



These terms and conditions (valid for one year from date of signature) with a dated and numbered Purchase Order, together with any documents incorporated herein, constitutes the entire agreement between **Marcom Services, LLC** (MSL) ("Contractor") and the **Subcontractor**, and supersedes any contemporaneous or previous communications, oral or written.

**Subcontracting Authority:** Only the below listed MSL employees have the authority to release subcontract work on behalf of MSL:

- Lee Murphy, President
- George Murphy, Executive Vice President
- Kevin O'Connell, VP Contracts and Programs
- Rachel Mitchell, Purchasing

If Subcontractor chooses to proceed with work not authorized by one of the above, they do so at their own risk. Any and all invoices that include charges not authorized by the above personnel will be returned unpaid. This means, if Subcontractor proceeds with work by direction from any unauthorized personnel, then they may not get paid.

**Acceptance:** Acknowledgement of this Purchase Order or Subcontract or the furnishing of any work or acceptance of any payment by Subcontractor under this Purchase Order or Subcontract constitutes an unqualified acceptance by Subcontractor of this Purchase Order or Subcontract, including these Standard Terms and Conditions. All acceptances by whatever means are expressly limited to these terms and conditions. Contractor rejects all other terms and conditions proposed by Subcontractor.

**Access:** Vendor or Subcontractor is responsible for obtaining legal and timely access to the Prime Contractor's facility in accordance with the Prime Contractor's access policy.

**Scope of Work:** The "Work" means the services, materials and supplies described on the front of the Purchase Order or Subcontract, and such other services, materials and supplies added to the Purchase Order or Subcontract pursuant to the Changes Clause.

**Performance Period:** TIME IS OF THE ESSENCE: Subcontractor shall complete all Work within the time specified. The Subcontractor shall be in default if (A) Subcontractor fails or neglects to complete all or any part of the Work in the time specified, (B) fails to make progress as to endanger timely performance, or (C) otherwise delays Contractor by reason of Subcontractor's (or any of its subcontractor's or supplier's) failure or neglect at any tier to perform their respective obligations.

**Changes:** Contractor may at any time by written Change Order make changes to this Purchase Order or Subcontract without notice to the sureties, including but not limited to the Work or Performance Period. If any Change Order causes an increase or decrease in the cost of, or the time required for the Work an equitable adjustment may be negotiated. Contractor shall not be liable for any damages as a consequence of delay or disruption. Subcontractor's exclusive remedy for delay and disruption shall be an extension of the time for performance. Any claim by Subcontractor for an adjustment under this clause must be asserted in writing within FIVE CALENDAR DAYS from receipt of the Change Order. Nothing herein shall excuse Subcontractor from proceeding diligently with the performance of the Work.

**Paid if Paid:** Any Costs associated with a submitted CFR will be paid only if Marcom is paid by our customer. Subcontractors will have the option of participating along with Marcom in cost negotiations with our customers.

**Prime Contract:** Contractor's contract with its customer ("Prime Contract") is incorporated by reference and made a part of this Purchase Order or Subcontract, and Subcontractor acknowledges that it has had the opportunity to review the terms and conditions of the Prime Contract. Except as modified herein, Subcontractor assumes the same obligation to Contractor under this Purchase Order or Subcontract that Contractor assumes to its customer with respect to the Work. The language of government regulations and clause from the Prime Contract shall be construed to express the Contractor/Subcontractor relationship, and shall be interpreted according to the federal law of government contracts. Time limitations set forth in such provisions will be shortened as necessary to provide Contractor time to meet its obligations. In the event of a conflict between any such provisions and these Standard Terms and Conditions, these Standard Terms and Conditions shall govern.

**Inspections and Testing:** The work may be inspected and tested at all reasonable times and places before, during and after performance by inspectors designated by Contractor. Compliance by Subcontractor with inspection or test requirements does not relieve Subcontractor of its responsibility to provide Work which meets all applicable requirements of this Purchase Order or Subcontract.

