

GENERAL TERMS & CONDITIONS Individuals (IND SEPTEMBER 2015)

ARTICLES	PAGE
1. Definitions.....	1
2. Order of Precedence.....	1
3. Agreement for Benefit of DOE.....	1
4. Acceptance of Terms and Conditions	1
5. Taxes – Fixed-Price, Federal, State, and Local Taxes	2
6. Cooperating with DOE Office of Inspector General.....	2
7. Reporting Waste, Fraud, and Abuse.....	2
8. Public Release of Information.....	3
9. Confidentiality of Information	3
10. Compliance with Laws.....	3
11. DOE Security Badges and Clearance Requirements.....	3
12. Workplace Substance Abuse Program	4
13. Liability for Fines and Penalties.....	4
14. Independent Contractor.....	4
15. Authorization and Consent.....	4
16. Patent Indemnity	5
17. Standards of Conduct	5
18. Conflicts of Interest.....	6
19. Consideration	7
20. Travel Reimbursement	7
21. Invoicing	7
22. Assignment	7
23. Resolution of Disputes	7
24. Termination.....	8
25. Severability	8
26. Enforcement	8
27. Clauses Incorporated by Reference.....	9

1. DEFINITIONS

The following terms have the meanings below:

(a) Government means the United States of America and includes the U. S. Department of Energy (DOE), the National Nuclear Security Administration (NNSA), or any duly authorized representative thereof.

(b) Company means Consolidated Nuclear Security, LLC acting under Contract No. DE-NA0001942.

(c) Seller (or “you”) means the person who has entered into this Agreement with Company.

(d) Agreement means Purchase Order, Subcontract, or Modification thereof.

(e) Article or Clause is the numbered paragraph of General Terms & Conditions.

(f) Procurement Representative means Subcontract Administrator, Buyer, Procurement Specialist, or Contract Specialist acting within the limits of a written authority to enter into, administer, and/or terminate contracts and make related determinations and findings on behalf of the Company.

(g) Subcontract Technical Representative means the duly authorized Company representative who provides technical direction for performance of the work under this Agreement.

(h) On-site work means work in furtherance of this Agreement at a DOE-owned or –leased area or Company-owned or –leased area.

The term “FAR” means the Federal Acquisition Regulations including all amendments and changes thereto in effect on the effective date of this Agreement.

(j) The term “DEAR” means the DOE Acquisition Regulations, including all amendments and changes thereto in effect on the effective date of this Agreement.

(k) The term “U.S.C.” means the United States Code.

(l) The term “Commercial Item/Service” or “Commercial Component” means the same as the definitions for these terms set forth at FAR 2.101.

(m) The term “Pantex” means the Pantex Plant in Amarillo, TX managed and operated by Company.

(n) The term “Y-12” means The Y-12 National Security Complex in Oak Ridge, TN managed and operated by Company.

2. ORDER OF PRECEDENCE

Any inconsistencies shall be resolved in accordance with the following descending order of precedence in Agreement documents:

(a) The Schedule (excluding Sections C and G);

(b) Schedule Section G:

(1) Negotiated Alterations or Special Provisions;

(2) General Terms and Conditions;

(3) Clauses Incorporated by Reference;

(4) Supplemental Conditions;

(c) Specifications or Statement of Work, or other description of services or supplies (Section C); and

(d) Drawings.

3. AGREEMENT FOR BENEFIT OF DOE

(a) Funding – Company shall make all payments under this Agreement from Government funds advanced and agreed to be advanced by DOE, and not from its own funds. In almost all circumstances, funds recovered by Company from Seller are Government funds.

(b) Administration – Administration of this Agreement may be transferred, in whole or in part, to DOE or its designee(s), and to the extent of such transfer and notice thereof to Seller, Company shall have no further responsibilities hereunder.

(c) Company Right to Recovery – The Company, a Managing and Operating Contractor, acting under its Prime Contract with DOE, has entered into this Agreement with Seller for the benefit of DOE. If Company seeks recovery from Seller, Seller agrees it shall not plead, assert or raise in any manner a defense that Company has no right to recover (1) because the Company itself, rather than DOE/NNSA, has suffered no damages on account of the cost-reimbursable nature of Company’s Prime Contract with DOE, or (2) because DOE has accepted the project or task performed under this Agreement.

4. ACCEPTANCE OF TERMS AND CONDITIONS

(a) Seller, by signing this Agreement, delivering the supplies, or performing the requirements indicated herein, agrees to comply with all the terms and conditions and all specifications and other documents that this Agreement incorporates by reference or attachment. Company hereby objects to any terms and conditions contained in any acknowledgment of this

Agreement that are different from or in addition to those mentioned in this Agreement.

(b) Failure of Company to enforce any of the provisions of this Agreement shall not be construed as (1) evidence to interpret the requirements of this Agreement, (2) a waiver of any requirement, or (3) a waiver of the right of Company to enforce each and every provision. In accordance with Tennessee Code, Section 47-50-112(c), no waiver of any provision or part thereof of this Agreement shall be valid unless such waiver is in a writing signed by the Procurement Representative. Any waiver shall be strictly construed and shall apply on a one-time basis unless expressly stated to apply otherwise.

5. TAXES – FIXED-PRICE, FEDERAL, STATE AND LOCAL TAXES

(a) Definitions. As used throughout this clause, the following terms shall have the meaning set forth below:

(1) The term “direct tax” means any tax or duty directly applicable to the completed supplies or services covered by this subcontract, or any other tax or duty from which the Seller or this transaction is exempt. It includes any tax or duty directly applicable to the importation, production, processing, manufacture, construction, sale, or use of such supplies or services; it also includes any tax levied on, with respect to, or measured by sales, receipt from sales, or use of the supplies or services covered by this subcontract. The term does not include transportation taxes, unemployment compensation taxes, social security taxes, income taxes, excess-profits taxes, capital stock taxes, property taxes, and such other taxes as are not within the definition of the term “direct tax” as set forth above in this paragraph.

