

**SANDIA CORPORATION
SF 6432-EI (02/01/12)
SECTION II**

STANDARD TERMS AND CONDITIONS FOR ALL COST-REIMBURSEMENT OR ORDERING AGREEMENTS WITH EDUCATIONAL INSTITUTIONS THE FOLLOWING CLAUSES APPLY TO THIS CONTRACT AS INDICATED UNLESS SPECIFICALLY DELETED, OR EXCEPT TO THE EXTENT THEY ARE SPECIFICALLY SUPPLEMENTED OR AMENDED IN WRITING IN THE COVER PAGE OR SECTION I. (CTRL+CLICK ON A LINK BELOW TO ADVANCE DIRECTLY TO THAT SECTION)

[**ACCEPTANCE OF TERMS AND CONDITIONS \(Ts&Cs\)**](#)

[**ALLOWABLE COSTS**](#)

[**APPLICABLE LAW**](#)

[**ASSIGNMENT**](#)

[**COMPLIANCE WITH LAWS**](#)

[**CONTRACTOR'S INFORMATION**](#)

[**CLAIM OF COSTS INCURRED**](#)

[**DEFINITIONS**](#)

[**DISPUTES**](#)

[**ESTIMATES OF COST AND LIMITATION OF OBLIGATION, IF APPLICABLE**](#)

[**EXCESS FREIGHT CHARGES**](#)

[**EXCUSABLE DELAYS**](#)

[**EXPORT CONTROL**](#)

[**FREIGHT CHARGE**](#)

[**GOVERNMENT PROPERTY, MATERIAL, AND EQUIPMENT**](#)

[**ORDER OF PRECEDENCE**](#)

[**PAYMENTS**](#)

[**PERFORMANCE EVALUATION PROGRAM**](#)

[**PRICE-ANDERSON AMENDMENTS ACT \(PAAA\)**](#)

[**PRICING OF CONTRACT AND SUBCONTRACT MODIFICATIONS**](#)

[**QUALITY ASSURANCE PROGRAM**](#)

[**RECYCLED OR NEW MATERIALS**](#)

[**RELEASE OF INFORMATION**](#)

[**RELEASES VOID**](#)

[**REPORTS REQUIRED BY THIS CONTRACT**](#)

[**RIGHTS AND INTERESTS**](#)

[**RISK OF LOSS**](#)

[**SANDIA PROVIDED INFORMATION**](#)

[**SUBCONTRACTS**](#)

[**PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION \(PII\)**](#)

[**TAXES**](#)

[**TRANSPORTATION**](#)

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

ADDITIONAL TERMS AND CONDITIONS
APPLY TO CONTRACTS OF ANY VALUE
APPLY TO CONTRACTS EXCEEDING \$2,000
APPLY TO CONTRACTS EXCEEDING \$2,500
APPLY TO CONTRACTS EXCEEDING \$3,000
APPLY TO CONTRACTS EXCEEDING \$10,000
APPLY TO CONTRACTS EXCEEDING \$30,000
APPLY TO CONTRACTS EXCEEDING \$100,000
APPLY TO CONTRACTS EXCEEDING \$150,000APPLY TO CONTRACTS
EXCEEDING \$500,000
APPLY TO CONTRACTS EXCEEDING \$650,000
APPLY TO CONTRACTS EXCEEDING \$700,000
APPLY TO CONTRACTS EXCEEDING \$5,000,000
APPLY TO ALL CONTRACTS THAT MAY INVOLVE ACCESS TO
CLASSIFIED INFORMATION
APPLY TO ALL CONTRACTS WHERE ANY WORK WILL BE PERFORMED
ON A GOVERNMENT SITE
CITIZENSHIP STATUS
CONTRACTOR OR SUBCONTRACTOR USE OF GOVERNMENT-OWNED
VEHICLES
ENVIRONMENTAL, SAFETY, AND HEALTH (ES&H) REQUIREMENTS
HAZARDOUS MATERIALS (a) Handling Requirements
PROTECTION OF GOVERNMENT PROPERTY
REQUIREMENTS FOR ACCESS TO GOVERNMENT SITES
VEHICLE INSURANCE
VEHICLE MARKINGS
VISITOR ACCESS TO GOVERNMENT SITES

ACCEPTANCE OF TERMS AND CONDITIONS (Ts&Cs)

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

ALLOWABLE COSTS

(a) Payment for allowable cost as hereinafter defined, shall constitute full and complete compensation for the performance of the work under this contract. (b) "Allowable cost" of performing the work under this contract shall be the costs and

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 2 of 22

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expenses that are actually incurred by the Contractor, which are applicable and properly chargeable, either as directly incident or as allocable through appropriate distribution or apportionment, to the performance of the contract work in accordance with its terms, and are determined by the Sandia Contracting Representative (SCR) to be allowable pursuant to this contract, including the additional provisions, if any, contained elsewhere in this contract relating to Advance Understanding on Particular Cost Items, and pursuant to Federal Acquisition Regulation (FAR) Part 31 as supplemented by Department of Energy Acquisition Regulations (DEAR) Part 931 of the in effect on the effective date of this contract and OMB Circular A21, subject to the following: (1) With respect to billing for indirect cost, Contractor shall bill for indirect cost at rates as close as possible to costs being experienced during contract performance. Contractor understands that contract overruns, due to under recovered indirect cost, may not be reimbursed by Sandia; and, over recoveries of indirect cost shall be payable upon demand, at any time, by the SCR. Contractor may, with the SCR's approval, bill at predetermined overhead and General and Administrative (G&A) rates applied to bases agreed upon by any government agency, which are determined in accordance with FAR Part 31 as supplemented by the DEAR in effect on the effective date of this contract; provided, however, that the Contractor shall adjust the indirect billing to conform to actual cost within sixty (60) days or the Contractor's normal monthly accounting cycle, whichever is earlier. (2) In the absence of predetermined overhead rates as provided for in subparagraph (1) above, if at any time prior to the final determination of costs hereunder there exists a rate or rates established by any government agency, based on audit of actual costs for the period of performance of the work hereunder or any substantial portion thereof, such rate or rates may, at the SCR's option, be used (after adjustment by Sandia if deemed appropriate, to reflect the application of cost principles contained in this Allowable Costs Clause and the DEAR and FAR subparts referred to above) in determining allowable indirect costs hereunder. (3) In the absence of predetermined overhead rates as provided for in subparagraph (1) above and in the absence of a rate or rates acceptable to Sandia as provided for in subparagraph (2) above, indirect cost shall be determined in accordance with FAR Part 31 as supplemented by DEAR Part 931 by a Sandia audit. (4) No overtime premium costs, shift differential, holiday, or other premium pay for time worked on direct labor are authorized as direct charges to this contract except when paid for work: necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns, of production equipment, or occasional production bottlenecks of a sporadic nature; by indirect labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting; in the performance of tests, industrial processes, laboratory procedures, loading or unloading of transportation media, and operations in flight or afloat, which are continuous in nature and cannot reasonably be interrupted or otherwise

