

**CONSTRUCTION AND SIMILAR WORK ADDENDUM  
FIRM FIXED PRICE ORDER FOR COMMERCIAL ITEMS – NON-U.S. GOVERNMENT  
Northrop Grumman Systems Corporation**

**THIS ADDENDUM MUST BE USED IN CONJUNCTION WITH NG CTM-P-ST-005**

THE FOLLOWING TERMS AND CONDITIONS SHALL PREVAIL TO THE EXTENT THEY CONFLICT WITH NG CTM-P-ST-005 OR ANY OTHER TERMS AND CONDITIONS GOVERNING THIS AGREEMENT. FURTHERMORE, THIS ADDENDUM CONTAINS ADDITIONAL TERMS AND CONDITIONS UNIQUE TO THE ABOVE INDICATED COMMODITY.

ALL NON-CONFLICTING TERMS AND CONDITIONS IN THE NG CTM-P-ST-005 SHALL REMAIN IN FULL FORCE UNLESS OTHERWISE INDICATED HEREIN.

**1. DEFINITIONS AND EXPLANATION.**

- A. The words "Northrop Grumman", "Northrop Grumman Corporation" or "Buyer" or "Owner" means Northrop Grumman Systems Corporation subsidiary, Sector, or business unit identified on the face of the Order.
- B. The words "Contractor" or "Seller" mean the party with whom Northrop Grumman Systems Corporation is contracting and whose name and address appears on the face of the Order (if a Purchase Order is being used as the instrument of contracting) or the Agreement.
- C. The word "Subcontractor" means any person, supplier, distributor, retailer, vendor or firm which furnished supplies or services to or for the Contractor or another subcontractor and, therefore, means subcontractor at any tier.
- D. The word "Order" means an instrument entitled "Purchase Order" which has been accepted by Contractor as provided in Clause 2 including all drawings, specifications, documents and all special and general conditions or provisions referenced therein or made subject thereto.
- E. The words "Agreement" or "Construction Agreement" mean the instrument of contracting used in lieu of a Purchase Order, which has been duly executed by both Northrop Grumman Systems Corporation and Contractor, and includes all drawings, specifications, documents and all special and general conditions or provisions referenced therein or made subject thereto.
- F. "Contract" means the total legal obligation of the parties which results from the agreement of Northrop Grumman Systems Corporation and Contractor as evidenced by an instrument called an Order (as herein defined) or a duly executed instrument entitled Agreement if a Purchase Order is not being used as the instrument of contracting.
- G. "Work" means all plant, labor, materials, supplies, appliances, equipment, transportation or other things required to be furnished or performed by the Contractor/Subcontractor in order to properly perform and fulfill the obligations and requirements of the Order/Agreement.
- H. "Project" means the subject of the Order/ Agreement for which Contractor is performing the Work.
- I. Miscellaneous Word Explanation:
  - (1) Whenever the words "as shown," "as indicated" or "as detailed" or words of similar import are used it means that reference is being made to the drawings and/or specifications unless otherwise specifically provided.
  - (2) Whenever the words "as directed," "as required," "as permitted," "approved," "accepted," "acceptance" or words of similar import are used it means that specific direction, permission, approval or acceptance by Northrop Grumman Systems Corporation is required prior to Contractor's proceeding further unless otherwise specifically provided.
  - (3) The words "to provide" or "provide" means "to furnish and install" or "to provide complete and in place" unless otherwise specifically provided.
- J. Unless the context otherwise requires, words importing the singular number include the plural and in the plural include the singular and words of the masculine gender include the feminine and the neuter.
- K. Titles and paragraph headings used herein and in the Order/Agreement are for convenient reference only and shall not affect the interpretation of any provision of the Order/Agreement.
- L. Refer to Clause 24 herein for a definition and explanation of "Northrop Grumman Systems Corporation and Contractor Representative."
- M. PARTY/PARTIES mean Buyer and Seller collectively
- N. PERSONNEL, for the purposes of the Privacy, Confidentiality and Security clause of this contract, means employees, agents, consultants or contractors of Seller or Northrop Grumman, as applicable
- O. PERSONAL INFORMATION, is any information relating to an identified or identifiable natural person (such as name, postal address, email address, telephone number, date of birth, Social Security number (or its equivalent), driver's license number, account number, credit or debit card number, personal identification number, health or medical information, or any other unique identifier or one or more factors specific to the individual's physical, physiological, mental, economic or social identity), whether such data is in individual or aggregate form and regardless of the media in which it is contained, that may be (i) disclosed at any time to Supplier or its Personnel by Northrop Grumman or its Personnel in anticipation of, in connection with or incidental to the performance of services for or on behalf of Northrop Grumman; (ii) Processed at any time by Supplier or its Personnel in connection with or incidental to the performance of services for or on behalf of Northrop Grumman; or (iii) derived by Supplier or its Personnel from the information described in (i) or (ii) above.
- P. PROCESS or PROCESSING means any operation or set of operations performed upon Personal Information, whether or not by automatic means, such as creating, collecting, procuring, obtaining, accessing, recording, organizing, storing, adapting, altering, retrieving, consulting, using, disclosing or destroying the data.

