

SANDIA CORPORATION
SF 6432-NI (11/2015)
SECTION II

STANDARD TERMS AND CONDITIONS FOR FIXED PRICE CONTRACTS WITH THE
NEWLY INDEPENDENT STATES OF THE FORMER SOVIET UNION

THE FOLLOWING CLAUSES APPLY TO REQUESTS FOR QUOTATION AND
CONTRACTS 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. (CTRL+CLICK ON A LINK BELOW TO
ADVANCE DIRECTLY TO THAT SECTION)

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[APPLY TO CONTRACTS EXCEEDING \\$150,000](#)
[APPLY TO ALL CONTRACTS EXCEEDING \\$650,000](#)
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[APPLY TO ALL CONTRACTS WHICH INCLUDE ANY EXPERIMENTAL, RESEARCH, DEVELOPMENTAL, OR DEMONSTRATION WORK](#)
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ACCEPTANCE OF TERMS AND CONDITIONS

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

APPLICABLE LAW

The rights and obligations of the parties hereto shall be governed by, and this contract shall be interpreted in accordance with laws of New Mexico, and, where appropriate, the United States federal law.

ASSIGNMENT

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

BANKRUPTCY

If the Contractor enters into any proceeding relating to bankruptcy, it shall give written notice via certified mail to the SCR responsible for this Agreement 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 agreement numbers for which final payment has not been made.

BREACH OF CONTRACT

Any Contractor personnel who personally violate any requirements of this contract may be denied access to any Government site and Contractor may be terminated for default of this contract.

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COMPLIANCE WITH THE LAWS OF THE COUNTRY AND THE UNITED STATES

Contractor Warranties and Certifications:

Contractor warrants and certifies that in performing the duties required under this Contract, Contractor will comply with the laws, regulations and administrative requirements of the Country in which Contractor is operating ("Country"), except to the extent such compliance is inconsistent with, or penalized under, United States law. Further, Contractor shall take no action which would subject Sandia Corporation to penalties under United States or Country laws, regulations and administrative requirements.

Contractor further warrants and certifies that Contractor has not and will not offer, pay, promise to pay, or authorize the payment of any money, or offer, give, promise to give, or authorize the giving of anything of value to a foreign official (as defined in the Foreign Corrupt Practices Act (Public Law 95-213), as amended), to any foreign political party or official thereof or any candidate for foreign political office, or to any person, while knowing or being aware of a high probability that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any foreign official, to any foreign political party or official thereof, or to any candidate for foreign political office, for the purposes of: influencing any act or decision of such foreign official, political party, party official, or candidate in his or its official capacity, including a decision to fail to perform his or its official functions; or inducing such foreign official, political party, party official, or candidate to use his or its influence with the foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality, in order to assist Sandia or Contractor in obtaining or retaining business for or with, or directing business to Sandia or Contractor.

Contractor warrants that Contractor is familiar with, and will comply in all respects with, U.S. laws, regulations and administrative requirements applicable to Sandia's relationship with the Contractor, including, the Foreign Corrupt Practices Act (FCPA) (A guide to the FCPA may be found at this U.S. Department of Justice web site: <http://www.justice.gov/criminal/fraud/fcpa/>);

Contractor warrants and certifies that Contractor has not been charged with or convicted of a felony offense in any jurisdiction or country, or listed by any U.S. Government agency as debarred, suspended, proposed for debarment, or otherwise ineligible for government procurement programs.

Notices:

If subsequent developments cause the certifications and information reported to be no longer accurate or complete, Contractor will immediately furnish Sandia with a supplementary report detailing such change in circumstances.

Contractor agrees to give prompt written notice in the event that, at any time during the term of this Contract, Contractor has failed to comply with or has breached any of its warranties or any of the certifications become inaccurate.

Remedies:

Failure or refusal to promptly furnish any required certificate or disclosure indicating compliance with this clause upon request from Sandia will be the basis for immediate termination of this Contract.

