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ARTICLE 1.0 TYPE OF CONTRACT

Firm Fixed Price. This is a firm-fixed price Subcontract that 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 INVOICE REQUIREMENTS

2.1 Invoice Submission Requirements. Original invoices and supporting documentation shall be submitted no more than once a calendar month to the BUYER’s Accounts Payable organization at the address below:

HANFORD LABORATORY MANAGEMENT & INTEGRATION, LLC (HLMI)
Accounts Payable/Mail Stop: B1-62
P.O. Box 1796 Richland, WA
99352

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

2.2 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.

2.3 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).

2.4 Separate Invoice Requirements. Each Subcontract or Subcontract Release shall be invoiced separately.

2.5 Minimum Invoice Requirements.

The invoice shall identify the following information:

The SUBCONTRACTOR's name, invoice number, and Subcontract number, and Task Release number

The SUBCONTRACTOR's name and telephone number of a representative available to respond to invoice questions.

The total amount due for the billing period (this amount shall be separate from cumulative amounts or subtotals included on the invoice).

A summary identifying all Work elements being invoiced. Cumulative values (i.e., invoiced to date values) for each Work item being invoiced are requested to be included as part of the invoice submission.

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.

The Subcontractor must provide itemized receipts, unless justification is provided explaining why itemized receipts cannot be provided. Credit card statements are not acceptable as invoice supporting documentation.

A synopsis with sufficient details to describe the Work performed within the Period of Performance of the invoice.

Timekeeping Records shall be provided with each invoice submittal (except for Sole Proprietor - reference below). Timekeeping records submitted may be a system generated document, or equivalent, that identifies the project (job) number, employee name, dates worked and all associated daily hours and totals. These records shall be attached to the invoice and be included as part of the Invoice Certification requirement identified within this document.

A Sole Proprietor is when the business owner performs the Work. A Sole Proprietor shall submit invoices that identifies the project (job) number, dates worked, and all associated daily hours and totals. These records shall be attached to the invoice and be included as part of the Invoice Certification requirement identified within this document.

If overtime is being invoiced, the BUYER's authorization is required to be included with the invoice submittal.

A corresponding description of each Work item billed and the associated amount.

Invoices that include a total freight charge that is equal to or greater than one hundred dollars (\$100) must include a copy of the freight bill. If requested, the SUBCONTRACTOR must provide the weight, quantity, and shipping point. Subcontractor shall be reimbursed for reasonable freight charges as determined by the BUYER.

- 2.6 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.

- 2.7 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.

- 2.8 Accruals. This provision 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 monthly 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.

Accruals are submitted through the Vendor Registration System at <http://www5.hanford.gov/vendreg>. Click on the accruals tab at the top of the screen and enter the current cost to date amount for the subcontract or release in the appropriate space. If you experience any technical difficulties, please contact us at HLMIContracts@rl.gov. 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

SUBCONTRACTOR "Monthly Contract to Date Cost Estimate Form," can be obtained by emailing the HLMIAccruals@rl.gov and requesting a copy.

Accrual data must be provided for each Subcontract or Subcontract release until all SUBCONTRACTOR invoices are received and Work is complete.

- 2.9 Taxes. 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 as stated in 3.1e above. 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 Authorized 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.

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 Authorized

Procurement Representative. The SUBCONTRACTOR shall fully cooperate with the BUYER in any tax audits, tax assessment reviews, or tax challenges.

- 2.10 **Offsets.** The BUYER, without waiver or limitation of any rights or remedies of the BUYER, shall be entitled from time to time 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 Government in connection with this Subcontract.
- 2.11 **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.
- 2.12 **Final Payment.** Upon completion of the Work, the SUBCONTRACTOR will notify the Authorized Procurement Representative, in writing that the Work is complete, and that 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 3.0 CHANGES – FIXED PRICE

(a) The Buyer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this subcontract in any one or more of the following:

- (1) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Buyer in accordance with the drawings, designs, or specifications.
- (2) Method of shipment or packing.
- (3) Place of delivery.

(b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this subcontract, whether or not changed by the order, the Buyer shall make an equitable adjustment in the subcontract price, the delivery schedule, or both, and shall modify the subcontract.

(c) The Subcontractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Buyer decides that the facts justify it, the Buyer may receive and act upon a proposal submitted before final payment of the subcontract.

(d) If the Subcontractor’s proposal includes the cost of property made obsolete or excess by the change, the Buyer shall have the right to prescribe the manner of the disposition of the property.

(e) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However,

nothing in this clause shall excuse the Subcontractor's from proceeding with the subcontract as changed.

Alternate I. If the requirement is for services, other than architect-engineer or other professional services, and no supplies are to be furnished, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a) The Buyer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this subcontract in any one or more of the following:

- (1) Description of services to be performed.
- (2) Time of performance (i.e., hours of the day, days of the week, etc.).
- (3) Place of performance of the services.

Alternate II. If the requirement is for services (other than architect-engineer services, transportation, or research and development) and supplies are to be furnished, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a) The Buyer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this subcontract in any one or more of the following:

- (1) Description of services to be performed.
- (2) Time of performance (i.e., hours of the day, days of the week, etc.).
- (3) Place of performance of the services.
- (4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Buyer, in accordance with the drawings, designs, or specifications.
- (5) Method of shipment or packing of supplies.
- (6) Place of delivery.

Alternate III. If the requirement is for architect-engineer or other professional services, substitute the following paragraph (a) for paragraph (a) of the basic clause and add the following paragraph (f):

(a) The Buyer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this subcontract in the services to be performed.

(f) No services for which an additional cost or fee will be charged by the Subcontractor shall be furnished without the prior written authorization of the Buyer.

Alternate IV. If the requirement is for transportation services, substitute the following paragraph (a) for paragraph (a) of the basic clause:

(a) The Buyer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this subcontract in any one or more of the following:



- (1) Specifications.
- (2) Work or services.
- (3) Place of origin.
- (4) Place of delivery.
- (5) Tonnage to be shipped.
- (6) Amount of Buyer-furnished property.

Alternate V. If the requirement is for research and development and it is desired to include the clause, substitute the following subparagraphs (a)(1) and (a)(3) and paragraph (b) for subparagraphs (a)(1) and (a)(3) and paragraph (b) of the basic clause:

- (a)
 - (1) Drawings, designs, or specifications.
 - (3) Place of inspection, delivery, or acceptance.

- (b) If any such change causes an increase or decrease in the cost of, or time required for, performing this subcontract, whether or not changed by the order, the Buyer shall make an equitable adjustment in --
 - (1) The subcontract price, the time of performance, or both; and
 - (2) Other affected terms of the subcontract, and shall modify the subcontract accordingly.

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 CLAUSE APPLIES TO ALL SUBCONTRACTS REGARDLESS OF THE SUBCONTRACT PRICE		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.211-5	Material Requirements (Aug 2000)	Applies to Subcontracts for Supplies

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE EXCEEDS \$250,000		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.246-2	Inspection of Supplies – Fixed Price (Aug 1996)	Applies to Subcontracts for Supplies

HANFORD LABORATORY MANAGEMENT AND INTEGRATION, LLC (HLMI)
SUPPLEMENTAL PROVISIONS - *FIXED PRICE/FIXED UNIT RATE CONTRACT TYPE*
March 28, 2022, Revision 1



FAR 52.246-4	Inspection of Services – Fixed Price (Aug 1996)	Applies to Subcontracts for Services