Indemnity Agreement (This clause is applicable to any subcontract which may involve the risk of public liability, as that term is defined in the Act and further described in paragraph (d)(2) of the clause. However, this clause is not applicable to contracts in which the contractor is subject to Nuclear Regulatory Commission (NRC) financial protection requirements under section 170b. of the Act or NRC agreements of indemnification under section 170c. or k. of the Act for the activities under this contract)

DEAR 970.5204-2 Laws, Regulations, and DOE Directives (DEC 2000) (Deviation)

DEAR 970.5227-8 Refund of Royalties

DEAR 970.5232-3 Accounts, Records and Inspections -Alternate II

DEAR 970.5208-1 Printing

DEAR 970.5243-1 Changes

DEAR 970.5245-1 Property

# APPLY TO SUBCONTRACTS EXCEEDING $2,500

FAR 52.222-41 Service Contract Labor Standards

FAR 52.222-17 Nondisplacement of Qualified Workers

FAR 52.222-55 Minimum Wages Under Executive Order 13658

# APPLY TO SUBCONTRACTS EXCEEDING $3,500

FAR 52.225-1 Buy American Supplies

# APPLY TO SUBCONTRACTS EXCEEDING $10,000

FAR 52.222-21 Prohibition of Segregated Facilities

FAR 52.222-26 Equal Opportunity (E.O. 11246)

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# APPLY TO SUBCONTRACTS EXCEEDING $15,000

FAR 52.222-36 Equal Opportunity for Workers with Disabilities

FAR 52.222-20 Contracts for Materials, Supplies, Articles and

Equipment exceeding $15,000

# APPLY TO SUBCONTRACTS IF $25,000 OR MORE

FAR 52.204-10 Reporting Executive Compensation and First-Tier Sub-Awards

DEAR 970.5223-4 Workplace Substance Abuse Programs at DOE Sites

# APPLY TO SUBCONTRACTS EXCEEDING $35,000

FAR 52.209-6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment

# APPLY TO SUBCONTRACTS EXCEEDING $150,000

FAR 52.204-14 Service Contract Reporting Requirements

FAR 52.222-35 Equal Opportunity for Veterans

FAR 52.222-54 Employment Eligibility Verification, applies if POP is 120 days or more

DEAR 970.5227-4 Authorization and Consent

DEAR 970.5227-5 Notice and Assistance Regarding Patent and Copyright Infringement

FAR 52.203-6 Restrictions on Subcontractor Sales to the Government

FAR 52.203-7 Anti-Kickback Procedures excluding Paragraph (c)(1)

FAR 52.203-10 Price or Fee Adjustment For Illegal or Improper Activity

FAR 52.203-12 Limitation of Payments to Influence Certain Federal Transactions

FAR 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights

FAR 52.215-2 Audit and Records--Negotiation

FAR 52.215-23 Limitations on Pass Through Charges

FAR 52.219-8 Utilization of Small Business Concerns

FAR 52.222-4 Contract Work Hours and Safety Standards - Overtime Compensation

FAR 52.222-37 Employment Reports on Veterans

FAR 52.222-40 Notification of Employee Rights under the National Labor Relations Act

FAR 52.244-5 Competition in Subcontracting

FAR 52.247-63 Preference for U.S. Flag Air Carriers

DEAR 952.209-72 Organizational Conflicts of Interest (It is the responsibility of Contractor to determine if this clause is applicable and to report any potential conflicts to the SP under DEAR 952.209-8. The term for 952.209-72 shall be five (5) years.)

# APPLY TO SUBCONTRACTS EXCEEDING $500,000

DEAR 952.226-74 Displaced Employee Hiring Preference

DEAR 970.5226-2 Workforce Restructuring under Section 3161 of the National Defense Authorization Act for Fiscal Year 1993

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# APPLY TO SUBCONTRACTS EXCEEDING $700,000

Awarded to Large Businesses

FAR 52.219-9 Small Business Subcontracting Plan

FAR 52.219-16 Liquidated Damages - Subcontracting Plan

# APPLY TO SUBCONTRACTS EXCEEDING $750,000.

FAR 52.215-10 -- Price Reduction for Defective Cost or Pricing Data.

FAR 52.215-11 -- Price Reduction for Defective Cost or Pricing Data – Modifications.

FAR 52.215-12 -- Subcontractor Certified Cost or Pricing Data.

FAR 52.215-13 – Subcontractor Certified Cost or Pricing Data – Modifications.