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 3 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

completed; or which will result in lower cost to Sandia. (5) As used in FAR Part 31 and DEAR Part 931 the words: "Contracting Officer" or "Field Office Manager" shall mean the SCR, "Department of Energy/National Nuclear Security Administration (DOE/NNSA)" or "Sponsoring Agency" shall mean Sandia; "Federal Government" or "government," in connection with government agencies or government property, shall mean the United States of America. (6) Each individual Contractor employee salary amounting to \$100,000 or more annually is subject to advance approval of the SCR where fifty percent (50%) or more of such salary is to be reimbursed under DOE/NNSA cost-type contracts for on-site (Sandia/DOE/NNSA premises) services.

APPLICABLE LAW

The rights and obligations of the parties hereto shall be governed by this contract and construed in accordance with the law of the state of delivery, except for FAR and FAR supplement clauses which shall be in accordance with federal law. The parties agree to jurisdiction in the Federal District Court, with venue in the district closest to the delivery point of the items or services giving rise to the claim. In the event the requirements for jurisdiction in Federal District Court are not present, such litigation shall be brought in the State Court closest to the delivery point of the item or services giving rise to the claim.

ASSIGNMENT

Contractor shall not assign rights or obligations to third parties without the prior written consent of Sandia. However, the Contractor 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 contract may be transferred from Sandia to DOE/NNSA or its designee, and in case of such transfer and notice thereof to the Contractor, Sandia shall have no further responsibilities hereunder.

COMPLIANCE WITH LAWS

Contractor shall procure all necessary permits or licenses and abide by all applicable foreign, federal, state and local laws, ordinances, or regulations, in which any work under this contract is performed which are in any way applicable to the Statement of Work (SOW) of this contract.

CONTRACTOR'S INFORMATION

No specifications, drawings, sketches, models, samples, tools, technical information or data, written, oral or otherwise, furnished by Contractor to Sandia hereunder, or in contemplation hereof, shall be considered to be proprietary information of Contractor.

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 4 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

CLAIM OF COSTS INCURRED

Contractor shall provide a claim of costs incurred (Electronic Cost Claim or "ECC") to the Sandia Contract Audit Department annually within ninety (90) days after end of the contractor's fiscal year. An ECC is prepared by the Contractor and provided to the Contract Audit Department in preparation for an audit of the costs incurred and claimed by the Contractor. It is used to compare and reconcile previously billed and paid amounts that are shown in Sandia's accounting system. It also provides the Contractor with an additional opportunity to review previous billings to ensure there have not been omissions or errors. The ECC shall include all costs incurred on this contract during the fiscal year just ended. Additionally, an ECC shall be submitted for any adjustment to any previously reported cost for any prior year within 90 days of the date the adjustment is made. The Contractor may obtain templates and instructions for submission of the ECC from the Contract Audit Department upon request the following website: <http://www.sandia.gov/bus-ops/scm/Contractor/ContractAudit.html>. With the agreement of the Sandia Auditor assigned to perform the audit, the Contractor may provide the required information in a different manner or format.

DEFINITIONS

The following terms shall have the meanings set forth below for all purposes of this contract: (a) CONTRACT means Purchase Order (PO), Contract, Price Agreement, Subcontract, Ordering Agreement (OA), or modifications thereof. (b) CONTRACTOR means the person or organization that has entered into this contract to sell something to Sandia. (c) CONTRACTOR-DIRECTED WORK means work under a contract for which the Contractor is accountable for the outcome of the work performed and routinely provides work direction to the Contractor's work force. (d) GOVERNMENT means the United States of America and includes the U.S. Department of Energy (DOE)/National Nuclear Security Administration (NNSA) or any duly authorized representative thereof. (e) ITEM means commercial items, commercial services and commercial components as defined in FAR 52.202-1. (f) SANDIA means Sandia Corporation, the Management and Operating (M&O) Contractor for the Sandia National Laboratories under Contract No. DE-AC04-94AL85000 with the U.S. Department of Energy/National Nuclear Security Administration. (g) SANDIA-DIRECTED WORK means work under a contract for which Sandia retains accountability for the outcome of the work performed and routinely provides work direction to the Contractor's work force. (h) SCR means Sandia Contracting Representative, the only person authorized to execute and/or administer this contract for Sandia. (i) SDR means Sandia Delegated Representative. The SCR may delegate personnel as authorized representatives for such purposes as and to the extent specified in the delegation. Such delegation shall be in writing to the Contractor, and shall designate by name the personnel so delegated as authorized representatives. The SDR shall exercise no supervision over the Contractor's employees. THE SDR'S AUTHORITY IS LIMITED SOLELY TO THE AUTHORITY ENUMERATED IN SUCH WRITTEN DELEGATION. THE SDR

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 5 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

HAS NO AUTHORITY TO CHANGE ANY TERM OR CONDITION CONTAINED IN THIS CONTRACT. (j) SUBCONTRACT means any lower tier contract under this contract.

DISPUTES

Contractor and Sandia agree to use the Sandia Acquisition Conflict Resolution Process set forth at: <http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html> for resolving any and all disputes arising from this contract. Sandia Acquisition Conflict Resolution Process available in "Policies" tab.

