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ARTICLE 1.0 TYPE OF CONTRACT

Firm Fixed Price. This is a firm-fixed price Subcontract for commercial products or services. The price of this Subcontract is not subject to any adjustment on the basis of the SUBCONTRACTOR's cost experience in performing the Subcontract. This firm-fixed price Subcontract places full responsibility for all costs and resulting profit or less upon the SUBCONTRACTOR.

ARTICLE 2.0 GENERAL PROVISIONS

2.1 Inspection/Acceptance. The SUBCONTRACTOR shall only tender for acceptance those items that conform to the requirements of this Subcontract. The BUYER reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The BUYER may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. If repair/replacement or reperformance will not correct the defects or is not possible, the BUYER may seek an equitable price reduction or adequate consideration for acceptance of nonconforming supplies or services. The BUYER must exercise its post-acceptance rights (1) within a reasonable time after the defect was discovered or should have been discovered; and (2) before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

2.2 Assignment.

- A. The SUBCONTRACTOR shall not assign any of the duties or rights or any claim arising out of or related to this Subcontract without the written consent of the BUYER's Procurement Representative. The BUYER may assign this Subcontract, in whole or in part to the Government or to such party as the Government may designate to perform the BUYER's obligations hereunder.
- B. The SUBCONTRACTOR may assign its rights to receive payment due as a result of performance of this Subcontract to a bank, trust company, or other financing institution, including any Federal lending agency in accordance except when payment is made through a third party (*e.g.*, use of a commercial purchase card). The assignee under such an assignment may thereafter further assign or reassign its right under the original assignment to any financing institution. Any assignment or reassignment shall cover all unpaid amounts payable under this Subcontract.

2.3 Changes. Changes in the terms and conditions of this Subcontract may be made only by written agreement of the parties.

2.4 Disputes. SUBCONTRACTOR agrees to enter into negotiation with BUYER to resolve any dispute. Both parties agree to negotiate in good faith to reach a mutually agreeable settlement within a reasonable amount of time. If negotiation is unsuccessful, the parties agree to enter into binding Arbitration. The American Arbitration Association (AAA) Commercial Arbitration Rules are to govern this Arbitration. It is agreed by both parties that the Arbitrator's decision is final, and no party may take any action, judicial or administrative, to overturn this decision. The judgment rendered by the Arbitrator may be entered in any court having jurisdiction thereof. Pending any decision, appeal or judgment referred to in this provision or the settlement of any dispute, Subcontractor shall proceed diligently with the performance of this Subcontract.

- 2.5 Excusable Delays.** SUBCONTRACTOR shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the SUBCONTRACTOR and without its fault or negligence such as, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The SUBCONTRACTOR shall notify the BUYER's Procurement Representative in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the BUYER's Procurement Representative of the cessation of such occurrence.
- 2.6 Risk of Loss.** Unless the Subcontract specifically provides otherwise, risk of loss or damage to the supplies provided under this Subcontract shall remain with the SUBCONTRACTOR until, and shall pass to the BUYER upon, (a) delivery of the supplies to a carrier, if transportation is f.o.b. origin, or (b) delivery of the supplies to the BUYER at the destination specified in the Subcontract, if transportation is f.o.b. destination.
- 2.7 Termination for Convenience.** The BUYER reserves the right to terminate this Subcontract, or any part hereof, for its sole convenience. In the event of such termination, SUBCONTRACTOR shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this Subcontract, SUBCONTRACTOR shall be paid a percentage of the Subcontract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the Subcontractor can demonstrate to the satisfaction of the BUYER using its standard record keeping system, have resulted from the termination. The SUBCONTRACTOR shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the BUYER any right to audit the SUBCONTRACTOR's records. The SUBCONTRACTOR shall not be paid for any work performed or costs incurred which reasonably could have been avoided.
- 2.8 Termination for Cause.** The BUYER may terminate this Subcontract, or any part hereof, for cause in the event of any default by the SUBCONTRACTOR, or if the SUBCONTRACTOR fails to comply with any Subcontract terms and conditions, or fails to provide the BUYER, upon request, with adequate assurances of future performance. In the event of termination for cause, the BUYER shall not be liable to the SUBCONTRACTOR for any amount for supplies or services not accepted, and the SUBCONTRACTOR shall be liable to the BUYER for any and all rights and remedies provided by law. If it is determined that the BUYER improperly terminated this Subcontract for default, such termination shall be deemed a termination for convenience.
- 2.9 Title.** Unless specified elsewhere in this Subcontract, title to items furnished under this Subcontract shall pass to the BUYER upon acceptance, regardless of when or where the BUYER takes physical possession.
- 2.10 Warranty.** The SUBCONTRACTOR warrants that all items and services conform to Subcontract specifications, drawings, and other descriptions and will be of merchantable quality, fit and sufficient for the purposes for which they are intended as evidenced in the Subcontract. Warranty shall begin upon the BUYER's acceptance and extend for a period of (1) the manufacturer's warranty or one year, whichever is longer, if the SUBCONTRACTOR 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 SUBCONTRACTOR is the manufacturer of the item or has