(2) The term “subcontract date” means the effective date of this subcontract if it is a negotiated subcontract, or the date set for the opening of bids if it is a subcontract entered into as a result of sealed bidding.

(b) Federal Taxes. Except as may be otherwise provided in this subcontract, the subcontract price includes all applicable Federal taxes in effect on the subcontract date.

(c) State or Local Taxes. Except as may be otherwise provided in this subcontract, the subcontract price does not include any State or local direct tax in effect on the subcontract date. For subcontractors providing and installing tangible personal property, which becomes part of real property, the subcontract price should include all state and local direct taxes on such installed tangible personal property.

(d) Evidence of Exemption. The Company agrees, upon request of the Seller, to furnish a tax exemption certificate or other similar evidence of exemption with respect to any direct tax not included in the subcontract price pursuant to this clause; and the Seller agrees, in the event of the refusal of the applicable taxing authority to accept such evidence of exemption, (1) promptly to notify the Company of such refusal, (2) to cause the tax in question to be paid in such manner as to preserve all rights to refund thereof, and (3) if so directed by the Company to take all necessary action, in cooperation with and for the benefit of Government, to secure a refund of such tax (in which event the Company agrees to reimburse the Seller for any and all reasonable expenses incurred at its direction)

(e) Price Adjustment. If, after the subcontract date, the Federal Government or any State or local Government either (1) imposes or increases (or removes an exemption with respect to) any direct tax, or any tax directly applicable to the materials or components used in the manufacture of furnishing of the completed supplies or services covered by this subcontract, or (2) refuses to accept the evidence of exemption, furnished under paragraph (d) hereof, with respect to any direct tax excluded from the subcontract price, and if under either (1) or (2) the Seller is obliged to and does pay or bear the burden of any such tax (and does not secure a refund thereof), the subcontract price shall be correspondingly increased. If, after the subcontract date, the Seller is relieved in whole or in part from the payment or the burden of any direct tax included in the subcontract price, or any tax directly applicable to the materials or components used in the manufacture or furnishing of the completed supplies or services covered by this subcontract, the Seller agrees promptly to notify the Company of such relief, and the subcontract price shall be correspondingly decreased or the amount of such relief paid over to the Company for the benefit of the Government. Invoices or vouchers covering any increase or decrease in the subcontract price pursuant to the provisions of this paragraph shall state the amount thereof, as a separate added or deducted item, and shall identify the particular tax imposed, increased, eliminated, or decreased.

(f) Refund or Drawback. If any tax or duty has been included in the subcontract price or the price as adjusted under paragraph (e) of this clause, and if the Seller is entitled to a refund or drawback by reason of the export or re-export of supplies covered by this subcontract, or of materials or components used in the manufacture or furnishing of the completed supplies or services covered by this subcontract, the Seller agrees that he will promptly notify the Company thereof and that the amount of any such refund or drawback obtained will be paid over to the Company for the benefit of the Government or credited against amounts due from the Company under this subcontract: Provided, however, That the Seller shall not be required to apply for such refund or drawback unless so requested by the Company.

6. COOPERATING WITH DOE OFFICE OF INSPECTOR GENERAL

Seller shall cooperate fully and promptly with requests from the DOE Office of Inspector General (OIG) for information and data relating to DOE programs and operations (i) comply with requests by the OIG for interviews and briefings and provide affidavits or sworn statements, if so requested by an employee of the OIG so designated to take affidavits or sworn statements, and (ii) not impede or hinder another employee's cooperation with the OIG.

7. REPORTING WASTE, FRAUD, AND ABUSE

(a) General Requirements - Seller shall ensure its employees having information about actual or suspected violations of laws, regulations, or policies including fraud, waste, abuse, misuse, corruption, criminal acts, or mismanagement relating to DOE programs, operations, facilities, contracts, or information technology systems notify

an appropriate authority. Examples of violations to be reported include, but are not limited to, allegations of false statements; false claims; bribery; kickbacks; fraud; environmental, safety, and health violations; theft, computer crimes; subcontractor mischarging; conflicts of interest; and conspiracy to commit any of these acts. Seller must ensure that its employees are aware that its employees are required to report actual or suspected violations. Reporting can be as follows: Y-12 Ethics Hotline; phone 865 576-1900; fax 865 574-9656; Pantex 806-477-6777; Fax 806-477-3005; Office of Inspector General; 1-800-541-1625 (M-F 8:00AM – 4PM EST)

(b) Seller Specific Requirements - Seller shall inform its employees annually of their duty to report allegations of information described in General Requirements above; display the OIG hotline telephone number in buildings and common areas under its responsibility such as cafeterias, public telephone areas, official bulletin boards, reception rooms, and building lobbies; publish the OIG hotline telephone number in telephone books, newsletters, or other means of widespread communication to employees under its responsibility; Seller and its employees shall report to the OIG within a reasonable period of time, but not later than 24 hours after discovery of any alleged violations; shall not take any reprisal action against an employee for reporting actual or suspected violations to the OIG.

(c) Flowdown - Requirements of this clause shall be flowed down to all lower-tier subcontractors

8. PUBLIC RELEASE OF INFORMATION

Except as provided in the Statement of Work, work description, statutory requirement, or other provisions of this Agreement, no public release of information, including, without limitation, data, photographs, sketches, and advertising, announcements, denials, or confirmations related to the work under this Agreement shall be made without the prior written approval of the Procurement Representative. Any request for approval shall include identity of the specific media as well as other pertinent details of the requested release.