In the event Contractor has not complied or has breached any of its warranties hereunder or

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any other certifications hereunder become inaccurate, this Contract shall be null and void from the time of such non-compliance, breach or inaccuracy. The foregoing warranties shall survive the termination of this Contract and shall continue in effect with respect to all business activities of Sandia in the Country until all such activities have ceased. Sandia represents and warrants that Contractor does not desire and will not request any service or action by Contractor that would or might constitute a violation of the Foreign Corrupt Practices Act or any other law, regulation or administrative requirement of the United States or the Country

DEFINITIONS

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

- (a) CONTRACT** means Purchase Order, Contract, Price Agreement, Subcontract, Ordering Agreement, or modifications thereof.
- (b) CONTRACTOR** means the person or organization that has entered into this contract to sell something to Sandia.
- (c) CONTRACTOR-DIRECTED WORK** means work under a contract for which the Contractor is accountable for the outcome of the work performed and routinely provides work direction to the Contractor's work force.
- (d) GOVERNMENT** means the United States of America and includes the U.S. Department of Energy/National Nuclear Security Agency (DOE/NNSA), the Secretary of Energy of the United States, or any duly authorized representative thereof.
- (e) ITEM** means commercial items, commercial services, and commercial components as defined in FAR 52.202-1.
- (f) SANDIA** means Sandia Corporation, the management and operating contractor for the Sandia National Laboratories under Contract No. DE-ACO4-94AL-5000 with the U.S. Department of Energy/National Nuclear Security Administration (DOE/NNSA).
- (g) SANDIA-DIRECTED WORK** means work under a contract for which Sandia retains accountability for the outcome of the work performed and routinely provides work direction to the Contractor's work force.
- (h) SCR** means Sandia Contracting Representative, the only person authorized to execute and/or administer this contract for Sandia.
- (i) SDR** means Sandia Delegated Representative. The SCR 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 Contractor, and shall designate by name the personnel so delegated as authorized representatives. The SDR shall exercise no supervision over the Contractor'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 CONTRACT.
- (j) SUBCONTRACT** means any lower tier contract under this contract.

DISPUTES

Contractor and Sandia agree to use the Sandia Acquisition Conflict Resolution Process 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

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available in "Policies" tab.

EXCESS FREIGHT CHARGES

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

EXCUSABLE DELAYS

(a) Except for defaults of subcontractors at any tier, the Contractor shall not be in default because of any failure to perform this contract under its terms if the failure arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of these causes are (1) acts of God or of the public enemy, (2) acts of Sandia, (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 Contractor. "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 Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be deemed to be in default, unless- (1) The subcontracted supplies or services were obtainable from other sources; (2) The SCR ordered the Contractor in writing to purchase these supplies or services from the other source; and (3) The Contractor failed to comply reasonably with this order.

(c) Upon request of the Contractor, the SCR shall ascertain the facts and extent of the failure. If the SCR 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 Sandia or the Government under the Termination Clause of this contract.

EXPORT CONTROL

(a) Any item, technical data, or software furnished by Sandia in connection with this purchase order/contract is supplied for use in the United States only. Contractor 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, Contractor 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 contract to Contractor or Contractor's lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception. Contractor shall immediately notify the SCR if it transfers any export controlled item, data, or services to foreign persons. Diversion contrary to U.S. export laws and regulations is prohibited.

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(b) Contractor shall immediately notify the SCR if Contractor is, or becomes, listed in any Denied Parties List or if Contractor's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.

(c) If Contractor is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Contractor 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 Contractor shall flow down the requirements of this clause to all subcontracts.

EXTRAS AND VARIATION IN QUANTITY

Except as otherwise provided in this contract, no payment for extras shall be made unless such extras and the price therefore have been authorized in writing by the SCR. No variation in the quantity of any item called for by this contract 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 contract.

INDEPENDENT CONTRACTOR RELATIONSHIP

(a) Contractor is an independent contractor in all its operations and activities related to this contract. The workers used by Contractor to perform Work under this Contract shall be independent contractor, Contractor's employees, agents or subcontractors, without any relation whatsoever to Sandia Corporation.