ESTIMATES OF COST AND LIMITATION OF OBLIGATION, IF APPLICABLE

(a) Initial Estimate of Cost and Obligation of Funds. The presently estimated cost and the obligation of funds for the work under this Contract are set forth in Section 1, if applicable. (b) Revised Estimates of Cost. The presently estimated cost for the work under this contract may be increased unilaterally by the SCR by written notice to the Contractor and may be increased or decreased by written agreement of the parties. (c) Limitation of Obligation. Payments on account of costs shall not in the aggregate exceed the amount of funds presently obligated hereunder. (d) Notice of Costs Approaching Funds Obligated - Contractor Excused Pending Increase When Obligation is Reached. Whenever the Contractor has reason to believe that the total cost of the work under this contract will be greater or substantially less than the presently estimated cost of the work, the Contractor shall promptly notify the SCR in writing. The Contractor shall also notify the SCR in writing when the aggregate of expenditures, liabilities, and outstanding commitments allowable under this contract is equal to seventy-five percent (75%) (or such other percentage as the SCR may from time-to-time establish by notice to the Contractor) of the amount of funds presently obligated hereunder. When such expenditures and outstanding commitments equal one hundred percent (100%) of such amount, the Contractor shall make no further commitments or expenditures (except to meet existing commitments) and shall be excused from further performance of the work unless and until the SCR thereafter shall have notified the Contractor in writing that such amount has been increased. No notice, communication or representation in any other form or from any person other than the SCR or the person delegated in this contract shall affect the estimated cost or funds obligated hereunder. In the absence of the specified notice, Sandia shall not be obligated to reimburse the Contractor for any costs in excess of the funds obligated hereunder, whether those excess costs were incurred during the course of the contract or as a result of termination. In the event the Contractor incurs cost in excess of the funds obligated hereunder without receiving a prior notice from the SCR increasing such funds, the funds obligated hereunder may be increased at the sole discretion of the SCR to permit the Contractor to be reimbursed for all or a portion of such costs. However the SCR is not obligated to increase funding due to an after-the-fact indirect rate adjustment determined by a government audit agency. When and to

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 6 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

the extent that the funds obligated hereunder have been increased, any costs incurred by the Contractor in excess of the funds obligated hereunder prior to such increase shall be allowable to the same extent as if such costs had been incurred after such increase, unless the SCR issues a termination notice and directs that the increase is solely for the purpose of covering termination expenses. In the event this contract is terminated or the funds obligated hereunder are not increased enough to cover all costs, the government shall be entitled to all property produced or purchased under the contract except that property which the Contractor shall demonstrate to have been produced or purchased solely with Contractor's funds in excess of the funds obligated hereunder and which can be severed from the government property without damage thereto. (e) Sandia's Right to Terminate Not Affected. The giving of any notice by either party under this clause shall not be construed to waive or impair any right of Sandia to terminate this contract under the provisions of the clause entitled "Termination." (f) Cost Information. The Contractor shall maintain current actual cost information adequate to reflect the cost of performing the work under this contract at all times while the work is in progress, and shall prepare and furnish to Sandia such written estimates of cost and information in support thereof as the SCR may request. (g) Correctness of Estimates Not Guaranteed. Neither Sandia nor the Contractor guarantees the correctness of any estimate of cost for performance of the work under this contract, and Contractor shall invoice Sandia at actual cost unless Section I of this contract provides otherwise.

EXCESS FREIGHT CHARGES

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

EXCUSABLE DELAYS

(a) Except for defaults of subcontractors at any tier, the Contractor shall not be in default because of any failure to perform this contract under its terms if the failure arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of these causes are (1) acts of God or of the public enemy, (2) acts of Sandia, (3) acts of the Government in either its sovereign or contractual capacity, (4) fires, (5) floods, (6) epidemics, (7) quarantine restrictions, (8) strikes, (9) freight embargoes, and (10) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. "Default" includes failure to make progress in the work so as to endanger performance.

(b) If the failure to perform is caused by the failure of a subcontractor at any tier to perform or make progress, and if the cause of the failure was beyond the control of both the Contractor and subcontractor, and without the fault or

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 7 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

negligence of either, the Contractor shall not be deemed to be in default, unless-
(1) The subcontracted supplies or services were obtainable from other sources;
(2) The SCR ordered the Contractor in writing to purchase these supplies or services from the other source; and (3) The Contractor failed to comply reasonably with this order.

(c) Upon request of the Contractor, the SCR shall ascertain the facts and extent of the failure. If the SCR determines that any failure to perform results from one or more of the causes above, the delivery schedule shall be revised, subject to the rights of Sandia or the Government under the Termination Clause of this contract.

EXPORT CONTROL

(a) Any item, technical data, or software furnished by Sandia in connection with this purchase order/contract is supplied for use in the United States only. Contractor agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 USC 2751 - 2794, including the International Traffic in Arms Regulation (ITAR), 22 CFR 120 - 130; the Export Administration Act, 50 USC app. 2401 - 2420, including the Export Administration Regulations (EAR), 15 CFR 730 - 774; and including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Contractor agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under contract to Contractor or Contractor's lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception. Contractor shall immediately notify the SCR if it transfers any export controlled item, data, or services to foreign persons. Diversion contrary to U.S. export laws and regulations is prohibited. (b) Contractor shall immediately notify the SCR if Contractor is, or becomes, listed in any Denied Parties List or if Contractor's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency. (c) If Contractor is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Contractor represents that it is registered with the Directorate of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR. The Contractor shall flow down the requirements of this clause to all subcontracts.

FREIGHT CHARGE

Freight and Parcel Bills. The Contractor shall transmit to the SCR, each calendar quarter, a legible copy of paid freight and parcel bills covering property transported to the Contractor for Sandia's account and for which Sandia will assume the freight or parcel charges under the direct cost provisions of this contract. However, the following paid bills shall not be submitted to the SCR but

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 8 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

shall be retained by the Contractor: rail freight forwarder, air, steamship, motor truck, and parcel bills amounting to less than \$500. All bills shall be marked on the face, "This shipment is for the U.S. Department of Energy. It is subject to the Ts&Cs of the U.S. Government Bill of Lading form and to any available special rates or charges."