**Cleanliness:** It is required that the subcontractor clean the work area daily before leaving. Failure to complete cleanup of the subcontractor work area will result in a financial penalty. MSL reserves the right to charge the subcontractor \$100 per hour for associated MSL labor to accomplish cleanup of the work area.

**Quality Assurance Program:** Subcontractor's Quality Assurance Program shall be compliant with NAVSEA Standard Item 009-04. Subcontractors utilizing other subcontractors to accomplish work shall ensure compliance with this requirement. Prior to start of work, the Subcontractor will submit to MSL QA Department, a list of personnel currently certified and authorized to sign off for test and inspections. This list shall be approved in writing by MSL QA Department prior to signing for test or inspections. Subcontractors that utilize other subcontractors to perform work shall be included on this list if they will be delegated by authority to accomplish (V) and (I) test and inspections.

**Test & Inspection:** Subcontractors will receive a copy of MSL's Test and Inspection Plan (TIP) when relevant the SOW the Subcontractor is performing. Subcontractors may use their own TIP as a reference document but are required to complete all test and inspections listed on MSL's TIP.

**WARRANTIES:** FOR ALL WORK SUBCONTRACTOR SHALL GIVE THE WARRANTIES CALLED FOR IN THE PRIME CONTRACT FOR THE TIME PERIODS DESIGNATED THEREIN, IN ADDITION, SUBCONTRACTOR WARRANTS THAT ALL WORK SHALL; (A) BE FREE FROM DEFECTS IN WORKMANSHIP AND MATERIALS; (B) BE NEW AND OF GOOD MARINE QUALITY; (C) BE SUITABLE FOR THE PURPOSE INTENDED; (D) BE OF MERCHANTABLE QUALITY; (E) IF OF SUBCONTRACTOR'S DESIGN, MEET ALL PERFORMANCE REQUIREMENTS AND BE FREE FROM DEFECTS IN DESIGN AND; (F) CONFORM TO THE REQUIREMENTS OF THIS PURCHASE ORDER OR SUBCONTRACT. ALL WARRANTIES SHALL RUN FOR A MINIMUM PERIOD OF NINETY CALENDAR DAYS FROM THE LATER OF REDELIVERY OF THE PRODUCT(S) OR VESSEL(S) TO THE CONTRACTOR'S CUSTOMER OR SUBCONTRACTOR'S COMPLETION OF THE WORK. FURTHERMORE, ALL GUARANTEES AND WARRANTIES, EXPRESSED OR IMPLIED, SHALL INURE TO THE BENEFIT OF THE CONTRACTOR. CONTRACTOR SHALL NOT BE DEEMED TO HAVE ACCEPTED ANY WORK UNTIL IT HAS BEEN FINALLY ACCEPTED BY THE CONTRACTOR'S CUSTOMER. CONTRACTOR MAY AT ANY TIME DURING THE WARRANTY PERIOD REQUIRE THE SUBCONTRACTOR TO REMEDY BY REPAIR, CORRECTION, OR REPLACEMENT, WITHOUT COST TO THE CONTRACTOR, ANY OF THE WORK WHICH FAILS TO COMPLY WITH THIS PURCHASE ORDER OR SUBCONTRACT, INCLUDING THE FOREGOING WARRANTIES, REGARDLESS OF THE CAUSE.

**Proprietary Information:** This Purchase Order or Subcontract, as well as all information contained in documents, drawings, publications, specifications, schedules, and the like received from Contractor for the performance of the Work are confidential and the property of Contractor or its customer, and such information shall be transmitted, reproduced, used or disclosed by Subcontractor (except as necessary for the performance of the work) without the prior written approval of Contractor. Subcontractor agrees to return all such materials to Contractor at the completion or termination of the work.

**Property:** Any of Contractor's or its customer's furnished property shall remain the property of Contractor or its customers and Subcontractor shall bear the risk of loss and damage to such property, normal wear and tear excepted. Contractor and its customers shall both have the right to enter Subcontractor's premises at all reasonable times to inspect such property and Subcontractor's records with respect thereto.