**2.-3. Reserved.**

**4. MODIFICATION.**

Except for the provisions of the "Changes" clause herein, no modification of an Order/Agreement (including any additional or different terms in Seller's acceptance of a Purchase Order) shall be binding on Contractor or Northrop Grumman Systems Corporation unless agreed to in a writing signed by the duly authorized representatives of the parties as hereinafter described and designated.

**5. INTENT OF CONTRACT DOCUMENTS.**

The provisions and exhibits of the Order/Agreement shall be construed as a whole. They are complementary and what is required by anyone shall be as binding as if required by all. The intent of the Order/Agreement is to include all labor, materials, equipment, tools, plant and other items necessary for the proper execution and completion of the Work. The titling and division of the drawings and specifications by trades or other

classifications is for convenience only and the fact that any part of the Work should or could properly have been shown or specified under some other title or division shall not relieve Contractor of performing or furnishing the same nor entitle Contractor to extra compensation.

**6. DISCREPANCIES.**

If Contractor believes there are or may be any errors, omissions or inconsistencies in the provisions and exhibits of the Order/Agreement or if Contractor has any doubt as to the meaning thereof, Contractor shall immediately submit the matter to Northrop Grumman Systems Corporation for written clarification. If Contractor fails to promptly notify Northrop Grumman of any errors, omissions or inconsistencies in the provisions and exhibits of the Order/Agreement, Contractor shall be deemed to have waived any right to assert at any later date in any legal proceeding against Northrop Grumman any errors, omissions or inconsistencies in the provisions and exhibits of the Order/Agreement. Any Work performed before receipt of such clarification shall be at Contractor's risk and expense. If any clarification is needed, Northrop Grumman Systems Corporation shall clarify the same by issuing a written field order pursuant to the "Changes" clause. However, notwithstanding the provisions of said clause, there shall be no increase in the Order/Agreement price or extension of the time for completion on account of any misdescription or omissions of details of the Work which are clearly necessary to carry out the intent of the documents or which are customarily performed or furnished by Contractors. Such misdescribed or omitted details shall be performed or furnished by Contractor without extra compensation as if correctly and fully set forth in the documents.

**7. LOCATION OF WORK, SITE INVESTIGATION AND REPRESENTATIONS.**

- A. The Work under this Order/Agreement shall be performed at such place or places as shall be designated in this Order/Agreement and at such other place or places as may be necessary. Contractor acknowledges that it has satisfied itself as to the nature and location of the work and to the general and local conditions, particularly those bearing upon, (A) transportation, (B) disposal, (C) handling and storage of materials, (D), availability of labor, (E) security requirements, (F) water, (G) electric power and other utilities, (H) roads, (I) the conformation and condition of the ground, (J) equipment and facilities needed preliminary to and during the prosecution of the Work, and (K) all other matters which can, in any way, affect the Work or the cost thereof under this Order/ Agreement. Any failure by Contractor to acquaint itself with all the available information concerning these conditions shall not relieve Contractor from responsibility for estimating properly the difficulty or cost of successfully performing the Work.
- B. Northrop Grumman Systems Corporation assumes no responsibility for any understanding or representation made by any of its employees, agents or representatives during or prior to the execution of this Order/ Agreement, unless such understanding or representation by Northrop Grumman Systems Corporation is expressly stated in this Order/Agreement. Any such representation or understanding made but not so expressly stated in the Order/Agreement and for which liability is not expressly assumed by Northrop Grumman Systems Corporation herein shall be deemed only for the information of Contractor and Northrop Grumman Systems Corporation and shall not render Northrop Grumman Systems Corporation responsible or liable.