(b) Contractor 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 Contractor, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this Contract.

(c) Contractor shall indemnify and hold harmless Sandia from and against any actual or alleged liability, loss, costs, damages, fees of attorneys, and other expenses which Sandia may sustain or incur in consequence of:

(i) Contractor's failure to pay any employee for the Work rendered under this Contract, or

(ii) any claims made by Contractor's personnel against Sandia.

The Contractor shall flow down the requirements of this clause to any applicable subcontracts for services.

INFORMATION SECURITY

Official Use Only (OUO) and Sandia Proprietary Information (SPI)

Contractor shall ensure Sandia information utilized in the performance of this contract is not used or disseminated for any other purpose. Contractor shall protect OUO and SPI information from unauthorized dissemination (e.g. to persons who do not require the information to perform work under this contract) and shall follow all requirements for OUO and SPI documents specified below.

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Definition: OOU 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.

- a) Protection in Use: Precautions shall be taken by the contractor to prevent access to documents marked as containing OOU information by persons who do not require the information to perform their jobs or other DOE-authorized activities.
- b) Protection in Storage: Documents marked as containing OOU information shall be stored in a locked room or other locked receptacle (e.g., a locked file cabinet, desk).
- c) Reproduction: Documents marked as containing OOU information shall be reproduced to the minimum extent necessary in performance of the contract. All copies of Sandia OOU and SPI (including 3-D print prototypes) shall be protected, accessed, stored, marked, transmitted and destroyed in the same manner as the originals.

Destruction: Disks shall be overwritten using approved software and destroyed. Hard copy OOU or SPI documentation shall be destroyed by using an approved shredder (strips no more than ¼ inch wide).

NOTICE OF POTENTIAL DELAY

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

ORDER OF PRECEDENCE & LANGUAGE

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

The English language version of this Contract shall be controlling.

All deliverables under this Contract shall use and/or be in the English language.

PAYMENT

Contractor agrees to provide invoices within 60 days of completion of work and hereby waives any amounts that are not invoiced within 60 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 Contractor's proper invoice, if required, or (2) delivery of Items/completion of work. Invoices or vouchers requesting payment for item(s) of Government Property as defined in DEAR 970.5204-21 Property, shall be separately listed on such invoices or vouchers. Any offered discount shall be taken if payment is made within the discount period that the Contractor indicates. 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.

PRICING OF CONTRACT AND SUBCONTRACT MODIFICATIONS

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

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PROPERTY

This clause is applicable if this contract provides (i) that Sandia will furnish Government-owned property to the Contractor (hereinafter referred to as "Sandia-Furnished U.S. Government Property") or (ii) that the Contractor will acquire property.

(a) Sandia-Furnished U.S. Government Property

1. Sandia shall deliver to the Contractor, for use in connection with and under the terms of this contract, the Sandia-Furnished U.S. Government Property described in Section I together with any related data and information that the Contractor may request and is reasonably required for the intended use of the property (hereinafter referred to as Sandia-Furnished U.S. Government Property").
2. The delivery or performance dates for this contract are based upon the expectation that Sandia-Furnished U.S. Government Property suitable for use
3. (except for property furnished "as-is") will be delivered to the Contractor at the times stated in Section I or, if not so stated, in sufficient time to enable the Contractor to meet the contract's delivery or performance dates.
4. If Sandia-Furnished U.S. Government Property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt of it, notify the SCR, detailing the facts, and, as directed by the SCR and at Sandia expense, either repair, modify, return, or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, the CR shall make an equitable adjustment.
5. If Sandia-Furnished U.S. Government Property is not delivered to the Contractor by the required time, the SCR shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused to the Contractor and shall make an equitable adjustment.

(b) Title in Property

Unless otherwise provided in this contract, title to all Sandia-Furnished U.S. Government Property and/or property acquired through funds transferred through this effort, shall pass to the End-user upon the Contractor's receipt of the property. All responsibility, including repair or replacement of property for which the Contractor holds title, shall be accomplished by the Contractor at its own expense.

