

SANDIA CORPORATION
SF 6432-PO (01-02)
SECTION II

STANDARD TERMS & CONDITIONS FOR
COMMERCIAL ITEMS OR SERVICES NOT TO
EXCEED \$100,000.00

THE FOLLOWING CLAUSES APPLY TO THIS PURCHASE ORDER AS INDICATED UNLESS SPECIFICALLY DELETED, OR EXCEPT TO THE EXTENT THEY ARE SPECIFICALLY SUPPLEMENTED OR AMENDED IN WRITING IN THE SIGNATURE PAGE OR SECTION I.

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

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

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

PO04 - BANKRUPTCY If the Seller enters into any proceeding relating to bankruptcy, it shall give written notice via certified mail to the SCR responsible for this Purchase Order within five days of initiation of the proceedings. The notification shall include the date on which the proceeding was filed, the identity and location of the court and a listing of the Purchase Order numbers for which final payment has not been made.

PO05 - CANCELLATION OR TERMINATION FOR CONVENIENCE (a) Sandia may cancel this Purchase Order, in whole or in part, if the Seller fails to comply with any of the terms of this Purchase Order, or fails to provide adequate assurance of future performance. In that event, Sandia shall not be liable for any amount for Items or services not yet accepted by Sandia. (b) Sandia may terminate for the convenience of Sandia or the Government this Purchase Order, in whole or in part, for any Items or services not yet accepted by Sandia. In that event Sandia shall be liable for the purchase price of Items or services already completed or identified to this Purchase Order but not yet accepted by Sandia. (c) Seller shall not be liable for delays in performance occasioned by causes beyond Seller's reasonable control and without Seller's fault or

negligence.

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

PO07 - COMPLIANCE WITH LAWS Seller shall comply with all applicable federal, state, and local laws and ordinances and all pertinent lawful orders, rules, and regulations and such compliance shall be a material requirement of this Purchase Order.

PO08 - DEFINITIONS The following terms shall have the meanings set forth below for all purposes of this Purchase Order.

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

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

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

(d) **SANDIA** means Sandia National Laboratories, operated by Sandia Corporation under Contract No. DE-ACO4-94-AL85000 with the U.S. Department of Energy.

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

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

PO09 - DISPUTES Seller and Sandia agree to use the Sandia Acquisition Conflict Resolution Process described in Policy and Guideline 5.8 set forth at: <http://www.sandia.gov/policy/58p.pdf> and <http://www.sandia.gov/policy/58g.pdf> for resolving any and all disputes arising from this Purchase Order.

PO10 - ORDER OF PRECEDENCE Any inconsistencies shall be resolved in accordance with the following descending order of precedence: (1) Section I; (2) SF 6432-PO, Section II.

PO11 - PAYMENT Unless otherwise provided, terms of payment shall be net 30 days from the latter of (1) receipt of Seller's proper invoice, if required, or (2) delivery of items/completion of work. Any offered discount shall be taken if payment is made within the discount period that the Seller indicates. Payments may be made either by check or electronic funds transfer, at the option of Sandia. Payment shall be deemed to have been made as of the date of mailing or the date on which an electronic funds transfer was made.

PO12 - RECYCLED AND/OR NEW MATERIALS Unless otherwise specified in this Purchase Order, all Items delivered shall consist of recycled and/or new materials. New is defined as previously unused which may include residual inventory or unused former Government surplus property. Seller shall give preference to the use of recycled materials as set forth in DEAR 970.5204-39 ACQUISITION AND USE OF ENVIRONMENTALLY PREFERABLE PRODUCTS AND SERVICES (OCT 1995).

PO13 - RIGHTS AND INTERESTS All rights and interests resulting from this Purchase Order shall pass directly from the Seller to the Government. FAR 52.227-17 applies to all deliverables which are copyrightable works produced as part of the performance of this Purchase Order.

PO14 - RISK OF LOSS If Sandia is responsible for the risk of loss during transportation of compliant Items, Sandia shall compensate Seller

the lesser of (1) the agreed price of such Items, or (2) the Seller's cost of replacing such Items; and such loss shall entitle the Seller to an equitable adjustment in delivery schedule obligations.

PO15- TAXES By reason of Sandia's Nontaxable Transaction Certificate, the Seller should not include in the price any state and local taxes except those which were paid by the Seller to third parties in acquiring the Items which are the subject matter of this Purchase Order. The price does include all applicable Federal taxes.

PO16 - TRANSPORTATION If transportation is specified "FOB Origin," (a) no insurance cost shall be allowed unless authorized in writing, and (b) the bill of lading shall indicate that transportation is for DOE and the actual total transportation charges paid to the carrier(s) shall be reimbursed by the Government pursuant to Purchase Order No. DE-ACO4-94-AL85000. Confirmation will be made by Sandia National Laboratories.

PO17 - WARRANTY Seller expressly warrants that no counterfeit Items or components in Items shall be delivered to Sandia on this Purchase Order. Seller expressly warrants that all Items provided under this Purchase Order shall have a rightful transfer of good title thereto and are delivered free of any rightful claims of any third person by way of infringement of any intellectual property right. The warranty shall begin upon receipt of conforming Items and extend for a period of (1) the manufacturer's warranty period or six months, whichever is longer, if the Seller 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 Seller is the manufacturer of the Item or had modified it. If any nonconformity with Item appears within that time, Seller shall promptly repair, replace, or reperform such Items at Seller's election. Transportation of replacement Items and return of nonconforming Items and repeat performance of services shall be at Seller's expense. Sandia shall notify Seller of such nonconformity within a reasonable time after discovery, and Seller shall notify Sandia of whether it chooses to make repairs or replacements within three working days after Sandia's notice of nonconformity. If repair or replacement or re-performance of services is not timely, Sandia may elect to return the nonconforming Items or repair or replace them or procure the services at Seller's expense. Seller disclaims the implied warranties of merchantability or fitness for a particular purpose.

PO18 - ADDITIONAL TERMS AND CONDITIONS This Purchase Order incorporates by reference with the same force and effect as if they were given in full text, the following cited Federal Acquisition Regulation (FAR) clauses. The full text of these clauses may be found at Title 48 of the Code of Federal Regulations (CFR). Where the FAR clauses refer to Government and Contracting Officer, substitute Sandia and Sandia Contracting Representative (SCR). Upon request the SCR will make the full text available.

PO19 - APPLY TO PURCHASE ORDERS AT ANY VALUE
FAR 52.222-26 Equal Opportunity (E.O. 11246),
FAR 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (38 U.S.C. 2012(a)),
FAR 52.222-36 Affirmative Action for Workers with Disabilities (29 U.S.C. 793)
FAR 52.223-11 Ozone Depleting Substances
FAR 52.223-12 Refrigeration Equipment and Air Conditioners
FAR 52-242-15 Stop Work Order