**8. DIFFERING SITE CONDITIONS.**

- A. Contractor shall promptly and before such conditions are disturbed, notify Northrop Grumman Systems Corporation in writing of:
  - (1) Subsurface or latent physical conditions at the site differing materially from those indicated in this Order/Agreement, or
  - (2) Unknown physical conditions at the site, of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inhering in Work of the character provided for in this Order/Agreement.
- B. Northrop Grumman Systems Corporation shall promptly investigate the conditions, and if such conditions do materially so differ and cause an increase or decrease in Contractor's cost of, or the time required for, performance of any part of the Work under this Order/Agreement, whether or not changed as a result of such conditions, an equitable adjustment shall be made and the Order/Agreement modified in writing accordingly.
- C. No claim of Contractor under this clause shall be allowed unless Contractor has given the notice required in 8.A.; provided, however, the time prescribed therefore may be extended by Northrop Grumman Systems Corporation in writing.
- D. No claim by Contractor for an equitable adjustment hereunder shall be allowed if asserted after final payment under this Order/Agreement.

**9. BONDS.**

(If a bond or bonds is specifically required by the terms of the Order/Agreement, the provisions of this clause shall apply.) Prior to commencing Work hereunder, or within such further time as Northrop Grumman Systems Corporation may allow in writing, Contractor shall deliver to Northrop Grumman Systems Corporation performance bond and a payment bond executed by a corporate surety acceptable to Northrop Grumman Systems Corporation, in amounts not less than the Order/Agreement price, on the bond forms furnished by Northrop Grumman Systems Corporation in accordance with the instructions on said forms. Failure to deliver acceptable bonds within the time allowed shall constitute a material breach of this Order/Agreement and entitle Northrop Grumman Systems Corporation to (A) cancel Contractor's right to proceed with the Work, and (B) recover from Contractor any damages resulting from such breach. If any surety on such bonds becomes unacceptable to Northrop Grumman Systems Corporation if the Order/Agreement price is substantially increased after such bonds are delivered, Contractor shall promptly deliver such acceptable additional bond security as Northrop Grumman Systems Corporation may require.

**10. SUBCONTRACTORS.**

- A. Contractor shall perform on the site, and with its own organization, Work equivalent to at least 20% (or such other percentage as may be specified elsewhere in this Order/Agreement, or be approved in writing by Northrop Grumman upon request of Contractor) of the total amount of Work to be performed under this Order/ Agreement. Subcontractors and other persons and organizations proposed and accepted by Northrop Grumman must be used on the Work for which they were proposed and accepted and shall not be changed except with the written approval from Northrop Grumman.
- B. The Contractor shall, within twenty-four (24) hours of notice of award of this Order/ Agreement, furnish in writing to the Northrop Grumman Purchasing Representative a complete list of all subcontractors to be used in the performance of the Work showing their names, addresses, phone numbers, trade and license numbers. This Order/Agreement shall be clearly referenced on the submittal. No payment will be authorized until said list is submitted as required above.
- C. Contractor shall remain fully responsible for all the Work covered by this Order/Agreement, whether or not said Work is subcontracted.
- D. Neither consent by Northrop Grumman to any subcontract or any provisions thereof nor approval of Contractor's bidding processes or purchasing system shall be construed to be a determination of the acceptability of any subcontract price or of any amount paid under any

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subcontract or to in any way relieve Contractor of any responsibility for performing this Order/Agreement. Contractor shall be fully liable to Northrop Grumman for the acts and omissions of all subcontractors of every tier and their respective agents, representatives and employees.

- E. Contractor shall schedule, supervise and coordinate the operations of all its subcontractors.
- F. No subcontract placed by Contractor under this Order/Agreement shall provide for payment on a cost-plus-a-percentage-of-cost basis.
- G. Contractor will not use any subcontractor against whom Northrop Grumman has objection and/or who appears on the Excluded Parties Listing System (EPLS) found at the following website: [www.epls.gov](http://www.epls.gov). Northrop Grumman will notify Contractor in writing of any objection to any subcontractor on such list.
- H. Nothing in the contract documents shall create any contractual relationship between any subcontractor and Northrop Grumman or any obligation on the part of Northrop Grumman to pay or to see to the payment of any moneys due any subcontractor, except as may be required by law.