9. CONFIDENTIALITY OF INFORMATION

(a) To the extent that work under this Agreement requires that Seller be given access to confidential or proprietary business, technical, or financial information belonging to the Government, the Company, or other parties, Seller shall after receipt thereof, treat such information as confidential and agrees not to appropriate such information to its own use or to disclose such information to third parties unless specifically authorized by the Company in writing. The foregoing obligations, however, shall not apply to (1) information which, at the time of receipt by Seller is in public domain; (2) information which is published after receipt thereof by Seller or otherwise becomes part of the public domain through no fault of Seller; (3) information which Seller can demonstrate was in its possession at time of receipt thereof and was not acquired directly or indirectly from Government or Company; (4) information which Seller can demonstrate was received by it from a third party who did not require Seller to hold it in confidence.

(b) Seller agrees, if requested by Company or DOE, to sign an agreement identical, in all material respects, to the provisions of this clause, with each company supplying information to Seller under this Agreement, and to supply a copy of such agreement to Company.

(c) Seller agrees that upon request by Company or DOE, it will execute a DOE-approved agreement with any party whose facilities or proprietary data it is given access to or is furnished, restricting use and disclosure of the data or the information obtained from the facilities.

10. COMPLIANCE WITH LAWS

(a) In performing work under this Agreement, the Seller shall comply with the requirements of applicable Federal, State, and local laws and regulations, unless relief has been granted in writing by the appropriate regulatory agency.

(b) Except as otherwise directed by the Company, the Seller shall procure all necessary permits or licenses required for the performance of work under this Agreement.

11. DOE SECURITY BADGES AND CLEARANCE REQUIREMENTS (Y-12 only)

(a) A security badge issued by the Company to the Seller is Government property. The Seller must return the badge upon expiration of this Agreement or when access to the Y-12 National Security Complex is no longer needed. Sellers holding an L or Q clearance must attend a security termination debriefing conducted by the Company when returning badges. However, in all cases, the Personnel Security Clearance Office should be notified by the Seller within one working day of a termination of employment or need for access to the Complex if the employee holds an L or Q clearance in order to provide notification to DOE/NNSA within two business days. DOE/NNSA directives require the termination of an employee security clearance within two business days of termination of employment or need for access to the Complex.

(b) The Seller must immediately notify the Procurement Representative in writing when a badge is lost or stolen. The Seller must report in person to the Y-12 Visitor Center Badging Office (or contact Y-12 PSS after hours/weekends) to complete an affidavit concerning the loss or theft and to obtain a replacement badge.

(c) The Seller must complete the Company *Subcontractor Personnel Exit Checklist*, Form UCN- 4452S, before exiting the site. The Seller must take the completed Checklist and badge to the Visitor Center badging office. If the Y-12 Visitor Center is closed (hours of operation are Monday-Thursday 6:00 a.m. to 4:30 p.m.) the Seller may leave the Checklist and badge with the STR. (In such cases alternate debriefing arrangements will be made for employees holding an L or Q clearance.) The Checklist, signed by the STR or an authorized representative of Personnel Security, is acceptable proof to the Company that a badge has been returned.

(d) Seller's payment may be withheld until all requirements of this clause have been met. Failure by employees of the Seller and its lower-tier subcontractors to promptly return badges will result in a charge of \$1,000 per badge, to be withheld from payment or billed to the Seller. In addition, failure to return a badge may result in the denial of future access to the Y-12 site for the individual. This \$1,000 charge

will not be assessed against badges that are lost or stolen during performance if replacement badges are issued to allow Seller or lower-tier subcontractor employees to return to work.

12. WORKPLACE SUBSTANCE ABUSE PROGRAM (WSAP)

(a) Applies to -- This clause applies to subcontracts \$25,000 or greater and which involve: (1) access to or handling of classified information or special nuclear materials; (2) high risk of danger to life, the environment, public health and safety, or national security; (3) transportation of hazardous materials to or from a DOE site, (4) employees who are required to have L or Q clearances to perform work under this Agreement, or (5) on-site construction activities.

(b) WSAP Covered Work -- For purposes of this clause, "WSAP covered work" means both on-site work, and work that is not on-site but that is performed by subcontractor employees with Q or L clearances at facilities that have Limited Areas (security areas designated by DOE for the protection of classified matter). Facilities that are not DOE-owned or -leased or Company-owned or -leased but that have Limited Areas within them are known as "possessing facilities."

(c) Sub-tier contractors to Seller -- Seller shall include this requirement in its contracts with applicable lower tier subcontractors, and will require those subcontractors to include this requirement in their subcontracts, if the applicability standards listed in the "Applies to" section above are met. References to "Seller" include all lower tier subcontractors falling within the "Applies to" criteria listed in subparagraph (a) above.

(d) Company approval of Seller Program

(1) All work falling within the "Applies to" criteria above is subject to 10 CFR 707, "Workplace Substance Abuse Programs at DOE Sites." This clause highlights certain provisions of 10 CFR Part 707, but Seller is directed to the entire provision to ensure compliance. The Seller shall develop and implement a workplace substance abuse program that complies with the requirements of 10 CFR Part 707. In accordance with 10 CFR 707.5(d), Seller's WSAP requires Company approval. Seller's proposed WSAP must be submitted to the Procurement Representative and approved before the start of work.

(2) Seller shall also submit applicable lower-tier subcontractor WSAPs for Company approval. Seller may either include employees of some or all subcontractors in its WSAP, or include this clause in subcontracts for WSAP covered work and require subcontractors to submit WSAPs for Company approval.

(e) General Workplace Substance Abuse Program Requirements.