FAR 52.215-15 Pension Adjustments and Asset Reversions

FAR 52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) other than Pensions

FAR 52.215-19 – Notification of Ownership Changes

FAR 52.230-2 Cost Accounting Standards

FAR 52.230-6 Administration of Cost Accounting Standards

Compliance with Cost Accounting Standards.

In accordance with DEAR 970.5232-5 Liability With Respect To Cost Accounting Standards the Contractor shall be liable to the Government for increased costs or interest resulting from the subcontractor's failure to comply with the clauses at FAR 52.230-2, "Cost Accounting Standards," and FAR 52.230-6, "Administration of Cost Accounting Standards".

# APPLY TO SUBCONTRACTS EXCEEDING $2,000,000

DEAR 970.5204-3 Access to and Ownership of Records

# APPLY TO SUBCONTRACTS EXCEEDING $5,500,000

FAR 52.203-13 Contractor Code of Business Ethics and Conduct, applies when POP is 120 days or more.

FAR 52.203-14 Display of Hotline Poster(s)

FAR 52.210-1 Market Research

# APPLY TO ALL SUBCONTRACTS THAT MAY INVOLVE ACCESS TO CLASSIFIED INFORMATION OR MATERIAL

DEAR 952 204-2 Security Requirements

DEAR 952.204-70 Classification/Declassification

# APPLY TO ALL SUBCONTRACTS WHICH INCLUDE ANY EXPERIMENTAL, RESEARCH, DEVELOPMENTAL, OR DEMONSTRATION WORK

FAR 52.227-14 Rights in Data General-Rights in modified in accordance with DEAR 927.409 and including Alternate V

FAR 52-227-16 Additional Data Requirements

FAR 52.246-8 Inspection of Research and Development -- Cost-Reimbursement

DEAR 952.227-11 Patent Rights, Retention by the Contractor (Short Form) This clause is to be used in all contracts in which the Contractor is a domestic small business or nonprofit organization as defined at FAR, 48 CFR 27.301.

DEAR 952.227-13 Patent Rights Acquisition by the Government This clause shall be used in all contracts that are not covered by the provisions of DEAR 952.227-11.

DEAR 970.5227-12 Patent Rights Management and Operating Contracts For-Profit Contractor, Advance Class Waiver (AUG 2002) Alternate I (Deviation) (OCT 2011)

# APPLY TO ALL WORK PERFORMED ON A GOVERNMENT SITE UNDER THIS SUBCONTRACT

DEAR 970.5222-1 Collective Bargaining Agreement M&O Contracts

DEAR 970.5223-1 Integration of Environment, Safety, and Health into Work Planning and Execution

DEAR 952.203-70 Whistleblower Protection for Contractor Employees

# APPLY TO SUBCONTRACTS TO BE PERFORMED ON A GOVERNMENT SITE WHEVEVER THE WORK (1) COULD RESULT IN POTENTIAL EXPOSURE TO: (A) RADIOACTIVE MATERIALS; (B) BERYLLIUM; OR (C) ASBESTOS OR (2) INVOLVES A RISK ASSOCIATED WITH CHRONIC OR ACUTE EXPOSURE TO TOXIC CHEMICALS OR SUBSTANCES OR OTHER HAZARDOUS MATERIALS THAT CAN CAUSE ADVERSE HEALTH IMPACTS, IN ACCORDANCE WITH 10CFR PART 851

DEAR 970.5204-3 Access to and Ownership of Records (Oct 2014) Deviation

# THE REMAINING CLAUSES APPLY TO ALL SUBCONTRACTS WHERE ANY WORK WILL BE PERFORMED ON A GOVERNMENT SITE

# CERTIFICATE OF INSURANCE

For all subcontracts where some portion of the work is to be conducted on a government site, and subcontract value including the sum of any options or releases equals or exceeds $150,000, the Subcontractor shall provide a Certificate of Insurance evidencing the following insurance coverage that will be provided to the SP prior to the commencement of work:

* Commercial General Liability Insurance (ISO policy form or equivalent) with limits of liability of not less than $1,000,000 each occurrence and in the aggregate for bodily injury, property damage, personal injury and contractual liability and will include NTESS as an additional insured.
* Workers’ Compensation and Employers’ Liability Insurance covering all employees performing work on the government site with Employers’ Liability limits not less than $1,000,000.
* Business Automobile Liability Insurance (ISO policy form or equivalent) with coverage for owned, leased and hired autos) with limits of not less than $1,000,000 each accident for bodily injury and property damage **if the on-site work contemplates the use of automobiles.**

Onsite visits for deliveries and status meetings are exempt from this requirement.