**Temporary Service Employees:** (A) Prior to the commencement of the Work called for in this Purchase Order or Subcontract, if Subcontractor intends to provide or in fact does provide temporary service employees to Contractor, Subcontractor shall furnish Contractor with an "Alternate Employer Endorsement" that identifies Contractor as an additional insured on Subcontractor's workman's compensation policy and certifies that Subcontractor's underwriter, will pay all worker's compensation claims related to such temporary service employees and will waive any subrogation rights against Contractor or Contractor's underwriter; (B) Subcontractor's failure to provide such an endorsement shall constitute a default in the performance of this Purchase Order or Subcontract and; (C) Such endorsement shall not be construed to waive Contractor's immunity from suit where Contractor is the borrowing employer pursuant to the Longshore and Harbor Workers Compensation Act (33 U.S.C. §§ 901 et seq.) state workers' compensation acts or otherwise.

**Discharge of Liens:** Subcontractor shall immediately discharge or cause to be discharged any lien or right in rem of any kind which at any time exists or arises in connection with the Work. The Subcontractor shall not incur any debts, obligations or change upon the credit of the vessel(s). Subcontractor shall provide Contractor with a "Certificate of No Liens" on demand of Contractor and in a form to be prescribed by Contractor.

**Force Majeure:** Whenever the performance of Work is delayed or threatened to be delayed from any cause or causes including but not limited to fires, floods, accidents, civil unrest, acts of God, war, governmental interference or embargoes, strikes, labor difficulties, shortage of labor, fuel, power, materials, or supplies, transportation delays, or changes in law after the date of this Agreement, the Subcontractor shall immediately give notice thereof to Contractor. Such notice shall be made in writing within FIVE CALENDAR DAYS of such incident and shall contain all information relevant to the delay or anticipated delay.

**Compliance with Law:** (A) Subcontractor shall comply with all federal, state and local laws, regulations, ordinance, orders, notices, actions, policies or common laws, including but not limited to those concerning the proper handling, transportation, treatment, removal or storage of hazardous waste, substance or materials, or any substance the presence of which requires investigation of remediation, the Fair Labor Standards Act of 1938 (29 U.S.C. §§ 201 ), the Occupational Safety and Health Act of 1970 (29 U.S.C. §§ 651 et seq.) , the Buy American Act (41 U.S.C. § 10(a)) Executive Order 10582, December 17, 1954, the Americans with Disabilities Act of 1990 (42 U.S.C §§ 12101 et seq.), the Equal Employment Opportunities Act of 1972 (42 U.S.C §§ 2000e et seq.), the Service Contract Act of 1965 (41 U.S.C. §§ 351 et seq.), Title VII of the 1964 Civil Rights Act (42 U.S.C. § 2000(e)(15)), the Walsh-Healey Public Contracts Act (41 U.S.C. §§ 35 et seq.), the Contract Work Hours and Safety Standard Act (40 U.S.C. §§ 327 et seq.), the Vietnam Era Veterans' Readjustment Assistance Act of 1972 (38 U.S.C. §§ 101 et seq.), the Age Discrimination in Employment Act (42 U.S.C. §§ 6101 et seq.), and Davis-Bacon Act (40 U.S.C. §§ 275(a) et seq.), all as amended and including any regulations or standards issued thereunder; (B) Subcontractor certifies that it is eligible to receive contracts from the federal government and that neither it

nor its principals or employees have been convicted of any acts which would render Subcontractor or any of its principals or employees ineligible for receipt of a federal contract.