(1) Seller's WSAP shall be consistent with the baseline elements in 10 CFR Part 707 and the guidelines of the U.S. Department of Health and Human Services found at:

http://workplace.samhsa.gov/DrugTesting/Level_1_Pages/mandatory_guidelines5_1_10.html.

(2) For all WSAP covered work, Seller's WSAP must provide for pre-employment testing for illegal drugs before final selection of applicants for employment, regardless of whether such applicants will fill testing designated positions (TDPs) as described

in subparagraph (f) below. Pre-employment testing must comply with all applicable provisions of 10 CFR 707.

(3) Seller must notify the Procurement Representative in writing, as soon as possible or at the latest by the next business day, after Seller receives notice -

- of an employee's conviction under a criminal drug statute, or
- for employees in TDPs (defined below), of a drug related arrest or conviction or a receipt of a positive drug test result.

(4) Seller shall maintain files of chain-of-custody records required by 10 CFR 707.12(a) and 10 CFR 707.16(d) and submit copies to Company upon request. Seller and lower-tier subcontractors shall require that laboratory records relating to positive drug test results be maintained in the manner and for the periods required by 10 CFR 707.16(c).

13. LIABILITY FOR FINES AND PENALTIES

Seller shall be responsible, at no expense to the Company, for the payment of fines, penalties, and other assessments imposed as a result of Seller's performance. If the fine, penalty, or other assessment results in part from actions or failures to act of the Company or its employees, the Company will be responsible for its *pro rata* share. If the Company is required to pay a fine, penalty, or other assessment for which Seller is liable under this clause, the Seller shall reimburse the Company the amount of such fine, penalty, or other assessment.

14. INDEPENDENT CONTRACTOR

(a) Neither this Agreement nor Seller's performance hereunder shall constitute or create an employee/employer relationship. Seller shall act solely as an independent contractor, not as an employee or agent of Company. As an independent contractor the Seller shall not be entitled to Workers Compensation or any other employee benefits or other insurance protection provided by the Company. However, if the Seller was previously a bona fide employee of the Company or an affiliate, the retirement and other benefits that Seller may be entitled to as a result of said previous employment shall continue uninterrupted in accordance with the terms and conditions of each applicable benefit plan or other program, and such benefits shall not be affected by nor have any relationship to this Agreement.

(b) Seller's responsibilities are limited to providing services and Seller has no authority to obligate the Company to any agreement or to exercise any supervision or direction over Company's employees.

15. AUTHORIZATION AND CONSENT

(a) The Government authorizes and consents to all use and manufacture, in performing this Agreement or any subcontract at any tier, of any invention described in and covered by a United States patent (1) embodied in the structure or composition of any article the delivery of which is accepted by Company under this Agreement or (2) used in machinery, tools, or methods whose use necessarily results from compliance by Seller or a subcontractor with (i) specifications or written provisions forming a part of this Agreement or (ii) specific written instructions given by Company directing the manner of performance. The entire liability to the Government

or the Company for infringement of a patent of the United States shall be determined solely by the provisions of the indemnity clause, if any, included in this Agreement or any subcontract hereunder (including any lower-tier subcontract), and the Government assumes liability for all other infringement to the extent of the authorization and consent hereinabove granted.

(b) The Seller shall include the substance of this clause, including this paragraph (b), in all subcontracts that are expected to exceed the simplified acquisition threshold. However, omission of this clause from any subcontract, including those at or below the simplified acquisition threshold, does not affect this authorization and consent.

16. PATENT INDEMNITY

(a) The Seller shall indemnify the Company and the Government and their officers, agents, and employees against liability, including costs, for infringement of any United States patent (except a patent issued upon an application that is now or may hereafter be withheld from issue pursuant to a Secrecy Order under 35 U.S.C. 181) arising out of the manufacture or delivery of supplies, the performance of services, or the construction, alteration, modification, or repair of real property (hereinafter referred to as "construction work") under this Agreement, or out of the use or disposal by or for the account of the Company or the Government of such supplies or construction work.

(b) This indemnity shall not apply unless the Seller shall have been informed as soon as practicable by the Company or Government of the suit or action alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules, or regulations to participate in its defense. Further, this indemnity shall not apply to—

(1) An infringement resulting from compliance with specific written instructions of the Company directing a change in the supplies to be delivered or in the materials or equipment to be used, or directing a manner of performance of the Agreement not normally used by the Seller;

(2) An infringement resulting from addition to or change in supplies or components furnished or construction work performed that was made subsequent to delivery or performance; or

(3) A claimed infringement that is unreasonably settled without the consent of the Seller, unless required by final decree of a court of competent jurisdiction.

17. STANDARDS OF CONDUCT

(a) It is the policy of the Company that its acquisition and retention of business be conducted in accordance with the highest standards of honesty and integrity. Sales of its products and services must be free from even a perception that favorable treatment was sought or received, or that questionable activities were engaged in or condoned. Purchases of products and services must be conducted with the same high standards. Severe criminal and civil penalties may be imposed on the individuals involved for violation of federal and state laws that affect the conduct of our business.

(b) By execution of this agreement, consultant represents and certifies that he or she has not been convicted or has not pleaded guilty to a federal offense involving fraud, corruption

or moral turpitude and is not now listed by any federal agency as debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for federal procurement programs. The consultant shall provide immediate notice to Company in the event of being suspended, debarred, or declared ineligible by any Department or other Federal Agency, or upon receipt of a notice of proposed debarment from any Department or Agency, during the performance of this agreement.