GOVERNMENT PROPERTY, MATERIAL, AND EQUIPMENT

Except as provided for in Section I, Contractor must list the government material/equipment Contractor will use in the performance of the SOW in this contract and provide details concerning its use. Identification, inspection, maintenance, protection, and disposition of government property shall conform with the policies and principles of FAR Part 45, 48 CFR (DEAR) 945, the Federal Property Management Regulations 41 CFR 101, the DOE Property Management Regulations 41 CFR 109, and DEAR 970.5245-1 Property (Alternate).

ORDER OF PRECEDENCE

This contract is subject only to the Ts&Cs set forth in the following documents: Cover Page, Section I, and Section II of this contract, and the specifications and drawings or other documents, if any, referenced therein. In case of conflict or inconsistency between or among one or more provisions of the above documents, the provisions of each document shall take precedence over the provisions of the other documents in the following order of priority: Section I, Cover Page, Section II, specifications, drawings, and other documents, if any incorporated into this contract by reference thereto.

PAYMENTS

(a) Payments on Account of Allowable Costs. Once each month (or at more frequent intervals, if approved by the SCR) the Contractor may submit to Sandia, Accounts Payable Department, in such form and reasonable detail as may be required by the SCR, an invoice or voucher supported by a statement of costs incurred by the Contractor in the performance of this contract and claimed to constitute allowable costs. "Allowable costs" includes, but is not limited to, actual indirect rate cost experience during the period of performance unless Section I of this contract indicates otherwise. Promptly after receipt of each invoice or voucher Sandia shall, subject to the provisions of (b) below, make payment thereon in accordance with contract provisions. 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. Costs for items of Capital Property (defined in FAR 52.245-1 - Government Property) if applicable, shall be separately listed in invoices. Discount time will be computed from the date correct invoice or voucher is received in the office specified in the contract, or date of completion of work under this contract, whichever is later. Payment is deemed to be made, for the purpose of earning the discount, on the date of

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 9 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

mailing of Sandia's check or date on which an electronic funds transfer was made. Sandia may take contract or invoice prompt payment discount. Any travel outside the United States by Contractor personnel, in connection with work under this contract, requires advance written approval by the SCR. (b) Audit Adjustments. At any time or times prior to settlement under this contract the SCR may have invoices or vouchers and statements of cost audited. Each payment there to for made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the SCR, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices or vouchers. (c) Completion Voucher. On receipt and approval of the invoice or voucher designated by the Contractor as the "completion invoice" or "completion voucher" and upon compliance by the Contractor with all the provisions of this contract (including, without limitation, the provisions relating to patents and provisions of (e) below) Sandia shall promptly pay to the Contractor any balance of allowable cost. The completion invoice or voucher shall be submitted by the Contractor promptly following completion of the work under this contract but in no event later than sixty (60) days (unless the SCR grants a further specific period of time) from the date of such completion. Sandia may, at its own discretion, perform an administrative close of contracts upon completion of the period of performance; such an action does not relieve either party of any rights or responsibilities with respect to final audit activities and settlements. (d) Applicable Credits. The Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor or any assignee under this contract shall be paid by the Contractor to Sandia to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by Sandia under this contract. Reasonable expenses incurred by the Contractor for the purpose of securing such refunds, rebates, credits, or other amounts shall be allowable costs hereunder when approved by the SCR. (e) Financial Settlement. Prior to final payment under this contract, the Contractor and each assignee whose assignment is in effect at the time of final payment under this contract shall execute and deliver: (1) an assignment to Sandia in form and substance satisfactory to the SCR of refunds, rebates, credits or other amounts (including any interest thereon) properly allocable to costs for which the Contractor has been reimbursed by Sandia under this contract; and (2) a release discharging Sandia and the government, their officers, agents and employees from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions: (i) specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor; (ii) claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of performance of this contract; provided that such claims are not known to the Contractor on the date of the execution of the release; and provided further that the Contractor gives notice of such claims in writing to the SCR not more than

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 10 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

three (3) years after the date of the release or the date of any notice to the Contractor that Sandia is prepared to make final payment, whichever is earlier; and (iii) claims for reimbursement of costs (other than expenses of the Contractor by reason of any indemnification of Sandia or the government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents. The Contractor and each such assignee hereby agree that the failure to execute and deliver the aforesaid assignment and release within sixty (60) days of a written request therefore by the SCR shall be deemed to be and shall have the same effect as a release as set forth above in Item (2), including a release of all claims set forth in sub Items (i) and (iii) of Item (2).

PERFORMANCE EVALUATION PROGRAM

In keeping with Sandia's goals of continuous improvement, and promoting and creating an environment for superior Contractor performance, Sandia has established a collaborative feedback process through the Performance Evaluation Program. This program is intended to create an environment, which fosters dialog, provides feedback, and improves communication. Any contract awarded by Sandia is a candidate for evaluation under this program. Please contact your buying representative for additional information.

PRICE-ANDERSON AMENDMENTS ACT (PAAA)

(a) Regulatory Liability. If the item(s) or service(s) required by the Purchase Order (PO) is related to nuclear or radiological safety, then the item(s) or service(s) are regulated by the DOE/NNSA under the provisions of Federal Regulations 10 CFR 820, 10 CFR 830, and 10 CFR 835 (Price-Anderson Amendments Act). The supplier shall incorporate all applicable PO requirements into all supplier-issued procurement documents. Flow-down of PO requirements shall be verbatim, i.e., without change or modification. Lower-tier subcontracting requires flow-down of all applicable requirements to each supplier at any tier. (b) Occupational Radiation Protection. The Contractor shall comply with applicable requirements in Sandia's Radiation Protection Procedures Manual (RPPM) unless the Contractor's activities specified in the SOW shall be regulated through a license by the Nuclear Regulatory Commission or a state under an agreement with the Nuclear Regulatory Commission. (Upon request the Sandia Contracting Representative (SCR) will make the RPPM available.)