**11. Reserved.**

**12. SUSPENSION OF WORK.**

- A. Northrop Grumman Systems Corporation may at any time, with or without cause, suspend performance of all or any part of the Work by giving ten (10) days prior written notice to Contractor. Such suspension may be continued by Northrop Grumman for a period up to one hundred and twenty (120) days during which period Northrop Grumman may at any time, by ten (10) days prior written notice, require Contractor to resume performance of the Work or terminate that portion of the Work which has been suspended. Such termination shall be pursuant to the provisions of Article 65, Part B thereof, Termination by Northrop Grumman for Northrop Grumman's Convenience.
- B. Northrop Grumman Systems Corporation shall not be liable for any damages or anticipated profits or for any charges against the costs incurred with respect to suspended portions of the Work during such period of suspension, except for such costs which (a) are incurred for the purpose of safeguarding the Work and materials and equipment in transit or at the Worksite; (b) are incurred for such personnel, lower tier subcontractor's or rented equipment which are maintained at the Worksite; or (c) are other reasonable and unavoidable costs of shutting down the Work or reassembling personnel and equipment resulting directly from such suspension. All costs resulting from (a), (b) or (c) above shall be included in the cost of Work, and may constitute an increase in the Contract Price.

**13. Reserved.**

**14. COOPERATION OF CONTRACTOR.**

Northrop Grumman Systems Corporation may undertake or award other contracts for additional work to be performed in connection with or in or about the Work under this Order/Agreement. Contractor shall cooperate with Northrop Grumman Systems and its other contractors and coordinate Contractor's Work with theirs so that all Work may be promptly and properly performed without undue interference or delay. Contractor shall afford Northrop Grumman Systems Corporation and its other contractor's reasonable opportunity for the introduction and storage of their materials and the execution of their Work, including storage space, access, use of hoisting equipment and Contractor's construction utilities.

**15. NORTHROP GRUMMAN SYSTEMS CORPORATION OPERATIONS.**

Contractor shall schedule all Work under this contract to avoid interruption of normal Northrop Grumman Systems Corporation operations.

**16. SCHEDULE PROGRESS AND OVERTIME.**

- A. Prior to commencing Work, or within such further time as Northrop Grumman Systems Corporation may allow, Contractor shall prepare and submit to Northrop Grumman Systems Corporation for approval a practicable and feasible critical path construction schedule for the Work. Such schedule shall be in the form of a complete critical path scheduling network. Contractor shall update the scheduling network as required and promptly submit each revision thereof to Northrop Grumman Systems Corporation for its approval.
- B. At the end of each week or as requested by Northrop Grumman Systems Corporation, Contractor shall submit to Northrop Grumman Systems three copies of a progress report showing the actual progress of the Work in comparison with the network items on the approved construction schedule.
- C. Contractor shall prosecute the Work in accordance with the approved construction schedule. Failure to do so shall be evidence that Contractor is failing to prosecute the Work with such diligence as will ensure its completion within the time specified in this Order/Agreement and may result in cancellation in accordance with the provisions of the Cancellation for Default clause herein.
- D. If requested by Northrop Grumman Systems Corporation, Contractor shall furnish evidence satisfactory to Northrop Grumman Systems Corporation that all necessary mechanical equipment, electrical equipment and other materials have been ordered and scheduled for delivery so as to ensure their arrival at the site in time for construction schedule requirements.
- E. Contractor shall furnish sufficient forces, construction plant and equipment, and shall work such hours, including night shift, overtime operations and Sunday and holiday work, as may be necessary to ensure the prosecution of the Work in accordance with the approved construction schedule. If Contractor falls behind such schedule, Contractor shall take such steps as may be necessary to improve its progress and Northrop Grumman Systems Corporation may require Contractor to increase the number of shifts, overtime operations, days of work, including Saturdays, Sundays and holidays, and the amount of construction plant and equipment, all without additional cost to Northrop Grumman Systems Corporation. This is in addition to Northrop Grumman Systems Corporation other remedies.
- F. *Time is of the essence in the performance of this Order/Agreement.* If at any time it appears to Contractor that it will not meet any of the critical path schedules or the scheduled completion date of the Work for any reasons including Labor Disputes as hereinafter provided, Contractor shall promptly notify Northrop Grumman Systems Corporation in writing of the reasons for the delay and the estimated time or duration of such delay. The herein notification requirements shall not in any way be considered as relieving Contractor of any liability for breach of contract by reason of any delay in performance.