modified it. If any nonconformity is discovered within that time, the SUBCONTRACTOR shall promptly repair or replace such items or re-perform services. Transportation of replacement items return of nonconforming items and repeat performance of services shall be at the SUBCONTRACTOR's expense. If repair, replacement or re-performance of services is not timely, the BUYER may elect to return the nonconforming items, repair, replace and/or re-procure the item or service at the SUBCONTRACTOR's expense. This warranty shall restart upon the BUYER's acceptance of the repair, replacement or re-performance.

- 2.11 **Limitation of Liability.** Except as otherwise provided by an express warranty, the SUBCONTRACTOR will not be liable to the BUYER for consequential damages resulting from any defect or deficiencies in accepted items.
- 2.12 **Compliance with Laws.** The SUBCONTRACTOR shall comply with all applicable Federal, State, and local laws, executive orders, rules and regulations applicable to its performance under this Subcontract.

ARTICLE 3.0 GENERAL INVOICE REQUIREMENTS

- 3.1 **Invoice Submission Requirements.** Original invoices and supporting documentation shall be submitted to the BUYER's Accounts Payable organization at the address below:

HANFORD LABORATORY MANAGEMENT & INTEGRATION, LLC (HLMI)
Accounts Payable/Mail Stop: B6-02
P.O. Box 1796
Richland, Washington 99352

Email electronic invoices to: HLMIAccountsPayable@navarro-inc.com

- 3.2 **Invoice Payment Terms.** The SUBCONTRACTOR shall prepare all invoices in a form satisfactory to and approved by the BUYER's Procurement Representative. Except to the extent expressly stated elsewhere in this Subcontract, the invoice is payable thirty (30) calendar days after receipt by the BUYER of a properly marked and submitted invoice. Discounts are expected for earlier payments and shall be specifically incorporated in the Subcontract. All unit pricing and payments made shall be in United States dollars only, in the forms of cash, check, or electronic transfer as may be agreed upon. Remittance will be made only to the remittance address on file for the SUBCONTRACTOR. Invoices from third parties or with different remittance instructions or addresses will not be processed. Invoices may be submitted electronically, if in an acceptable format. All invoice requirements still apply to electronic invoices.
- 3.3 **Invoice Certification.** Submittal of an invoice constitutes the SUBCONTRACTOR's certification that materials, work and/or services have been delivered as specified on the invoice in accordance with the Subcontract. This invoice certification additionally represents that all invoiced hours and materials are true, accurate and correctly represent the invoiced costs to accomplish this Work on the Subcontract. Falsely invoicing costs may result in civil or criminal penalties as a violation of the Federal False Claims Act (31 USC 37296).
- 3.4 **Separate Invoice Requirements.** Each Subcontract or Subcontract Release shall be invoiced separately.