PRICING OF CONTRACT AND SUBCONTRACT MODIFICATIONS

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

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 11 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

QUALITY ASSURANCE PROGRAM

If Section I of this contract includes Standard Clause 109-QSP- Quality Significant Purchase, the Contractor shall have a Quality Assurance (QA) program which provides for control of activities affecting quality of the item(s) or service(s) specified in the SOW to an extent consistent with their importance. Such program shall be documented by written policies, procedures, or instructions and shall be carried out by the Contractor in accordance with those policies, procedures, or instructions. The Contractor's QA program shall be in accordance with 10 CFR 830 and DOE O 414.1C located at <http://www.directives.doe.gov>

RECYCLED OR NEW MATERIALS

Except as otherwise provided in the SOW or Contractor's quotation, the quoter certifies that any products to be furnished are new (not used or reconditioned) and not of such age or so deteriorated as to impair their usefulness or safety.

RELEASE OF INFORMATION

(a) No invention, export control or classified information relating to this contract shall be released other than to Contractor's employees or those of Contractor's subcontractors requiring the information for performance of the SOW of this contract without advance written approval of the SCR. In no event shall the interest of Sandia or the DOE/NNSA or the government in this contract be indicated in any advertising or publicity without advance written approval of the SCR. This shall not be construed to prohibit Contractor from fulfilling routine internal or external reporting of its activities, including the disclosure of the existence and nature of this contract as required by law. External reporting as used in this clause refers to reports submitted to state or federal government offices. (b) The Contractor shall closely coordinate with the SCR regarding any proposed scientific, technical or professional publication of the results of the work performed or any data developed under this contract. The Contractor shall provide Sandia an opportunity to review any proposed manuscripts describing, in whole or in part, the results of the work performed or any data developed under this contract at least forty-five (45) days prior to their submission for publication. Sandia will review the proposed publication and provide comments. A response shall be provided to the Contractor within forty-five (45) days; otherwise, the Contractor may assume that Sandia has no comments. Subject to the security requirements of this contract, the Contractor agrees to address any concerns or issues identified by Sandia prior to submission for publication. (c) The Contractor may acknowledge the Contractor and government sponsorship of the work as appropriate. (d) The Contractor shall insure that the recipient of any information provided by the Contractor complies with the provisions of this clause.

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 12 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

RELEASES VOID

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

REPORTS REQUIRED BY THIS CONTRACT

Final reports following completion of the work required by this contract and interim reports as may be required by this contract constitute deliverables under this contract and shall be submitted in an electronic format such as Microsoft Word or other format commonly used at Sandia along with any paper format required by this contract and shall be submitted on 3.5 inch floppy disk, CD ROM or other media requested by the SDR .

RIGHTS AND INTERESTS

All rights and interests resulting from this contract shall pass directly from the Contractor to the government. FAR 52.227-17 applies to all deliverables which are copyrightable works produced as part of the performances of this contract.

RISK OF LOSS

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

SANDIA PROVIDED INFORMATION

Any and all physical forms of designs, design data, drawings, specifications, technical, scientific data, and other information furnished by Sandia to the Contractor shall remain the property of the government and shall be protected from unauthorized use, reproduction, and disclosure. Contractor shall protect the information at least to the same extent it would use to protect its own most valuable and proprietary information. Dissemination or use of such information is limited to such of its employees and Contractors, if any, whose job performance for this specific contract requires the information and only for those purposes. No other dissemination or use is permitted without prior written approval of the Sandia Contracting Representative/Sandia Delegated Representative. Any and all such information provided by Sandia to the Contractor shall be used only for the purpose of enabling performance of this contract and the Contractor shall use its best efforts to prevent disclosure to others except when necessary in the performance of this contract.

SUBCONTRACTS

All subcontracts shall be made in the name of the contractor and shall not bind nor purport to bind Sandia or shall not relieve Contractor of any obligation under

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 13 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

this purchase order/contract. If Contractor subcontracts any work in the performance of this contract, Contractor shall incorporate into every such contract an appropriate set of Sandia Ts&Cs found at: <http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html> or may use the latest revision of SF6432-CI for the purchase of Commercial Items that are products or SF 6432-CS for commercial services, into any such subcontract.

PROTECTION OF PERSONALLY IDENTIFIABLE INFORMATION (PII)

In performing this contract the Contractor may be provided with Personally Identifiable Information (PII) relating to Sandia employees, contractor employees, and any other individuals related to the work under this contract. The Contractor agrees that the Contractor will take all reasonable steps and precautions to ensure this provided PII is adequately controlled, protected and only used to perform work called for under this contract. For the purposes of this agreement PII is defined as: Any of the information listed below that can be used to distinguish or trace an individual's identity, is collected and maintained for the purpose of conducting official Sandia business, and is not solely comprised of information that is available to the general public: social security number, driver's license number, passport number, other federal- or state-issued identification card number, bank account number (with or without routing number, access code, or Personal Identification Number [PIN]), financial or benefit account number in combination with any required code permitting access, background information or verification reports or credit report, including consumer reports, medical or health information, including biometric, biomonitoring, or genetic information, employment history including ratings, salary, wage, deduction information, and disciplinary actions, security clearance history or related information, criminal history, date of birth or age, place of birth, mother's maiden name, race or ethnicity.

Notes: One means of distinguishing or tracing an individual's identity is to include the first name or the first initial and last name of an individual in combination with any information listed above. PII does not include information that is on Sandia computing resources as a result of incidental personal use of computing and information resources or other assets.

Loss of Control of PII: If the Contractor becomes aware or suspects that any Sandia provided Personally identifiable Information, has been inappropriately, taken, used, disclosed, and/or released or that the controls for access to the information have been compromised, the Contractor will immediately take steps to prohibit further disclosure and will give verbal notice to Sandia's Security Incident Management Program (SIMP) by calling and reporting the incident at either at (505) 540-2382 or for contracts issued in California call 1-888-932-9710 (these are manned 7 days a week 24 hours a day). After notifying SIMP, also verbally notify the SCR and SDR (if one is identified in this contract). In addition to the immediate verbal notifications, written notification will be provided to the SCR and SDR (if one is identified in the contract,) within 72 hours of the

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Contractor's learning of the situation. The Contractor will cooperate with Sandia and provide information needed to allow Sandia to evaluate the nature and extent of the release or loss of control.

