

SANDIA CORPORATION
SF 6432-PO (11/3/10)
SECTION II

STANDARD TERMS & CONDITIONS FOR COMMERCIAL ITEMS OR SERVICES NOT TO EXCEED \$100,000.00 THE FOLLOWING CLAUSES APPLY TO THIS PURCHASE ORDER AS INDICATED UNLESS SPECIFICALLY DELETED, OR EXCEPT TO THE EXTENT THEY ARE SPECIFICALLY SUPPLEMENTED OR AMENDED IN WRITING IN THE SIGNATURE PAGE OR SECTION I.

PO01 - ACCEPTANCE OF TERMS AND CONDITIONS (Ts&Cs) Seller, by signing this Purchase Order and/or delivering items or services ordered under this Purchase Order, agrees to comply with all the terms and conditions and all specifications and other documents that this Purchase Order incorporated by reference or attachment. Sandia hereby objects to any terms and conditions contained in any acknowledgment of this Purchase Order that are different from or in addition to those mentioned in this document. Failure of Sandia or Seller to enforce any of the provisions of this Purchase Order shall not be construed as evidence to interpret the requirements of this Purchase Order, nor a waiver of any requirement, nor of the right of Sandia or Seller to enforce each and every provision. All rights and obligations shall survive final performance of this Purchase Order.

PO02 - APPLICABLE LAW The rights and obligations of the parties hereto shall be governed by this Purchase Order and construed in accordance with federal law for FAR or DEAR clauses that are specifically included in this Purchase Order by reference thereto and Article 2 of the Uniform Commercial Code as enacted in the State of delivery of Items giving rise to the claim.

PO03 - ASSIGNMENT Seller shall not assign rights or obligations to third parties without the prior written consent of Sandia. However, Seller may assign rights to be paid amounts due or to become due if Sandia is promptly furnished an executed Assignment of Payments form. Administration of this Agreement may be transferred from Sandia to the Department of Energy (DOE) or its designee, and in case of such transfer and notice thereof to the Seller, Sandia shall have no further responsibilities hereunder.

PO04 - BANKRUPTCY If the Seller enters into any proceeding relating to bankruptcy, it shall give written notice via certified mail to the SCR responsible for this Purchase Order within five 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 Purchase Order numbers for which final payment has not been made.

PO05 - CANCELLATION OR TERMINATION FOR CONVENIENCE (a) Sandia may cancel this Purchase Order, in whole or in part, if the Seller fails to comply with any of the terms of this Purchase Order, or fails to provide adequate assurance of future performance. In that event, Sandia shall not be liable for any amount for Items or services not yet accepted by

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Sandia.

(b) Sandia may terminate for the convenience of Sandia or the Government this Purchase Order, in whole or in part, for any Items or services not yet accepted by Sandia. In that event Sandia shall be liable for the purchase price of Items or services already completed or identified to this Purchase Order but not yet accepted by Sandia.

(c) Seller shall not be liable for delays in performance occasioned by causes beyond Seller's reasonable control and without Seller's fault or negligence.

(d) The rights and remedies of Sandia in this clause are subject to Sellers Rights to invoke the Disputes clause of this Purchase Order.

PO06 - COMPLIANCE WITH LAWS Seller shall comply with all applicable federal, state, and local laws and ordinances and all pertinent lawful orders, rules, and regulations and such compliance shall be a material requirement of this Purchase Order.

PO07 - DEFINITIONS The following terms shall have the meanings set forth below for all purposes of this Purchase Order.

(a) PURCHASE ORDER means Agreement, Price Agreement, Subcontract, Ordering Agreement, or modifications thereof.

(b) GOVERNMENT means the United States of America and includes the U.S. Department of Energy (DOE) or any duly authorized representative thereof.

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

(d) SANDIA means Sandia Corporation, the management and operating contractor for the Sandia National Laboratories under Contract No. DE-AC04-94AL85000 with the U.S. Department of Energy/National Nuclear Security Administration (DOE/NNSA).

(e) SCR means Sandia Contracting Representative, the only person authorized to execute and/or administer this Contract for Sandia.

(f) SELLER means the person or organization that has entered into this Purchase Order to sell something to Sandia.

PO08 - DISPUTES Seller and Sandia agree to use the Sandia Acquisition Conflict Resolution Process set forth at <http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html> for resolving any and all disputes arising from this contract. Sandia Acquisition Conflict Resolution Process available in "Policies" tab.