3.5 Minimum Invoice Requirements. The invoice shall identify the following information:

- (A) The SUBCONTRACTOR's name, invoice number, and Subcontract number, and Task Release number.
- (B) The SUBCONTRACTOR's name and telephone number of a representative available to respond to invoice questions.
- (C) The total amount due for the billing period (this amount shall be separate from cumulative amounts or subtotals included on the invoice).
- (D) A cost summary identifying all cost elements being invoiced. Cumulative values (i.e., invoiced to date values) for each item being invoiced are requested to be included as part of the invoice submission.
- (E) Each invoice must include a separate line item for sales tax unless an exemption from sales tax is specifically cited in the body of the Subcontract. Invoices that do not include a separate line item for sales tax will not be paid and will be returned to the SUBCONTRACTOR.
- (F) A synopsis with sufficient details to describe the work performed within the Period of Performance of the invoice.
- (G) A corresponding description of each item billed and the associated amount.

3.6 Rejection of Invoices. Any invoice submitted, which fails to comply with the terms of this Subcontract, including the requirements of form and documentation, may be returned to the SUBCONTRACTOR. Any costs associated with the resubmission of an invoice to meet these requirements shall not be reimbursed by the BUYER.

3.7 Withholding Invoice Payments. The BUYER may, at its sole discretion, withhold payment due for, but not limited to, the following reasons:

- Substandard Work or delays in the Work not corrected promptly.
- Evidence that a claim has been or will be filed against the SUBCONTRACTOR.
- Evidence that lower tier SUBCONTRACTORS or suppliers have not been properly paid.
- Failure to provide accrual reports by the 16th of each month as specified in the Subcontract provisions.

3.8 Accruals. This provisions applies to all Subcontracts unless the Subcontract is for one-time Work which will be billed during the month the Work was performed. The SUBCONTRACTOR shall provide to the BUYER's Accounts Payable an estimate of the total billable cost from inception of the Subcontract through the current fiscal month end. The Fiscal Year Calendar can be accessed on the [Hanford external web site](#). This information must be provided electronically between the 12th and the 16th of each month using the login information contained in the SUBCONTRACTOR's confirmation email when the SUBCONTRACTOR completed its initial vendor registration with the BUYER.

- (A) Accruals are submitted through the Vendor Registration System at

<http://www5.hanford.gov/vendreg>. Alternative methods are email or mail and must be submitted by the 16th of each month to the following address:

HANFORD LABORATORY MANAGEMENT & INTEGRATION, LLC (HLMI)
ATTN: Accounts Payable / MSIN B6-02
P.O. Box 1796
Richland, WA 99352
Email: HLMIaccruals@rl.gov

- (B) SUBCONTRACTOR “Monthly Contract to Date Cost Estimate Form,” can be downloaded at <https://5bs.490.myftpupload.com/hlmi-forms/>. If required, accrual data must be provided for each Subcontract or Subcontract release until all SUBCONTRACTOR invoices are received and Work is complete.

3.9 **Taxes**

- (A) The SUBCONTRACTOR shall collect the applicable Washington State sales or use tax and include this on each applicable invoice. Sales tax must be listed as a separate line item on the invoice. If the SUBCONTRACTOR is an out of state vendor with no nexus in the State of Washington, taxes will be paid by BUYER. SUBCONTRACTOR shall notify the BUYER’s Procurement Representative if they don’t have a nexus in the State of Washington. All other Federal, State, county, municipal or other taxes must be included in the Subcontract amount and invoiced accordingly.
- (B) If as a result of this Subcontract, the SUBCONTRACTOR becomes eligible for Washington State Business and Occupation Tax Credit for Research and Development spending, the SUBCONTRACTOR shall take such tax credit and assign such tax credit to the BUYER. If the SUBCONTRACTOR applies for the Washington State Business and Occupation Tax Credit for Research and Development spending, the SUBCONTRACTOR shall notify the BUYER’s Procurement Representative. The SUBCONTRACTOR shall fully cooperate with the BUYER in any tax audits, tax assessment reviews, or tax challenges.