The provisions of this clause shall survive and continue in force following the completion of work under this agreement until such time that any provided PII is either destroyed in its entirety in a manner that ensures it is not readable or decipherable through any means, or that the information including all copies is returned to Sandia. The contractor shall ensure that these provisions shall be made applicable to any subcontractor or non-governmental third party who receives PII provided through this agreement.

TAXES

For many purchases, Sandia can provide Transaction Exemption Certificates for both New Mexico and California, and certificates for other states may also be available. Direct any request for Transaction Exception Certificates to taxes@sandia.gov. FAR 52.229-10 State of New Mexico Gross Receipts and Compensating Tax as modified by DEAR 970.2904-1 (a) is applicable in New Mexico. Sandia holds California Contractor's Permit Number OH-98033576. Purchases made under this contract are exempt from California Sales and Use Taxes if performance occurs in California. Prices include all applicable federal taxes.

TRANSPORTATION

All transportation shall be "FOB Origin" unless otherwise specified in this contract. 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/NNSA and the actual total transportation charges paid to the carrier(s) shall be reimbursed by the government pursuant to Contract No. DE-AC04-94-AL85000. Confirmation will be made by Sandia National Laboratories.

ADDITIONAL TERMS AND CONDITIONS

This contract incorporates by reference with the same force and effect as if they were given in full text, the following cited FAR and DEAR clauses. The full text of the clauses may be accessed electronically at <http://www.arnet.gov/far/> Where the FAR/DEAR clauses refer to government and Contracting Officer, substitute Sandia and Sandia Contracting Representative (SCR). Upon request the SCR will make the full text available.

APPLY TO CONTRACTS OF ANY VALUE

The following clauses are applicable TO ALL subcontracts UNLESS OTHERWISE INDICATED BELOW:

FAR 52.216-7 Allowable Cost and Payment. Substitute 31.3 in subcontracts with educational institutions and 31.7 in subcontracts with nonprofit organizations for 31.2 in Paragraph (a).

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 15 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

FAR 52.216-15 Predetermined Indirect Costs Rates
FAR 52.222-21 Prohibition of Segregated Facilities
FAR 52.222-26 Equal Opportunity
FAR 52.222-50 Combating Trafficking in Persons
FAR 52.223-3 Hazardous Material Identification and Material Safety Data Sheets and Alternate I. Applies only if subcontract involves delivery of hazardous materials.
FAR 52.225-13 Restrictions on Certain Foreign Purchases
FAR 52.227-14 Rights in Data-General with ALTERNATE V and DEAR 927.409 Paragraphs (a) and (d)(3). Applies if the contract is for development work, or for basic and applied research where computer software is specified as a deliverable in the SOW or other special circumstances apply as specified in the contract. Rights In Data-General with ALTERNATE IV, Subparagraph (c)(1) and DEAR 927.409, subparagraph (a) Definitions. Applies if the contract is for basic or applied research and computer software is not specified as a deliverable in the SOW, and no other special circumstances apply per DEAR 927.409.
FAR 52.227-23 Rights to Proposal Data (Technical) . Applies if the contract is based upon a technical proposal.
FAR 52.229-10 State of New Mexico Gross Receipts and Compensating Tax as modified by DEAR 970.2904-1(a). Applies if any part of this subcontract is to be performed in the State of New Mexico.
FAR 52.242-15 Stop-Work Order with Alternate I
FAR 52.243-2 Changes – Cost-Reimbursement with Alternate V
FAR 52.244-6 Subcontracts for Commercial Items
FAR 52.245-1 Government Property with Alternate II
FAR 52.246-9 Inspection of Research and Development (Short Form)
FAR 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels
FAR 52.249-5 Termination for Convenience of the Government (Educational and Other Nonprofit Institutions)
DEAR 952.204-71 Sensitive Foreign Nations Controls. Applies if the subcontract is for unclassified research involving nuclear technology.
DEAR 952.204-77 Computer Security
DEAR 952.211-71 Priorities and Allocations (Atomic Energy) This clause applies only if Section I designates a Government Priority.
DEAR 952.217-70 Acquisition of Real Property. Applies if the Subcontract involves leased space that is reimbursed.
DEAR 952.227-11 Patent Rights – Retention by the Contractor (Short Form). Applies only if subcontractor is a nonprofit organization as set forth in 48 CFR 27.301. If subcontractor does not qualify in accordance with 48 CFR 27.301, it may request a patent waiver pursuant to 10 CFR 784.
DEAR 952.247-70 Foreign Travel
DEAR 970.5227-4 Authorization and Consent Paragraph (a)
DEAR 970.5232-3 Accounts, Records, and Inspection

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 16 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

APPLY TO CONTRACTS EXCEEDING \$2,000

APPLY TO CONTRACTS EXCEEDING \$2,500

If Section I indicates that this a contract for services under the Services Contract Act

FAR 52.222-41 Service Contract Act of 1965 as Amended

APPLY TO CONTRACTS EXCEEDING \$3,000

FAR 52.222-54 Employment Eligibility Verification

APPLY TO CONTRACTS EXCEEDING \$10,000

FAR 52.222-36 Affirmative Action for Workers With Disabilities

APPLY TO CONTRACTS EXCEEDING \$30,000

FAR 52.209.6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment

APPLY TO CONTRACTS EXCEEDING \$100,000

FAR 52.222-35 Equal Opportunity for Veterans

FAR 52.222-37 Employment Reports on Veterans

DEAR 970.5227-4 Authorization and Consent

DEAR 970.5227-5 Notice of Assistance Regarding Patent and Copyright Infringement.

APPLY TO CONTRACTS EXCEEDING \$150,000

FAR 52.203-6 Restrictions on Subcontractor Sales to the Government

FAR 52.203-7 Anti-Kickback Procedures, excluding Paragraph (c) (1)

FAR 52.203-10 Price or Fee Adjustment for Illegal or Improper Activity

FAR 52.203-12 Limitation On Payments to Influence Certain Federal Transactions

FAR 52.215-23 Limitations on Pass Through Charges

FAR 52.219-8 Utilization of Small Business Concerns

FAR 52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation

FAR 52.247-63 Preference for U. S. Flag Air Carriers . Applies if the Subcontract involves international air transportation.