**Termination and Default:** (A) This Purchase Order or Subcontract may be terminated by Contractor in whole to in part, (1) whenever Subcontractor defaults in its performance of this Purchase Order or Subcontract in any manner and fails to remedy such default within THREE CALENDAR DAYS after receipt by Subcontractor of a notice specifying the default or (2) whenever for any reason Contractor determines that such termination is for its convenience. Any termination shall effective by mailing or delivering to Subcontractor a Notice of Termination. (B) If as a result of a default by Subcontractor, Contractor shall incur damages, or become obligated to pay damages to its customer or shall otherwise incur additional expenses, including cost of acceleration, liquidated damages or premium cost. Subcontractor agrees to pay to Contractor as actual damages, and not as a penalty, all damages (including liquidated damages) and expenses (including attorney's fees) so incurred by Contractor plus-interest. (C) If Contractor effects a termination based on a default by Subcontractor and it is thereafter determined that Subcontractor was not in default, such termination shall be deemed to have been affected for the convenience of Contractor. (D) If this Purchase Order or Subcontract is terminated for convenience, Subcontractor shall only be entitled to receive as payment the difference between an amount equal to proportion of the Purchase Order's price, representing the percent of the Work completed by Subcontractor and accepted, and the total of all amounts previously paid to the Subcontractor. If the total of all amounts previously paid to Subcontractor exceeds an amount equal to the proportion of Purchase Order or Subcontract's price calculated above, Subcontractor shall reimburse Contractor for all legal and other expenses reasonably incurred in connection with investigating, bringing or defending any claim, suit or action resulting from or related to Subcontractor's termination, default or failure to perform.

**Indemnifications:** (A) Subcontractor shall indemnify and hold harmless Contractor, its officers, agents, employees, and indemnities from and against any and all claims, notices, orders, losses, suits, damages (including consequential or punitive damages) legal and otherwise, and liabilities incurred by or asserted against Contractor which in any way else arise out of or related to (1) defective Work, (2) Work which does not conform to the Purchase Order or Subcontract's requirements, (3) any inaccuracy of information or violation of any certification provided by Subcontractor, (4) Subcontractor's failure to comply with these terms and conditions, (5) any death, personal injury, damage or loss to property occasioned wholly or in part by any act or omission of Subcontractor, its agents, employees, or subcontractors arising out of or related to the Work, even if the Contractor's act or omission joins with the Subcontractor's to produce the harm, or (6) Subcontractor's violation of the compliance requirements of Paragraph 16 of this Purchase Order or Subcontract. (B) Subcontractor shall reimburse Contractor for all legal and other expenses incurred in connection with investigating or defending any claim, notice, order, loss, suit, damage, liability or resulting action. In agreeing to so indemnify and save harmless Marcom Services, LLC, the Subcontractor specifically and expressly waives any immunity it might otherwise have pursuant to or under the Industrial Insurance Act of the State of Washington, RCW Title 51, and assumes liability on account of any claim, suit, or action made or brought against Marcom Services, LLC, its officers, agents or employees, for the death of or injury to persons, or property involving Subcontractor, its employees, agents and representatives, arising from any cause whatsoever, except to the extent caused by the sole negligence of Marcom Services, LLC, or, in the case of concurrent negligence of Contractor and Subcontractor, only to the extent of the Subcontractor's negligence or failure to comply with any of the terms or conditions of this agreement. Subcontractor specifically agrees and acknowledges that this agreement of indemnification and save harmless together with Subcontractor's Waiver of Immunity under RCW Title 51, was the subject of discussion and negotiation between Subcontractor and Marcom Services, LLC and that Subcontractor's promises and waiver herein are a part of the consideration for Marcom Services, LLC entering into this Subcontract and Subcontractor's obligations and herein were considered by Subcontractor when arriving at a price for which Subcontractor agreed to do the work contemplated by the Subcontract.

**Assignment and Subcontracts:** Neither this Purchase Order or Subcontract nor any rights hereunder shall be assignable or otherwise transferable by Subcontractor without the prior written consent of Contractor. Subcontractor shall not subcontract all or any portion of the Work without the prior written consent of Contractor. Such written consent shall not in any way diminish the responsibility of Subcontractor to comply with this Purchase Order or Subcontract, Furthermore, Subcontractor shall include the terms of this Purchase Order or Subcontract, including government regulations and clauses, into any subcontract or purchase order.