NTESS reserves the right to amend these insurance requirements which may include, but not be limited to, requiring additional limits and or coverages depending on the nature and scope of work being performed

# CITIZENSHIP STATUS

All personnel of the Subcontractor and its lower-tier subcontractors who require access must be United States citizens, or foreign nationals who are legal aliens or have the required authorization to perform work in the United States and must meet rules of the site for access to the work areas in place at the time of performance of this subcontract.

# SUBCONTRACT OR LOWER-TIER SUBCONTRACTOR USE OF GOVERNMENT-OWNED VEHICLES

The following provisions apply if work under this subcontract requires Subcontractor or lower-tier subcontractor personnel to operate government-owned vehicles either on or off government sites. Subcontractor shall maintain, at Subcontractor's expense, during the period of performance of work under this subcontract, third-party vehicle liability insurance which shall cover the use of such government-owned vehicles with limits of at least $200,000/$500,000 public liability and $20,000 property damage. Medical payments coverage, comprehensive and collision insurance, uninsured motorist, and personal injury protection will not be required under this clause unless required by state statute. All Subcontractor's agents, employees and subcontractors of any tier shall obey all rules and regulations pertaining to the use of government-owned vehicles. In the event of a motor vehicle accident, the Subcontractor shall submit a completed Motor Vehicle Accident Reporting Form SF 91 to the SP together with any additional supplemental forms required by instructions given on the General Service Agreement (GSA) Form Packet 1627. A GSA Form Packet 1627 normally is located either in the headliner or glove box of the GSA vehicle. Subcontractor's personnel shall assure that a GSA Form Packet 1627 is available in a GSA vehicle prior to accepting and driving a GSA vehicle.

# ENVIRONMENTAL SAFETY AND HEALTH (ES&H) REQUIREMENTS

**(a)** Service Providers. NTESS-directed work, NTESS shall provide those workers with any and all necessary safety authorization documents, personal protective equipment, industrial hygiene monitoring, medical surveillance, and radiation protection services. For Subcontractor employees performing Subcontractor-Directed work, Subcontractor shall provide its workers with all ES&H services, with the exception of Subcontractor employees performing Subcontractor-Directed work on Government sites for whom NTESS shall provide radiation dosimetry services and survey of record, as appropriate.

**(b)** Training Requirements. Any subcontractor personnel who will enter a Government site to perform work shall have completed all of the ES&H training required by the SOW prior to any attempts to enter a government site as shown by written records of such training furnished to the SDR or to the Requester if no SDR is named in Section I of this subcontract. Subcontractor shall certify to NTESS completion of all required training on the Completion Record for Subcontractor Administered Training form. This form is obtained from the SDR. Subcontractor shall provide the completion record form for the initial ESH100 training to the SDR on the first day of work. Subcontractor shall provide the completion records for any other training required above to the SDR before starting the affected work activity. Any person not having completed all ES&H training requirements may be denied access to any government site and Subcontractor may be terminated for default of this subcontract as well as every other subcontract the Subcontractor has with NTESS.

# HAZARDOUS MATERIALS

**(a)** Handling Requirements. For subcontracts that require the performance of work on government sites, the Subcontractor shall coordinate with the SDR all activities associated with the acquisition (including reporting hazardous materials used on government sites), handling, storage, accidental spills, and/or disposal of hazardous materials and/or waste. The Subcontractor shall notify the SDR of all hazardous and/or radioactive waste generated during performance of work. Such materials become NTESS-owned waste and the Subcontractor shall notify the SDR for proper disposal by NTESS. Subcontractor's assistance in disposal may be required by NTESS.

**(b)** Removal Requirements. Those hazardous materials brought onto NTESS-controlled premises by the Subcontractor which are job-related consumables and have not been removed from their original packaging and which have not been purchased by NTESS, shall remain the property of the Subcontractor and shall be removed from NTESS after completion of the work. Hazardous materials in the original, labeled container are not hazardous waste if the material is usable and the full or partially full container is intact and properly closed. Those scrap items which are not hazardous and which have not become hazardous through co-mingling with hazardous items are owned by the Subcontractor and shall also be removed.