APPLY TO CONTRACTS EXCEEDING \$500,000

FAR 52.227-16 Additional Data Requirements

APPLY TO CONTRACTS EXCEEDING \$650,000

FAR 52.219-9 Small Business Subcontracting Plan, including Alternate II

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 17 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

FAR 52.219-16 Liquidated Damages - Subcontracting
FAR 52.230-2 Cost Accounting Standards, excluding Paragraph (b). Applies to nonprofit organizations if they are subject to full CAS coverage as set forth in 48 CFR Chapter 99, Subpart 9903.201-2 (FAR Appendix B).
FAR 52.230-3 Disclosure and Consistency of Cost Accounting Practices, excluding paragraph (b). Applies to nonprofit organizations if they are subject to modified CAS coverage as set forth in 48 CFR Chapter 99, Subpart 9903.201-2 (FAR Appendix B).
FAR 52.230-5 Cost Accounting Standards – Educational Institution, excluding Paragraph (b).
FAR 52.230-6 Administration of Cost Accounting Standards

APPLY TO CONTRACTS EXCEEDING \$700,000

FAR 52.215-10 Price Reduction for Defective Cost or Pricing Data
FAR 52.215-11 Price Reduction for Defective Cost or Pricing Data – Modifications, not used when 52.215-10 is included.
FAR 52.215-12 Subcontractor Certified Cost or Pricing Data. Applies if 52.215-10 applies.
FAR 52.215-13 Subcontractor Certified Cost or Pricing Data -Modifications. Applies if 52.215-11 applies.

APPLY TO CONTRACTS EXCEEDING \$5,000,000

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

APPLY TO ALL CONTRACTS THAT MAY INVOLVE ACCESS TO CLASSIFIED INFORMATION

DEAR 952.204-2 Security Requirements
DEAR 952.204-70 Classification/Declassification
DEAR 970.5204-1 Counterintelligence

APPLY TO ALL CONTRACTS WHERE ANY WORK WILL BE PERFORMED ON A GOVERNMENT SITE

DEAR 952.203-70 Whistleblower Protection for Contractor Employees
DEAR 970.5223-1 Integration of Environment, Safety, and Health Into Work Planning and Execution
DEAR 970.5204-79 Access to and Ownership of Records
DEAR 970.5223-4 Workplace Substance Abuse Programs at Government Sites, applies to contracts valued at \$25,000 or more

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

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 18 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

CITIZENSHIP STATUS

All personnel of the Contractor and its subcontractors who require access must be United States citizens, or foreign nationals who are legal aliens or have the required authorization to perform work in the United States and must meet rules of the site for access to the work areas in place at the time of performance of this contract.

CONTRACTOR OR SUBCONTRACTOR USE OF GOVERNMENT-OWNED VEHICLES

The following provisions apply if work under this contract requires Contractor or subcontractor personnel to operate government-owned vehicles either on or off government sites. Contractor shall maintain, at Contractor's expense, during the period of performance of work under this contract, third-party vehicle liability insurance which shall cover the use of such government-owned vehicles with limits of at least \$200,000/\$500,000 public liability and \$20,000 property damage. Medical payments coverage, comprehensive and collision insurance, uninsured motorist, and personal injury protection will not be required under this clause unless required by state statute. All Contractor's agents, employees and subcontractors of any tier shall obey all rules and regulations pertaining to the use of government-owned vehicles. In the event of a motor vehicle accident, the Contractor shall submit a completed Motor Vehicle Accident Reporting Form SF 91 to the SCR together with any additional supplemental forms required by instructions given on the GSA Form Packet 1627. A GSA Form Packet 1627 normally is located either in the headliner or glove box of the GSA vehicle. Contractor's personnel shall assure that a GSA Form Packet 1627 is available in a GSA vehicle prior to accepting and driving a GSA vehicle.

ENVIRONMENTAL, SAFETY, AND HEALTH (ES&H) REQUIREMENTS

(a) Service Providers. Sandia-directed work, Sandia shall provide those workers with any and all necessary safety authorization documents, personal protective equipment, industrial hygiene monitoring, medical surveillance, and radiation protection services. For Contractor employees performing Contractor-directed work, Contractor shall provide its workers with all ES&H services, with the exception of Contractor employees performing Contractor-directed work on government sites for whom Sandia shall provide radiation dosimetry services and survey of record, as appropriate. (b) Training Requirements. Any Contractor personnel who will enter a government site to perform work shall have completed all of the ES&H training required by the SOW prior to any attempts to enter a government site as shown by written records of such training furnished to the SDR or to the Requester if no SDR is named in Section I of this contract. Contractor shall certify to Sandia completion of all required training on the Completion Record for Contractor Administered Training form. This form is located on the Web at <http://www.sandia.gov/bus-ops/scm/Contractor/Contractor-info.html> or obtained from the SDR. Contractor shall provide the completion

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 19 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

record form for the initial ESH100 training to the SDR on the first day of work. Contractor shall provide the completion records for any other training required above to the SDR before starting the affected work activity. Any person not having completed all ES&H training requirements may be denied access to any government site and Contractor may be terminated for default of this contract as well as every other contract the Contractor has with Sandia.

HAZARDOUS MATERIALS (a) Handling Requirements

For contracts that require the performance of work on government sites, the Contractor shall coordinate with the SDR all activities associated with the acquisition (including reporting hazardous materials used on government sites), handling, storage, accidental spills, and/or disposal of hazardous materials and/or waste. The Contractor shall notify the SDR of all hazardous and/or radioactive waste generated during performance of work. Such materials become Sandia-owned waste and the Contractor shall notify the SDR for proper disposal by Sandia. Contractor's assistance in disposal may be required by Sandia. (b) Removal Requirements. Those hazardous materials brought onto Sandia-controlled premises by the Contractor which are job-related consumables and have not been removed from their original packaging and which have not been purchased by Sandia, shall remain the property of the Contractor and shall be removed from Sandia after completion of the work. Hazardous materials in the original, labeled container are not hazardous waste if the material is usable and the full or partially full container is intact and properly closed. Those scrap items which are not hazardous and which have not become hazardous through co-mingling with hazardous items are owned by the Contractor and shall also be removed.