(c) By execution of this agreement, consultant hereby certifies that he or she is familiar with and will comply with all federal laws and regulations relating to federal conflict of interest ("Revolving Door") concerns, particularly of 41 U.S.C. Section 2104 (Procurement Integrity) and 18 U.S.C. 207. Consultant further represents and warrants that the services to be performed under this agreement, whether by itself, its employees, or its associates, shall not be in violation of said statutes or regulations.

(d) By execution of this agreement, consultant agrees that, unless such effort is specifically called out in the Statement of Work of this agreement, he or she will not engage in any effort on behalf of Company to lobby (i.e., to influence or attempt to influence) Congress, any Federal agency, any Member of Congress, any Federal Officer, or any Federal Agency employee or employee of a Member of Congress.

(e) Public Law 101-121 (Byrd Amendment) places restrictions on activities of consultants in connection with specific contract actions. By execution of this agreement, consultant agrees that, unless such effort is specifically called out in the Statement of Work of this agreement, he or she will not influence or attempt to influence an officer or employee of any federal agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding, extension, renewal, or modification of any federal contract for Company.

(f) Federal Acquisition Regulation Subpart 9.5 establishes policy relating to conflict of interest standards for those who provide services to the Government and to its contractors. "Marketing consultant" is defined as "an independent contractor who furnishes advice, information, direction, or assistance to an offeror or any other contractor in support of the preparation or submission of an offer for a Government contract by that offeror. An independent contractor is not a marketing consultant when rendering advisory and assistance services such as:

- (i) Routine engineering and technical services such as installation, operation or maintenance of systems, equipment, software, components, or facilities;
- (ii) Routine legal, actuarial, auditing, and accounting services;
- (iii) Training services

By execution of this agreement, consultant represents and agrees that performance of consulting work under this agreement does not constitute a conflict of interest and that consultant will not provide any unfair competitive advantage to the Company in the performance of such work. Where the Company is notified that it is the apparent successful offeror for any federal acquisition, any marketing consultant engaged in connection with that acquisition may be required to further certify to the Government that consultant has provided no unfair competitive advantage to the Company with respect to the services rendered or to be rendered in connection with the

solicitation, or that any unfair competitive advantage that does or may exist has been disclosed. Consultant agrees to provide that certificate promptly upon request by the Company.

(g) By execution of this agreement, consultant represents that consultant has and will make full disclosure during the terms of this Agreement of each instance where consultant is currently providing a supplier, customer, or competitor of Company services similar to those provided for hereunder or has provided such services during a period of twelve months prior to the date of any certification. Consultant further represents that he or she will make disclosure to the Company prior to entering into any such arrangements in the future and will provide current certifications as may be requested by the Company in order to facilitate its compliance with applicable laws and regulations.

(h) By execution of this agreement, consultant agrees that it shall not attempt to obtain, or receive any information that is security classified or procurement sensitive, directly or indirectly, from the U.S. Government or any other source where it is clear that release is unauthorized or in circumstances where there is reason to believe that such information cannot lawfully be in the Company's possession. The same prohibitions apply to information of another company that is business confidential or proprietary. For the purpose of this agreement, the term "information" includes documents, video and audio materials, oral transmissions, electronic data, and any other method or means by which information might be conveyed.

(i) By execution of this agreement, consultant certifies that, to the best of his or her knowledge and belief, he or she is not prohibited by law from performing such services.

18. CONFLICTS OF INTEREST

(a) Purpose. The purpose of this clause is to ensure that the Seller (1) is not biased because of its financial, contractual, organizational, or other interests which relate to the work under this Agreement, and (2) does not obtain any unfair competitive advantage over other parties by virtue of its performance of this Agreement.

(b) Scope. The restrictions described herein shall apply to performance or participation by the Seller and any of its affiliates or their successors in interest (hereinafter collectively referred to as "Seller") in the activities covered by this clause as a prime contractor, subcontractor, cosponsor, joint venture, consultant, or in any similar capacity. For the purpose of this clause, affiliation occurs when a business concern is controlled by or has the power to control another or when a third party has the power to control both.

(1) Use of Seller's Work Product. (i) The Seller shall be ineligible to participate in any capacity in Department contracts, subcontracts, or proposals therefore (solicited and unsolicited) which stem directly from the Seller's performance of work under this Agreement for a period of five years after the completion of this Agreement. Furthermore, unless so directed in writing by the Procurement Representative, the Seller shall not perform any advisory and assistance services work under this Agreement on any of its products or services or the products or services of another firm if the Seller is or has been substantially involved in their development or marketing. Nothing in this subparagraph shall preclude the Seller from

competing for follow-on Agreements for advisory and assistance services.

(ii) If, under this Agreement, the Seller prepares a complete or essentially complete statement of work or specifications to be used in competitive acquisitions, the Seller shall be ineligible to perform or participate in any capacity in any contractual effort which is based on such statement of work or specifications. The Seller shall not incorporate its products or services in such statement of work or specifications unless so directed in writing by the Procurement Representative, in which case the restriction in this subparagraph shall not apply.

(iii) Nothing in this paragraph shall preclude the Seller from offering or selling its standard and commercial items to the Company or the Government.

(2) Access to and use of information. (i) If the Seller, in the performance of this Agreement, obtains access to information, such as Company or DOE plans, policies, reports, studies, financial plans, internal data protected by the Privacy Act of 1974 (5 U.S.C. 552a), or data which has not been released or otherwise made available to the public, the Seller agrees that without prior written approval of the Procurement Representative it shall not:

(A) use such information for any private purpose unless the information has been released or otherwise made available to the public;

(B) compete for work for the Company or DOE based on such information for a period of six months after either the completion of this Agreement or until such information is released or otherwise made available to the public, whichever is first;

(C) submit an unsolicited proposal to DOE which is based on such information until one year after such information is released or otherwise made available to the public; and

(D) release such information unless such information has previously been released or otherwise made available to the public by the Company or DOE.