3.10 Offsets. The BUYER, without waiver or limitation of any rights or remedies of the BUYER, shall be entitled to deduct from any amounts due or owing by the BUYER to the SUBCONTRACTOR in connection with this Subcontract (or any other Subcontract with the BUYER), any and all amounts owed by the SUBCONTRACTOR to the BUYER or the BUYER in connection with this Subcontract.

3.11 Interest Payment. No interest is payable to the SUBCONTRACTOR for any claim it may have, except that specifically imposed by a court of competent jurisdiction on any judgment, and then only in accordance with the terms of the judgment.

3.12 Final Payment. Upon completion of the Work, the SUBCONTRACTOR will notify the BUYER’s Procurement Representative in writing that the Work is complete and final payment is due. The final invoice shall be clearly marked “FINAL PAYMENT” and submitted for reimbursement after completion and acceptance of Work by the BUYER and compliance by the SUBCONTRACTOR with all terms of this Subcontract.

The final invoice shall be supported by all requested certifications and releases needed to close out the Subcontract including, but not limited to, the “SUBCONTRACTOR Release of Claims.” If the Work has been completed in accordance with this Subcontract, final payment will be made in accordance with the terms of this Subcontract. Final Payment shall not relieve the SUBCONTRACTOR of any obligation under this Subcontract.

ARTICLE 4.0 FAR CLAUSES INCORPORATED BY REFERENCE

SUBCONTRACTOR agrees to comply with the following FAR clauses that reflect mandatory compliance with Federal statutes. Wherever required to make any FAR clause incorporated herein meaningful, the term “Contractor” shall be read “SUBCONTRACTOR,” the term “Contracting Officer” shall be read “BUYER’s Procurement Representative,” the term “Head of the Contracting Activity” shall be read “Head of the Procurement Activity” - and the term “Government” or “Contracting Officer” shall be read “BUYER.” To reference the cited FAR clauses, the following web address is provided: <https://www.acquisition.gov/>

THE FOLLOWING CLAUSES APPLY AS STATED IN THE CONDITIONS OF APPLICABILITY		
Clause Number	Title and Date	Conditions of Applicability
FAR 52.203-6	Restrictions on Subcontractor Sales to the Government (Jun 2020) Alternate I (Nov 2021)	Applies to Subcontracts that exceed the Simplified Acquisition Threshold of \$250,000.
FAR 52.203-13	Contractor Code of Business Ethics and Conduct (Nov 2021)	Applies only to Subcontracts that have a value in excess of \$6.0 million and a performance period of more than 120 days. Mandatory flow-down clause to lower-tier subcontractors.
FAR 52.203-19	Prohibition on Requiring Certain Confidentiality Agreements or Statements (Jan 2017)	Applies to Subcontracts that exceed the Simplified Acquisition Threshold of \$250,000.
FAR 52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards (Jun 2020)	Applies to Subcontracts in which during the preceeding fiscal year Subcontractor received 80 percent or more of its annual gross revenues and \$25M or more in annual gross revenues from Federal contracts or subcontracts, loans, grants, cooperative agreements, and other forms of Federal financial assistance.
FAR 52.204-23	Prohibition on Contracting For Hardware, Software, And Services Developed Or Provided By KasperskyLab An Other Covered Entities (Nov 2021)	Applies to all Subcontracts regardless of dollar value. Mandatory flow-down clause to lower-tier subcontractors. .
FAR 52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (Nov 2021)	Applies to all Subcontracts regardless of dollar value. Mandatory flow-down clause to lower-tier subcontractors. ..
FAR 52.209-6	Protecting the Government’s Interest When Subcontracting with Contractor’s Debarred, Suspended, or Proposed for Debarment (Nov 2021)	Applies only to Subcontracts that exceed \$35,000.
FAR 52.209-10	Prohibition on Contracting with Inverted Domestic Corporations (Nov 2021)	Applies to all Subcontracts regardless of dollar value.