RECYCLED AND/OR NEW MATERIALS

Unless otherwise specified in this Agreement, 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. Contractor shall give preference to the use of recycled materials as set forth in DEAR 970.5204-39 ACQUISITION AND USE OF ENVIRONMENTALLY PREFERABLE PRODUCTS AND SERVICES (OCT 1995).

RELEASE OF INFORMATION

No information relating to this contract shall be released other than to Contractor's employees or those of Contractor's subcontractors requiring the information for the performance of the Statement of Work of this contract, without advance written approval of the SCR. In no event shall the interest of Sandia or the DOE or the Government in this contract be indicated in any advertising or publicity without advance written approval of the

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SCR.

RELEASES VOID

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

REPORTING OF ROYALTIES

If this contract is in an amount which exceeds \$10,000, and any royalty payments are directly involved in the contract or are reflected in the contract price to Sandia or the Government, the Contractor agrees to report in writing to the Patent Counsel (with notification by Patent Counsel to the SCR) during the performance of this contract and prior to its completion or final settlement, the amount of any royalties or other payments paid or to be paid by it directly to others in connection with the performance of this contract together with the names and addresses of licensors to whom such payments are made and either the patent numbers involved or such other information as will permit the identification of the patents or other basis on which the royalties are to be paid. The approval of Sandia or of DOE of any individual payments or royalties shall not stop the Government at any time from contesting the enforceability, validity or scope of, or title to, any patent under which a royalty or payments are made. ("Patent Counsel," as used in this clause, means the Patent Attorney, DOE, Albuquerque Operations Office, P. O. Box 5400, Albuquerque, New Mexico 87115.)

REPORTS REQUIRED BY THIS CONTRACT

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

RISK OF LOSS

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

SANDIA PROVIDED INFORMATION

Any and all physical forms of designs, design data, drawings, specifications, technical, scientific data, and other information furnished by Sandia to the Contractor shall remain the property of the government and shall be protected from unauthorized use, reproduction, and disclosure. Contractor 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 Contractors, if any, whose job performance for this specific contract requires the information and only for those purposes. No other dissemination or use is permitted without prior written approval of the Sandia

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Contracting Representative/Sandia Delegated Representative. Any and all such information provided by Sandia to the Contractor shall be used only for the purpose of enabling performance of this contract and the Contractor shall use its best efforts to prevent disclosure to others except when necessary in the performance of this contract.

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION (PII)

In performing this contract the Contractor may be provided with Personally Identifiable Information (PII) relating to Sandia employees, contractor employees, and any other individuals related to the work under this contract. The Contractor agrees that the Contractor will 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 contract. 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 Sandia 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 Sandia computing resources as a result of incidental personal use of computing and information resources or other assets.

Loss of Control of PII: If the Contractor becomes aware or suspects that any Sandia 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 Contractor will immediately take steps to prohibit further disclosure and will give verbal notice to Sandia's Security Incident Management Program (SIMP) by calling and reporting the incident at either SNL/NM Pager: (505) 283-7467 (283-SIMP) or for contracts issued in California call (925) 294-3238 (these are manned 7 days a week 24 hours a day). After notifying SIMP, also verbally notify the SCR and SDR (if one is identified in this contract). In addition to the immediate verbal notifications, written notification will be provided to the SCR and SDR (if one is identified in the contract,) within 72 hours of the Contractor's learning of the situation. The Contractor will cooperate with Sandia and provide information needed to allow Sandia 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 Sandia. The contractor shall ensure

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that these provisions shall be made applicable to any subcontractor or non-governmental third party who receives PII provided through this agreement.

TAXES

(a) To the extent that this contract provides for furnishing supplies or performing services outside the United States and its outlying areas, this clause applies in lieu of an U.S. Federal, State, and local taxes clause of the contract.