(ii) In addition, the Seller agrees that to the extent it receives or is given access to proprietary data, data protected by the Privacy Act of 1974 (5 U.S.C. 552a), or other confidential or privileged technical, business, or financial information under this Agreement, it shall treat such information in accordance with any restrictions imposed on such information.

(iii) The Seller may use technical data it first produces under this Agreement for its private purposes consistent with paragraphs (b) (2) (i) (A) and (D) of this clause and the patent, rights-in-data, and security provisions of this Agreement.

(c) Disclosure after award. (1) The Seller agrees that, if changes, including additions, to the facts disclosed by it prior to award of this Agreement, occur during the performance of this Agreement, it shall make an immediate and full disclosure of such changes in writing to the Procurement Representative. Such disclosure may include a description of any action which the Seller has taken or proposes to take to avoid, neutralize, or mitigate any resulting conflict of interest. The Company may, however, terminate the Agreement for convenience if it deems such termination to be in the best interest of the Government.

(2) If the Seller was aware of facts required to be disclosed or the existence of an actual or potential organizational conflict of interest and did not disclose such

facts or such conflict of interest to the Procurement Representative, the Company may terminate this Agreement for default.

(d) **Remedies.** For breach of any of the above restrictions or for nondisclosure or misrepresentation of any facts required to be disclosed concerning this Agreement, including the existence of an actual or potential organizational conflict of interest at the time of or after award, the Company may terminate the Agreement for default, disqualify the Seller from subsequent related contractual efforts, and pursue such other remedies as may be permitted by law or this Agreement.

(e) **Waiver.** Requests for waiver under this clause shall be directed in writing to the Procurement Representative and shall include a full description of the requested waiver and the reasons in support thereof. If it is determined to be in the best interests of the Government, the Company may grant such a waiver in writing.

(f) **Subcontracts.** (1) The Seller shall include a clause, substantially similar to this clause, including this paragraph (f), in subcontracts involving the performance of advisory and assistance services as that term is defined at FAR 37.201.

(2) Before the award of any such subcontracts for advisory and assistance services, the Seller shall obtain from the proposed subcontractor the disclosure required by DEAR 909.507-1 and shall determine in writing whether the interests disclosed present an actual or significant potential for an organizational conflict of interest. Where an actual or significant potential organizational conflict of interest is identified, the Seller shall take actions to avoid, neutralize, or mitigate the organizational conflict to the satisfaction of the Seller. If the conflict cannot be avoided or neutralized, the Seller must obtain the approval of the Procurement Representative before entering into the subcontract.

19. CONSIDERATION

Company shall pay Seller the specified hourly or daily rate for such time as Seller actually performs services hereunder at the request of the Company, not to exceed dates or time-periods set forth in the Agreement period of performance. A day means a period consisting of eight hours or more in any one calendar day. For each two-hour period or fraction of such period, one quarter of said rate of compensation shall be payable. Nothing in this paragraph authorizes payment of more than the specified daily rate for any one calendar day. Except as otherwise provided herein, no portion of the daily rate will be payable (i) for time spent in travel for the Seller's convenience during an assignment or (ii) if travel begins after 6 p.m. one day and ends before 8 a.m. the next day (local time zone) and no work was actually performed under the Agreement during these hours.

20. TRAVEL REIMBURSEMENT

If travel is a line item of the Agreement, the Seller will be reimbursed for travel expenses in accordance with the Company "Travel Reimbursement Policy" clause, which is incorporated by reference, up to the amount allowed by the clause or any ceiling amount specified in the line item of the Agreement, whichever is less.

21. INVOICING

(a) Seller shall be paid monthly, upon submission of an invoice in an approved form, the consideration stipulated herein less deductions, if any.

(b) Invoices shall be submitted using Company Form UCN-6573, "Consultant or Personal Services Subcontractor's Invoice for Services and/or Travel." Information for completing Form UCN-6573 is in Company Form UCN-9652, "Information for Completion of Invoice for Services and/or Travel for Consultant or Personal-Services Subcontractor." Company forms are available on the "Procurement" link at <http://www.y12.doe.gov>.

(c) Applicable IRS forms must accompany Seller's initial invoice submission. For U. S. citizens and resident aliens, IRS Form W-9, "Request for Taxpayer Identification Number and Certification" is required. Non-resident aliens must submit the applicable form in the IRS W-8 series (W-8BEN, W-8ECI, W-8EXP, or W-8IMY), and, if applicable, IRS Form 8233, "Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual." IRS forms are available at <http://www.irs.gov/formspubs/lists/0..id=97817.00.html>.

(d) Company may withhold payment hereunder until requirements of this clause are fulfilled.

22. ASSIGNMENT

Seller shall not assign rights or obligations to third parties without the prior written consent of the Procurement Representative.

23. RESOLUTION OF DISPUTES

(a) Seller and Company agree to make good-faith efforts to settle any dispute or claim that arises under this Agreement through discussion and negotiation. If such efforts fail to result in a mutually agreeable resolution, the parties shall consider the use of Alternative Dispute Resolution (ADR). Whether mediation or binding arbitration is voluntarily agreed to or court ordered, the site of the proceedings shall be Oak Ridge, Tennessee (for Agreements related to Y-12) or Amarillo, Texas (for Agreements related to Pantex); the parties shall share the cost of obtaining the mediator or arbiter, and each party shall bear its discretionary costs.

(b) "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of Agreement terms, or other relief arising from or relating to this Agreement, or its breach. A voucher, invoice, or other routine request for payment (e.g., a request for an equitable adjustment) that is not in dispute when submitted is not a claim, but may be converted to a claim by the Seller as provided in paragraph (c) below.