PO09 - ORDER OF PRECEDENCE Any inconsistencies shall be resolved in accordance with the following descending order of precedence: (1) Section I; (2) SF 6432-PO, Section II.

PO10 - PAYMENT Seller agrees to provide invoices within 60 (sixty) days of delivery or completion of work and hereby waives any amounts that are not invoiced within 60 (sixty) days of the completion of work on the contract. Unless otherwise provided, terms of payment shall be net 30 days from the latter of (1) receipt of Seller's proper invoice, if required, or (2) delivery of items/completion of work. Any offered discount shall be taken if payment is made within the discount period that the Seller indicates. Payments may be made

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either by check or electronic funds transfer, at the option of Sandia. 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.

PO11 - RECYCLED AND/OR NEW MATERIALS Unless otherwise specified in this Purchase Order, 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. Seller shall give preference to the use of recycled materials as set forth in DEAR 970.5223-2 Affirmative Procurement. (Deviation)

PO12 - RIGHTS AND INTERESTS All rights and interests resulting from this Purchase Order shall pass directly from the Seller to the Government. FAR 52.227-17 applies to all deliverables which are copyrightable works produced as part of the performance of this Purchase Order.

PO13 - RISK OF LOSS If Sandia is responsible for the risk of loss during transportation of compliant Items, Sandia shall compensate Seller the lesser of (1) the agreed price of such Items, or (2) the Seller's cost of replacing such Items; and such loss shall entitle the Seller to an equitable adjustment in delivery schedule obligations.

PO14 - SUSPECT/COUNTERFEIT ITEMS Sandia is committed to effective controls for the introduction, prevention, detection and disposition of Suspect/Counterfeit Items (S/CI) to mitigate any potential threat to personnel safety or to property integrity. Unless otherwise specified in this contract, all items, including any supplies and components furnished by the Seller shall, at a minimum: be procured directly from the original manufacturer or an authorized distributor; be new (not used or reconditioned) and shall not be of such age or so deteriorated as to impair their usefulness or safety; and not contain any suspect or counterfeit materials, parts, or components. Seller expressly warrants that no counterfeit items or components shall be delivered to Sandia on this Agreement. Detection by Sandia of any suspect or counterfeit item leading to evidence of deliberate misrepresentation of any supplied item, may result in an investigation into the validity of certification, fraud, and/or forgery.

"Suspect item" as used in this clause, means any material or item that is not known to conform to established U.S. Government or industry-accepted specifications and national consensus standards.

"Counterfeit item" as used in this clause, means any suspect material or item that is a copy or substitute without legal right or authority to do so, or one whose material, performance, or characteristics are knowingly misrepresented by the vendor, supplier, distributor or manufacturer.

- Any fasteners delivered under this contract shall be subject to the Fastener Quality Act, Public Law 101-592, Title 15, U.S.C. Fasteners shall exhibit grade marks and the manufacturer's identification symbol (headmark).
- Electrical items and equipment shall exhibit legible amperage and voltage ratings, operating parameters, and the product manufacturers' labels and identification. Items

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shall be supplied in the manufacturer's original packaging, and exhibit the applicable Underwriters Laboratory (UL) or Factory Mutual (FM) labels.

- Mechanical/piping items and equipment (channel, sheet, plate, bars, or fittings, flanges, valves, pipe, and tubing) shall exhibit manufacturer's labels and identification.

Any suspect/counterfeit material provided by the Seller to Sandia is subject to seizure by Sandia and will not be returned to the Seller. In addition, the Seller shall replace any and all suspect/counterfeit material at no additional charge to Sandia.

PO15- TAXES For many purchases, Sandia 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. Sandia holds California Contractor's Permit Number OH-98033576. Purchases made under this contract are exempt from California Sales and Use Taxes if performance occurs in California. Prices include all applicable federal taxes.

PO16 - TRANSPORTATION 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 and the actual total transportation charges paid to the carrier(s) shall be reimbursed by the Government pursuant to Purchase Order No. DE-AC04-94-AL85000. Confirmation will be made by Sandia National Laboratories.