(b) Definitions. As used in this clause—

- a. “Contract date” means the date set for bid opening or, if this is a negotiated contract or a modification, the effective date of this contract or modification.
- b. “Country concerned” means any country, other than the United States and its outlying areas, in which expenditures under this contract are made.
- c. “Tax” and “taxes” include fees and charges for doing business that are levied by the government of the country concerned or by its political subdivisions.
- d. “All applicable taxes and duties” means all taxes and duties, in effect on the contract date, that the taxing authority is imposing and collecting on the transactions or property covered by this contract, pursuant to written ruling or regulation in effect on the contract date.

(c) Unless otherwise provided in this contract, the contract price includes all applicable taxes and duties, except taxes and duties that the Government of the United States and the government of the country concerned have agreed shall not be applicable to expenditures in such country by or on behalf of the United States, or any tax or duty not applicable to this contract or any subcontracts under this contract, pursuant to the laws of the country concerned.

It is the Contractor’s responsibility to obtain the exemption from or refund of any taxes or duties, including interest or penalty, from which the United States Government, Sandia Corporation, the Contractor, any Subcontractor, or the transactions or property covered by this contract are exempt under the laws of the country concerned or its political subdivisions or which the governments of the United States and of the country concerned have agreed shall not be applicable.

WARRANTY

Contractor expressly warrants that Items delivered under this Agreement shall be in accordance with Sandia's description and compliant with all requirements of this Agreement. Contractor expressly warrants that no counterfeit Items or components in Items shall be delivered to Sandia on this Agreement. Contractor expressly warrants that all Items provided under this agreement 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 months, whichever is longer, if the Contractor is not the manufacturer and has not modified the Item or (2) one year or the manufacturer's warranty period, whichever is longer, if the Contractor is the manufacturer of the Item or had modified it. If any nonconformity with Item appears within that time, Contractor shall promptly repair, replace, or re-perform such Items at Contractor's election. Transportation of replacement Items and return of nonconforming Items and repeat performance of services

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shall be at Contractor's expense. Sandia shall notify Contractor of such nonconformity within a reasonable time after discovery, and Contractor shall notify Sandia of whether it chooses to make repairs or replacements within three working days after Sandia's notice of nonconformity. If repair or replacement or re-performance of services is not timely, Sandia may elect to return the nonconforming Items or repair or replace them or re-procure the services at Contractor's expense. Contractor disclaims the implied warranties of merchantability or fitness for a particular purpose.

WORK FOR HIRE

Contractor hereby acknowledges that all duties performed hereunder are specifically ordered or commissioned by Sandia Corporation ("Work"); that Contractor has required all of its employees who will do the Work to assign all intellectual property generated in the course of employment to the Contractor; that the Work constitutes and shall constitute a work-made-for-hire as defined in the United States Copyright Act of 1976; that Sandia Corporation 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, Contractor hereby assigns, transfers, and conveys to Sandia Corporation, without reservation, all of Contractor'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. Contractor agrees to execute all papers and to perform such other proper acts as Sandia Corporation may deem necessary to secure for Sandia Corporation the rights herein assigned.

ADDITIONAL TERMS AND CONDITIONS

This Contract 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 Contracting Officer, substitute Sandia and Sandia Contracting Representative (SCR).

APPLY TO CONTRACTS AT ANY VALUE

FAR 52.203-99 Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements

FAR 52.211-5 Material Requirements

FAR 52.222-29 Notification of VISA Denial

FAR 52.222-50 Combating Trafficking in Persons

FAR 52.225-13 Restrictions on Certain Foreign Purchases

FAR 52.227-3 Patent Indemnity

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 52.232-39 Unenforceability of Unauthorized Obligations