(c) A claim by the Seller shall be made in writing, cite this clause, and be submitted to the Company's Senior Supply Chain with a request for a Final Decision.

(d) Seller and any lower-tier subcontractors whose portion of the claim exceeds \$50,000 shall certify its portion of the claim; provided however, if Seller cannot certify the lower-tier subcontractor's portion of Seller's claim, Seller shall explain in writing why it cannot certify that portion.

(i) The Company shall not be liable for, and shall not pay, any claim originated by the Seller if that claim

exceeds \$50,000 unless Seller's claim is accompanied by the below certification from the Seller.

- (ii) The Company shall not be liable for, and shall not pay, any claim of a lower-tier subcontractor to Seller if that claim, without mark-ups by a higher-tier subcontractor or Seller, exceeds \$50,000 unless that claim is accompanied by the below certification from the lower-tier subcontractor that originated the claim.
- (iii) The aggregate amount of both increased and decreased costs shall be used in determining when the dollar threshold requiring certification is met.

CERTIFICATION

I acknowledge the expectation that any payment by the Company for this requested contract adjustment will be reimbursed by funds of the Federal Government, and, under penalty of law, I certify that this claim request is made in good faith, that the supporting data are accurate and correct to the best of my knowledge and belief, that the amount requested accurately reflects the contract adjustment for which the Seller and I believe the Company is liable, and that I am duly authorized to certify the request on behalf of [the Seller or lower-tier subcontractor, as appropriate].

(e) (1) A claim from Seller shall be deemed denied if the Senior Supply Chain Manager does not issue a written Final Decision (i) by the date the Senior Supply Chain Manager notified Seller that the decision would be issued, or (ii) within 60 calendar days after receipt of the claim if the Senior Supply Chain Manager did not notify Seller of a date by which the Final Decision would be issued. The Senior Supply Chain Manager may, but is not required to issue a written Final Decision after a claim is deemed denied.

(2) The Senior Supply Chain Manager's written Final Decision on any Seller claim shall be final and conclusive between the parties with no right of judicial review, provided however, that the Final Decision shall not be final and binding against either party, and shall be given no evidentiary weight by the trier of fact, if the Seller files suit within 90 calendar days of the written Final Decision in the appropriate court as provided for in paragraph (f) below.

(3) Seller shall have no right to file suit prior to the date of the written Final Decision or 60 calendar days from the Senior Supply Chain Manager's receipt of the claim, whichever occurs earlier.

(f) (1) Where Seller is a State agency, such as an Educational Institution, the applicable constitutional provisions or statutes that govern sovereign immunity shall dictate the appropriate forum and law governing substantive issues.

(2) In all other cases, subject to (f) (3) below, any litigation for an Agreement related to the Y-12 site shall be brought and prosecuted exclusively in Federal District Court, with venue in the United States Court for the Eastern District of Tennessee, Northern Division; any litigation for an Agreement related to the Pantex facility shall be brought and prosecuted exclusively in the United States District Court for the Northern District of Texas, Amarillo Division.

(3) However, in the event the requirements for jurisdiction in Federal District Court are not present, such litigation (if for an Agreement related to the Y-12 site) shall be brought in either Anderson, Knox, or Roane County,

Tennessee, in the Circuit or Chancery Court, as appropriate. In the event requirements for jurisdiction in Federal District Court are not present for an Agreement related to the Pantex site, such litigation shall be brought in Carson County, Texas or, in the event that such court lacks jurisdiction, in the highest trial court in the State of Texas having jurisdiction.

(4) THE PARTIES AGREE TO TRIAL BY JUDGE ALONE AND HEREBY WAIVE ANY RIGHT TO DEMAND A TRIAL BY JURY.

(5) If a court awards prejudgment interest on a claim, the interest rate shall be the applicable rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978 (Public Law 95-563).

(g) The parties agree that, subject to (f)(1), the resolution of all issues arising from or relating to this Agreement shall be governed to the maximum extent practicable by the common law of federal contracts; provided, however, that (i) the "Christian Doctrine" shall not apply, meaning that federal procurement clauses (e.g., the FAR, including agency supplements) or portions thereof not appearing in this Agreement shall not be read into this Agreement, and (ii) where the language of any clause, provision or term herein differs from the language of a federal procurement clause, provision or term, the differing language of this Agreement shall control. Where the common law of federal contracts does not apply, then subject to (f) (1), resolution shall be governed by the laws of the State of Tennessee, without regard to its Conflicts of Laws rules.

(h) There shall be no interruption in the performance of the work, and Seller shall proceed diligently with the performance of this Agreement pending final resolution of any dispute arising under or related to this Agreement between the parties or between Seller and its subtier subcontractors.

24. TERMINATION

(a) The Company may terminate this Agreement for any reason in its sole discretion upon ten (10) calendar days' advance written notice to Seller. Upon receipt of a notice of termination Seller shall terminate efforts in an orderly fashion as promptly as possible. Upon any termination, Seller shall within thirty calendar days thereafter be paid the compensation due through the effective date of termination.

(b) This Agreement may be terminated without further liability or obligation on the part of the Company should Seller incur cost by Company under this Agreement in excess of the total amount otherwise authorized or should the Seller breach any of the covenants of this Agreement.

25. SEVERABILITY

The obligations set forth in this Agreement are severable and divisible, and no clause or portion thereof which is not enforceable shall cause the remainder of such clause or other obligations contained herein to be unenforceable.

26. ENFORCEMENT

Failure on the part of either party (the "first party") to insist on strict compliance by the other with any provisions of this Agreement shall not constitute a waiver of the other party's obligations in respect thereof, or of the first party's right hereunder to require strict compliance therewith in the future.