PO17 - WARRANTY Seller expressly warrants that no counterfeit items or components in items shall be delivered to Sandia on this contract. Seller expressly warrants that all items provided under this contract 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 Seller 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 Seller is the manufacturer of the item or had modified it. If any nonconformity with item appears within that time, Seller shall promptly repair, replace, or reperform such items at Seller's election. Transportation of replacement items and return of nonconforming items and repeat performance of services shall be at Seller's expense. Sandia shall notify Seller of such nonconformity within a reasonable time after discovery, and Seller shall notify Sandia of whether it chooses to make repairs or replacements within three (3) working days after Sandia's notice of nonconformity. If repair or replacement or reperformance of services is not timely, Sandia may elect to return the nonconforming items or repair or replace them or reprocur the services at Seller's expense. Seller disclaims the implied warranties of merchantability or fitness for a particular purpose.

PO18 - ADDITIONAL TERMS AND CONDITIONS This Purchase Order 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. The full text of these clauses may be found at

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Title 48 of the Code of Federal Regulations (CFR). Where the FAR clauses refer to Government and Contracting Officer, substitute Sandia and Sandia Contracting Representative (SCR). Upon request the SCR will make the full text available.

PO19 - APPLY TO PURCHASE ORDERS AT ANY VALUE

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

FAR 52.222-26 Equal Opportunity

FAR 52.225-13 Restrictions on Certain Foreign Purchases

FAR 52.244-6 Subcontracts for Commercial Items

FAR 52.246-1 Contractor Inspection Requirements

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

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.

PO20 – APPLY TO PURCHASE ORDERS EXCEEDING \$3,000

FAR 52.222-54 Employment Eligibility Verification, applies to commercial services

PO21 - APPLY TO PURCHASE ORDERS EXCEEDING \$10,000

FAR 52.222-20 Walsh Healy Public Contracts Act

FAR 52.222-36 Affirmative Action for Workers With Disabilities

PO22 – APPLY TO PURCHASE ORDERS EXCEEDING \$30,000

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

PO23- REQUIREMENTS FOR ACCESS

(a) Government Sites. The Seller 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. Many, but not all, of the Security and ES&H requirements are outlined in Sandia's ES&H Manual and Security Manual that can be accessed from the following site or 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 Seller shall write a letter to the SDR or the SCR stating the company designation to be used by the Seller and each subSeller 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.

Seller shall withdraw and replace any individual, including any subSeller employee, assigned to perform work under this contract, who in the judgment of Sandia or DOE/NNSA, is to be denied access to any government site. Seller shall submit to the SDR or the SCR any proposed working schedules for its personnel and the personnel of each of its subSellers that

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deviate from Sandia's normal workday or work week schedule. The schedules will show proposed daily working hours and proposed work weeks. Schedules that deviate from Sandia's normal work day or work week must be approved by the responsible SDR. In the absence of a written authorization from the SCR or DOE/NNSA, use of government sites by the Seller and its subSellers of any tier, pursuant to access granted under this clause, shall be limited to work required by this contract to be performed on such premises. THE USE OF THE ACCESS PRIVILEGE FOR ANY PURPOSE OTHER THAN TO PERFORM WORK UNDER THIS CONTRACT IS PROHIBITED AND MAY BE GROUNDS FOR TERMINATING THIS CONTRACT DEFAULT OR FOR FINDING THAT AN INDIVIDUAL IS UNACCEPTABLE FOR FUTURE ACCESS. (b) Sandia 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, Sandia Corporation, Innovation Parkway Office Complex (IPOC). Sandia National Laboratories, Livermore, California - Visitor Control and Administration Section, Sandia Corporation, Building 911. Tonopah Test Range, Tonopah, Nevada - Office of the Tonopah Test Range Manager. (c) Seller will ensure that its personnel and the personnel of each of its subSellers assigned to work on Sandia's or Government premises comply with all applicable site policies. In addition the Seller, it's personnel and personnel of each of its subSellers, 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-Sandia related business activities (such as interviews, hires, dismissals or personal solicitations) on the premises;
 - 6) not send or receive non-Sandia related mail through Sandia's 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 SCR's written permission or as permitted by law.
- (d) All persons, property, and vehicles entering or leaving Sandia's KAFB or Government's premises are subject to search. (e) Seller will promptly notify Sandia and provide a report of any accidents or security incidents involving loss of or misuse or damage to Sandia's or Government's intellectual or physical assets, and all physical altercations, assaults, or harassment.