FAR 52.242-15 Stop Work Order with Alternate I

FAR 52.244-6 Subcontracts for Commercial Items

FAR 52.245-1 Government Property

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FAR 52.247-63 Preference for U.S.-Flag Air Carriers
FAR 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels.
FAR 52.249-2 Termination For Convenience of the Government (Fixed-Price)
FAR 52.249-8 Default (Fixed-Price Supply and Service)
DEAR 952.204-71 Sensitive Foreign Nations Controls
DEAR 952.211-71 Priorities and Allocations (Atomic Energy) This clause applies only if Section I designates a Government Priority.
DEAR 952-235-71 Research Misconduct
DEAR 952.247-70 Foreign Travel
DEAR 952.250-70 Nuclear Hazards Indemnity Agreement
DEAR 970.5204-11 Changes
DEAR 970.5204-19 Printing
DEAR 952.204-71 Sensitive Foreign Nations Controls
DEAR 952.217-70 Acquisition of Real Property

APPLY TO CONTRACTS EXCEEDING \$35,000

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

APPLY TO ALL CONTRACTS EXCEEDING \$150,000

FAR 52.203-6 Restrictions on Subcontractor Sales to the Government
FAR 52.203-7 Anti-Kickback Procedures except subparagraph (c)(1)
FAR 52.203-12 Limitation on Payments to Influence Certain Federal Transactions
FAR 52.203-17 Contactor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights
FAR 52.215-2 Audit and Records--Negotiation
FAR 52.249-10 Default (Firm Fixed Price Construction) 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 SCR under DEAR 952.209-8. The term for 952.209-72 shall be five (5) years.
FAR 52.247-63 Preference for U.S.-Flag Air Carriers.

APPLY TO ALL CONTRACTS EXCEEDING \$750,000

FAR 52.230-4 Disclosure and Consistency of Cost Accounting Practices--Foreign Concerns

APPLY TO ALL CONTRACTS EXCEEDING \$5,500,000

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

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

FAR 52-227-16 Additional Data Requirements
FAR 52.227-14 Rights in Data -Rights in modified in accordance with DEAR 952.227-14 and including Alternate V.
FAR 52.246-7 Inspection of Research and Development - Fixed Price

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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 other contracts.

DEAR 970.5204-82 Rights in Data--Facilities is included in subcontracts for related support services, involving the design or operation of any plants or facilities or specially designed equipment for such plants or facilities that are managed or operated under an Management and Operating (M&O) Contract under 48 CFR 970 with DOE.

THE REMAINING CLAUSES APPLY TO ALL CONTRACTS WHERE ANY WORK WILL BE PERFORMED ON A U.S. GOVERNMENT SITE

CITIZENSHIP STATUS

All personnel of the Contractor and its subcontractors, who require access to U.S. Government sites, must be United States citizens, or foreign nationals who are legal aliens or have the required authorization to perform work in the United States.

PROTECTION OF U.S. 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 under the tab titled "Policies". 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 TO U.S. GOVERNMENT SITES

(a) Permission to enter U.S. Government sites shall at all times be subject to all laws, regulations, and site access rules for the site. The U.S. Government requirements include but are not limited to, all of the requirements set forth in this section for any work to be performed on a U.S. Government site. To obtain access to such premises, the Contractor shall write a letter to the SDR or the SCR stating the company designation to be used by the Contractor and each subcontractor and furnishing the following information on each individual requiring access to such premises: name, date of birth, and citizenship status, completed Environment, Safety and Health (ES&H) training requirements set forth in the Statement of Work (SOW). Access will be granted for the period of performance of the work only. Contractor shall withdraw and replace any individual, including any subcontractor employee, assigned to perform work under this contract, who in the judgment of Sandia or DOE, is to be denied access to any U.S. Government site. Contractor shall submit to the SDR or the SCR proposed working schedules for its personnel and the personnel of each of its subcontractors. 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

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approved by the responsible SDR. In the absence of a written authorization from the SCR or DOE, use of U.S. Government sites by the Contractor and its subcontractors 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, Building 800. 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) Contractor will ensure that its personnel and the personnel of each of its subcontractors assigned to work on Sandia's or Government premises comply with all applicable site policies. In addition the contractor, its personnel and personnel of each of its 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-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 U.S. Government's premises are subject to search. (e) Contractor 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 U.S. Government's intellectual or physical assets, and all physical altercations, assaults, or harassment.