27. CLAUSES INCORPORATED BY REFERENCE

(a) The clauses in paragraph (c) below are incorporated by reference. The texts of FAR clauses and DEAR clauses are available at a variety of Internet Sites including URL: <http://farsite.hill.af.mil/> and the texts of Company clauses are available on the Procurement link at: <http://www.y12.doe.gov>. Except as provided in (b) below, in FAR and DEAR clauses incorporated by reference, “Contractor” means Seller, “Government” means the Company, “Contract” means this Agreement, and “Contracting Officer” means Procurement Representative.

(b) “Government” retains its meaning in

- (1) The phrases “Government property” and Government-furnished property;” and
- (2) Paragraph (a) of FAR 52.203-12, Limitation on Payments to Influence Certain Federal Transactions; and
- (3) DEAR 970.5208-1, Printing.

(c)(1) The following clauses are incorporated into this Agreement:

- FAR 52.222-50 Combating Trafficking in Persons (FEB 2009)
- FAR 52.224-2 Privacy Act (APR 1984)
(Applies to scope of work for system of records on individuals)
- FAR 52.225-13 Restrictions on Certain Foreign Purchases (JUN 2008)
- FAR 52.232-39 Unenforceability of Unauthorized Obligations (JUN 2013)
- FAR 52.244-6 Subcontracts for Commercial Items (DEC 2013)
- DEAR 952.204-71 Sensitive Foreign Nations Controls (MAR 2011)
- DEAR 952.204-77 Computer Security (AUG 2006)
- DEAR 952.208-70 Printing (APR 1984)
- Exhibit 9, Technical Data (UCN-22509) (Company-JUL 2014)
- Security of Unclassified Controlled and Proprietary Information (UCN-22414) (JUL 2014) (Company)
- Travel Reimbursement Policy (UCN-22427) (JUL 2014) (Company)
- Hazardous Material Identification and Material Safety Data (UCN-22480) (JUL 2014) (Company)

(c)(2) The following clauses are incorporated if this Agreement exceeds \$2,500:

- FAR 52.222-41 Service Contract Act of 1965(May 2014)
- FAR 52.222-42 Statement of Equivalent Rates for Federal Hires (May 2014)
- FAR 52.222-43 Fair Labor Standards Act Service Contract Labor Standards-Price Adjustment (Multi Year & Option Contract(May 2014)
- FAR 52.222-44 Fair Labor Standards Act and Service Contract Labor Standards – Price Adjustment (May 2014)

(c)(3) The following clauses are incorporated if this Agreement exceeds \$3,000:

- FAR 52.222-54 Employee Eligibility Verification (AUG 2013) (not applicable to COTS as defined by FAR)
- FAR 52.222-3 Convict Labor (JUN 2003)
- FAR 52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving (AUG 2011)

(c)(4) The following clauses are incorporated if this Agreement exceeds \$10,000:

- FAR 52.222-26 Equal Opportunity (MAR 2007) (The required poster is available at: <http://www.dol.gov/ofccp/regs/compliance/posters/ofccpost.htm>)

(c)(5) The following clause is incorporated by reference if this agreement exceeds \$15,000:

- FAR 52.222-20 Contracts for Materials, Supplies, Articles, and Equipment Exceeding \$15,000 (May 2014) (formerly Walsh-Healey Public Contracts Act (OCT 2010))
- FAR 52.222-36 Affirmative Action for Workers With Disabilities (OCT 2010)

(c)(6) The following clause is incorporated by reference if this agreement exceeds \$25,000:

- FAR 52.204-10 Reporting Executive Compensation and First-Tier Subcontract Awards (JUL 2013)

(c)(7) The following clauses are incorporated when the Agreement exceeds \$30,000:

- FAR 52.209-6 Protecting the Government’s Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (AUG 2013)

(c)(8) The following clauses are incorporated if this Agreement exceeds \$100,000:

- FAR 52.222-35 Equal Opportunity for Veterans (SEP 2010)
- DEAR 970.5227-5, Notice and Assistance Regarding Patent and Copyright Infringement (AUG 2002). With respect to each notice or claim of, or suit against Company on account of, any alleged patent or copyright infringement based on the performance of the Agreement, Company shall be entitled to the same notices, cooperation, and assistance as is afforded the Government under this clause.

(c)(9) The following clauses are incorporated if this Agreement exceeds \$150,000:

- FAR 52.203-6 Restrictions on Subcontractor Sales to the Government (SEPT 2006)
- FAR 52.203-7 Anti-Kickback Procedures (OCT 2010), except paragraph (c)(1)
- FAR 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (OCT 2010)
- FAR 52.203-17 Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights (SEP 2013) (Sunsets January 1, 2017)

- FAR 52.242-13 Bankruptcy (JUL 1995)
- FAR 52.247-63 Preference for U.S. Flag Air Carriers (JUN 2003)

(c)(10) The following clauses are incorporated when the work involves access to classified information or special nuclear material:

- FAR 52.227-10 Filing of Patent Applications - Classified Subject Matter (DEC 2007)
- DEAR 952.204-2 Security (MAR 2011)
- DEAR 970.5204-1 Counterintelligence (DEC 2010)
- DEAR 952.204-70 Classification/Declassification (SEP 1997)
- Civil Penalties for Classified-Information Security Violations (UCN-22381) (JUL 2014) (Company)
- Exhibit 7 - Classified Inventions (UCN-22508) (JUL 2014) (Company)

(c)(11) The following clause is incorporated if this Agreement requires printing (as defined in Title I, Definitions of the U.S. Government Printing and Binding Regulations (<http://jcp.senate.gov/jcpregs.pdf>))

- DEAR 970.5208-1 Printing (DEC 2000)