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FAR 52.219-8	Utilization of Small Business Concerns (Oct 2018)	Applies to Subcontracts that exceed the Simplified Acquisition Threshold of \$250,000 and that offer further subcontracting opportunities except for Subcontracts to small business concerns. Mandatory flow-down to clause to lower-tier subcontractors.
FAR 52.219-14	Limitations on Subcontracting (Sep 2021)	Applies to Subcontracts that are set-aside for small business concerns.
FAR 52.219-28	Post-Award Small Business Program Representation (Sep 2021)	Applies to Subcontracts that are set-aside for small business concerns.
FAR 52.222-3	Convict Labor (Jun 2003)	Applies to Subcontracts that exceed the micro-purchase threshold of \$10,000.
FAR 52.222-21	Prohibition of Segregated Facilities (Apr 2015)	Applies to Subcontracts that exceed the micro-purchase threshold of \$10,000. Mandatory flow-down clause to lower-tier subcontractors.
FAR 52.222-26	Equal Opportunity (Sep 2016)	Applies to Subcontracts that exceed the micro-purchase threshold of \$10,000. Mandatory flow-down clause to lower-tier subcontractors.
FAR 52.222-35	Equal Opportunity for Veterans (Oct 2015)	Applies to Subcontracts with a value of \$150,000 or more. Mandatory flow-down clause to lower-tier subcontractors.
FAR 52.222-36	Reporting Executive Compensation and First-Tier Subcontract Awards (Jun 2020)	Applies to Subcontracts that exceed \$15,000. Mandatory flow-down clause to lower-tier subcontractors
FAR 52.222-37	Employment Reports on Veterans (Jun 2020)	Applies to Subcontracts with a value of \$150,000 or more.
FAR 52.222-40	Notification of Employee Rights Under the National Labor Relations Act (Dec 2010)	Applies to Subcontracts that exceed the micro-purchase threshold of \$10,000. Mandatory flow-down clause to lower-tier subcontractors
FAR 52.222-41	Service Contract Labor Standards (Aug 2018)	Applies to Subcontracts that exceed \$2,500 and that are subject to the Service Contract Labor Standards statute. Mandatory flow-down clause to lower-tier subcontractors.
FAR 52.222-50	Combating Trafficking in Persons (Nov 2021)	Applies to Subcontracts that exceed \$550,000 except for commercially available off-the-shelf items (COTS). Mandatory flow-down clause to lower-tier subcontractors.
FAR 52.222-54	Employment Eligibility Verification (Nov 2021)	Applies to Subcontracts that are (1) for Services (except for commercial services that are part of the purchase of a COTS item or an item that would be a COTS item, but for minor modifications, performed by the COTS provider, and are normally provided for that COTS item); or (2) Construction.
FAR 52.222-62	Paid Leave Under Executive Order 13706 (Jan 2017)	Applies to Subcontracts that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute. Mandatory flow-down clause to lower-tier subcontractors.
FAR 52.219-28	Post-Award Small Business Program Representation (Sep 2021)	Applies to Subcontracts that are set-aside for small business concerns.

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FAR 52.223-15	Energy Efficiency in Energy Consuming Products (May 2020)	Applies to Subcontracts that involve the acquisition of energy consuming products for use in performing services at a Federal facility or to be incorporated into a Federal building.
FAR 52.225-1	Buy American – Supplies (Nov 2021)	Applies to Subcontracts that exceed the micro-purchase threshold of \$10,000 and for those Subcontracts that exceed \$25,00 where none of the exceptions to the Buy American Act apply (e.g., nonavailability, public interest, or information technology that is a commercial item).
FAR 52.225-13	Restrictions on Certain Foreign Purchases (Feb 2021)	Applies to all Subcontracts regardless of dollar value.