PROTECTION OF GOVERNMENT PROPERTY

All Sandia National Laboratories information, information technologies and information systems are United States government property. Please read the notice at: <http://www.sandia.gov/bus-ops/scm/forms/policy/2902ntu.pdf> All facilities, personal property, existing vegetation, structures, equipment, utilities, improvements, materials, and work at Sandia National Laboratories are United States government property. Acts of theft, improper use and/or unlawful destruction of United States government property are punishable under one or more Federal Criminal Laws.

REQUIREMENTS FOR ACCESS TO GOVERNMENT SITES

(a) Government Sites. The Contractor agrees and shall ensure that all personnel entering Government sites for any activity related to this agreement shall at all times be subject to and shall comply with all laws, regulations, policies, and site access rules for the site including but not limited to all ES&H and Security requirements. Many, but not all, of the Security and ES&H requirements are outlined in Sandia's ES&H Manual and Security Manual that can be accessed

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 20 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

from the following site or by contacting the SDR. The government requirements include but are not limited to, all of the requirements set forth in this clause for any work to be performed on a government site. To obtain access to such premises, the Contractor shall write a letter to the SDR or the SCR stating the company designation to be used by the Contractor and each subcontractor and furnishing the following information on each individual requiring access to such premises: name, date of birth, and citizenship status, completed ES&H training requirements set forth in the SOW. Access will be granted for the period of performance of the work only.

Contractor shall withdraw and replace any individual, including any subcontractor employee, assigned to perform work under this contract, who in the judgment of Sandia or DOE/NNSA, is to be denied access to any government site. Contractor shall submit to the SDR or the SCR any proposed working schedules for its personnel and the personnel of each of its subcontractors that deviate from Sandia's normal workday or work week schedule. The schedules will show proposed daily working hours and proposed work weeks. Schedules that deviate from Sandia's normal work day or work week must be approved by the responsible SDR. In the absence of a written authorization from the SCR or DOE/NNSA, use of government sites by the Contractor and its subcontractors of any tier, pursuant to access granted under this clause, shall be limited to work required by this contract to be performed on such premises. THE USE OF THE ACCESS PRIVILEGE FOR ANY PURPOSE OTHER THAN TO PERFORM WORK UNDER THIS CONTRACT IS PROHIBITED AND MAY BE GROUNDS FOR TERMINATING THIS CONTRACT DEFAULT OR FOR FINDING THAT AN INDIVIDUAL IS UNACCEPTABLE FOR FUTURE ACCESS. (b) Sandia Sites.

The organizations listed below are responsible for coordinating and administering the provisions of visitor access and control for the sites as listed. Sandia National Laboratories, Albuquerque, New Mexico – Badge Office, Sandia Corporation, Innovation Parkway Office Complex (IPOC). Sandia National Laboratories, Livermore, California - Visitor Control and Administration Section, Sandia Corporation, Building 911. Tonopah Test Range, Tonopah, Nevada - Office of the Tonopah Test Range Manager. (c) Contractor will ensure that its personnel and the personnel of each of its subcontractors assigned to work on Sandia's or Government premises comply with all applicable site policies. In addition the contractor, it's personnel and personnel of each of its subcontractors, shall :

- 1) not bring weapons of any kind onto the premises;
- 2) not manufacture, sell, distribute, possess, use or be under the influence of controlled substances or alcoholic beverages while on the premises;
- 3) not possess hazardous materials of any kind on the premises without proper authorization;
- 4) remain in authorized areas only;
- 5) not conduct any non-Sandia related business activities (such as interviews, hires, dismissals or personal solicitations) on the premises;

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 21 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.

6) not send or receive non-Sandia related mail through Sandia's or Government's mail systems; and

7) not sell, advertise or market any products or memberships, distribute printed, written or graphic materials on the premises without the SCR's written permission or as permitted by law.

(d) All persons, property, and vehicles entering or leaving Sandia's KAFB or Government's premises are subject to search. (e) Contractor will promptly notify Sandia and provide a report of any accidents or security incidents involving loss of or misuse or damage to Sandia's or Government's intellectual or physical assets, and all physical altercations, assaults, or harassment.

VEHICLE INSURANCE

All vehicles, owned or operated by the Contractor, subcontractors or their agents and employees, having access to government sites shall be covered by at least \$200,000/\$500,000 public liability and \$20,000 property damage insurance.

VEHICLE MARKINGS

All vehicles used by either the Contractor or its subcontractors shall be marked clearly to indicate company name of user. Vehicles which do not bear permanent markings may be temporarily marked as follows: (1) Signs, no longer than the vehicle door is wide, with a white or lighter background, showing the Contractor's name in one inch high, or larger, dark colored letters, may be made from sheet metal, cardboard or other suitable material and temporarily attached to the vehicle's front door panels so that the signs appear in the approximate center of each door panel. Words such as "Company," "Corporation" or "Division" may be abbreviated. (2) No signs shall be attached to the vehicle's glass area for safety reasons.

VISITOR ACCESS TO GOVERNMENT SITES

The organizations listed below are responsible for coordinating and administering the provisions of visitor access and control for the sites as listed. Sandia National Laboratories, Albuquerque, New Mexico – Badge Office, Sandia Corporation, Building 800/BO, Sandia National Laboratories, Livermore, California - Visitor Control and Administration Section, Sandia Corporation, Building 911. Tonopah Test Range, Tonopah, Nevada - Office of the Tonopah Test Range Manager.

Control #: SF 6432-EI

Title: Standard Terms & Conditions for Educational Institutions

Owner: Procurement Policy & Quality Dept

Release Date: 02/01/12

Page 22 of 22

Printed copies of this document are uncontrolled. Retrieve latest version electronically.