**Equal Opportunity & Affirmative Action:** The Subcontractor agrees to conform to the requirements of Executive Order 11246 and its amendments and provide EEO for all persons and to recruit and administer hiring, working conditions, benefits and privileges of employment, compensation, training, appointments or advancement including upgrading and promotion, transfer and terminations of employment including layoffs and recalls for all employees without discrimination because of race, color, religion, national origin, sex, or age. Subcontractor further agrees that it shall be their policy to extend the EEO to handicapped workers, disabled veterans, and Vietnam era veterans.

**Payment:** Contractor has the right to withhold payment on any Invoice pertaining to any product or services that have not been completed, as defined by the scope of work for that specific Purchase Order, or for any services performed, or product delivered, that are not accepted by Contractor or Contractor's customers due to inferior or incomplete delivery or performance. All invoices are subject to review for validation of hours worked and/or charges billed as appropriate. Subcontractor will provide only the personnel that meet the requirements of the Labor Category and/or Statement of Work included in the RFQ. Subcontractor shall receive payment within forty-five (45) days from the date the invoice is received by the Contractor, or within fifteen (15) days of the Contractor receiving payment from their Customer. Invoices related to transportation based on ICC regulations will be paid within fifteen (15) upon receipt of invoice.

**Disputes:** Either party may litigate any dispute arising under or relating to this Contract before any court of competent jurisdiction in the State of Virginia. Pending resolution of any such dispute by settlement or by final judgment, the parties shall proceed diligently with performance.

**Insurance Requirements:** Subcontractor shall acquire and maintain insurance coverage with minimum limits of liability as set forth in the following Schedule at all times that Subcontractor is providing Employees to Contractor. Subcontractor shall provide certification of insurance coverage prior to the execution of this document.

COVERAGES		CERTIFICATE NUMBER:		REVISION NUMBER:			
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR INSR	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER:	X	X				EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 25,000	X	X				EACH OCCURRENCE \$ 4,000,000 AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E L EACH ACCIDENT \$ 1,000,000 E L DISEASE - EA EMPLOYEE \$ 1,000,000 E L DISEASE - POLICY LIMIT \$ 1,000,000
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required) ALL OPERATIONS, WHEN REQUIRED BY WRITTEN CONTRACT AND/OR AGREEMENT, CERTIFICATE HOLDER WILL BE ADDITIONAL INSURED UNDER GENERAL AND UMBRELLA LIABILITY. WAIVER OF SUBROGATION INCLUDED UNDER GENERAL, UMBRELLA AND WORKERS COMPENSATION WHEN REQUIRED BY WRITTEN CONTRACT AND/OR AGREEMENT. WORKER'S COMPENSATION INCLUDES USL&H COVERAGE							
<b>CERTIFICATE HOLDER</b>				<b>CANCELLATION</b>			
MARCOM SERVICES LLC 5409B BEAMON RD. NORFOLK, VA 23513  FAX# 757-963-1862 EMAIL: AMY.MAXWELL@MARCOMSERV.COM				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE			

**General Provisions:** (A) All headings are for convenience and shall not affect the construction of this Purchase Order or Subcontract; (B) In the event that any provisions of this Purchase Order or Subcontract are declared invalid the remainder of the provisions shall nevertheless continue to apply; (C) The failure of Contractor to insist on performance of any provision of this Purchase Order or Subcontract shall not be construed as a waiver of that provision in any later instance; (D) This Purchase Order or Subcontract may not be changed, altered, modified, limited, or extended, unless such agreement be expressed in writing and signed by Contractor; (E) The remedies of Contractor herein are cumulative and are in addition to any other remedies provided by law; (F) This Purchase Order or Subcontract shall be governed and construed in accordance with the laws of the Commonwealth of Virginia, except as otherwise provided herein.