# PROTECTION OF GOVERNMENT PROPERTY

All Sandia National Laboratories information, information technologies and information systems are United States Government Property. Please read the Protection of United States Government Property notice at: http://www.sandia.gov/working\_with\_sandia/procurement/current\_suppliers/contractor\_bidder/index.html. All facilities, personal property, existing vegetation, structures, equipment, utilities, improvements, materials and work at Sandia National Laboratories are United States government property. Acts of theft, improper use and/or unlawful destruction of United States government property are punishable under one or more Federal Criminal Laws

# REQUIREMENTS FOR ACCESS

**(a)** Government Sites. The Subcontractor agrees and shall ensure that all personnel entering Government sites for any activity related to this agreement shall at all times be subject to and shall comply with all laws, regulations, policies, and site access rules for the site including but not limited to all ES&H and Security requirements. For work performed at SNL and elsewhere, the Security and ES&H requirements can be obtained by contacting the SDR. The government requirements include but are not limited to, all of the requirements set forth in this clause for any work to be performed on a government site. To obtain access to such premises, the Subcontractor shall write a letter to the SDR or the SP stating the company designation to be used by the Subcontractor and each subcontractor and furnishing the following information on each individual requiring access to such premises: name, date of birth, and citizenship status, completed ES&H training requirements set forth in the SOW. Access will be granted for the period of performance of the work only.

Subcontractor shall withdraw and replace any individual, including any subcontractor employee, assigned to perform work under this subcontract, who in the judgment of NTESS or DOE/NNSA, is to be denied access to any government site. Subcontractor shall submit to the SDR or the SP any proposed working schedules for its personnel and the personnel of each of its subcontractors that deviate from NTESS' normal workday or work week schedule. The schedules will show proposed daily working hours and proposed work weeks. Schedules that deviate from NTESS' normal work day or work week must be approved by the responsible SDR. In the absence of a written authorization from the SP or DOE/NNSA, use of government sites by the Subcontractor and its subcontractors of any tier, pursuant to access granted under this clause, shall be limited to work required by this subcontract to be performed on such premises. THE USE OF THE ACCESS PRIVILEGE FOR ANY PURPOSE OTHER THAN TO PERFORM WORK UNDER THIS SUBCONTRACT IS PROHIBITED AND MAY BE GROUNDS FOR TERMINATING THIS SUBCONTRACT DEFAULT OR FOR FINDING THAT AN INDIVIDUAL IS UNACCEPTABLE FOR FUTURE ACCESS.

**(b)** SNL Sites. The organizations listed below are responsible for coordinating and administering the provisions of visitor access and control for the sites as listed. Sandia National Laboratories, Albuquerque, New Mexico – Badge Office, NTESS, Innovation Parkway Office Complex (IPOC). Sandia National Laboratories, Livermore, California - Visitor Control and Administration Section, NTESS, Building 911. Tonopah Test Range, Tonopah, Nevada - Office of the Tonopah Test Range Manager.

**(c)** Subcontractor shall ensure that its personnel and the personnel of each of its subcontractors assigned to work on SNL's or Government premises comply with all applicable site policies. In addition, the Subcontractor, its personnel and personnel of each of its lower-tier subcontractors, shall:

1. not bring weapons of any kind onto the premises;
2. not manufacture, sell, distribute, possess, use or be under the influence of controlled substances or alcoholic beverages while on the premises;
3. not possess hazardous materials of any kind on the premises without proper authorization;
4. remain in authorized areas only;
5. not conduct any non-NTESS related business activities (such as interviews, hires, dismissals or personal solicitations) on the premises;
6. not send or receive non-NTESS related mail through NTESS' or Government's mail systems; and
7. not sell, advertise or market any products or memberships, distribute printed, written or graphic materials on the premises without the SP’s written permission or as permitted by law.

**(d)** All persons, property, and vehicles entering or leaving SNL's, KAFB or Government's premises are subject to search. (e) Subcontractor shall promptly notify NTESS and provide a report of any accidents or security incidents involving loss of or misuse or damage to SNL's or Government's intellectual or physical assets, and all physical altercations, assaults, or harassment.

# VEHICLE INSURANCE

# All vehicles, owned or operated by the Subcontractor, lower-tier subcontractors or their agents and employees, having access to government sites shall be covered by at least $200,000/$500,000 public liability and $20,000 property damage insurance. VEHICLE MARKINGS

Non-government commercial vehicles must be marked in accordance with Department of Transportation regulations. Operators of all vehicles must have, in their possession valid registration, insurance, licensing and related documentation applicable to the vehicle.