**17. NOTICE OF LABOR DISPUTES.**

Whenever Contractor has knowledge that any actual or potential labor dispute may delay this Order/Agreement, Contractor shall immediately notify and submit all relevant information to Northrop Grumman Systems Corporation. Contractor shall insert the substance of this entire clause in any subcontract hereunder as to which a labor dispute may delay this Order/Agreement. However, any subcontractor need give notice and information only to its next higher tier subcontractor. Labor disputes or delays are Contractor's responsibility. Contractor is obligated and responsible to continue performance on this Order to meet schedules at no additional cost to Northrop Grumman Systems Corporation.

**18. SPECIFICATIONS AND DRAWINGS.**

- A. Contractor shall keep at the site of the Work a copy of the drawings and specifications required by this Order/Agreement and shall at all times provide Northrop Grumman Systems Corporation access thereto. Anything mentioned in the specifications, shall be of like effect as if shown or mentioned in both. In any case of discrepancy in the figures, drawings or specifications, the matter shall be immediately submitted, in writing, to the designated Northrop Grumman Systems Corporation Purchasing Representative or his appointed designee without whose decision said discrepancy shall not be resolved by Contractor, save only at its own risk and expense. Northrop Grumman Systems Corporation Purchasing Representative shall resolve such discrepancy in writing or by initiating and dating the approval on a clarifying revision on the figure, drawing or specification. Northrop Grumman Systems Corporation may furnish from time to time such other detail drawings, specifications and information as it may consider necessary. All drawings, plans, specifications, data and other information furnished by Northrop Grumman Systems Corporation to Contractor, or developed by Contractor in the performance of this Order/Agreement shall remain or become the property of Northrop Grumman Systems Corporation, and Contractor shall deliver the original and all copies of all such documents to Northrop Grumman Systems Corporation upon completion and acceptance or termination of the Work.
- B. Whenever in the specifications or drawings, any material or process is indicated or specified by patent or proprietary material name or by name of manufacturers; such listings shall be deemed to be "NO SUBSTITUTIONS." Any material or process which shall be substantially equal in every respect to that so indicated or specified may not be substituted without the express written approval of the Northrop Grumman Systems Corporation Purchasing Representative. In the event Contractor or its subcontractors at any tier uses materials, supplies, goods or processes not so permitted by the Specifications or authorized by Grumman Systems Corporation Purchasing Representative, Contractor, at the request of Northrop Grumman Systems Corporation, shall be obligated to remove and replace such materials at no cost to Northrop Grumman Systems Corporation. This is in addition to Northrop Grumman Systems Corporation other remedies.
- C. All lists, rules, regulations and standards referred to in this Order/Agreement are recognized as requirements of this Order/Agreement. When ASTM Specifications are referred to, it is understood to mean that these specifications shall comply with the latest American Society of Testing Materials specifications of that serial designation.

**19. SHOP DRAWINGS.**

- A. Contractor shall submit shop drawings to Northrop Grumman Systems Corporation for approval (1) where shop drawings are called for by the Order/Agreement, (2) where Contractor desires to perform the Work in a manner significantly different from the details shown in the Order/Agreement, (3) where substitutions require rearrangement of portions of the Work, or (4) where Shop drawings are requested by Northrop Grumman Systems Corporation.
- B. All shop drawings shall be accurately dimensioned and show all details necessary to define the Work completely.
- C. Submittal shall be made with ample lead time to avoid delay. Two (2) copies of each drawing shall be submitted initially, and one (1) of these shall be returned with reasonable promptness showing the changes desired by Northrop Grumman Systems Corporation. Contractor shall return six (6) corrected copies. When approved by Northrop Grumman Systems Corporation, two (2) signed copies shall be returned to Contractor. Contractor shall furnish any additional copies needed by it or its subcontractors or suppliers.
- D. Approval of shop drawings by Northrop Grumman Systems Corporation is limited to general configuration and shall not relieve Contractor of any responsibility for defects in design or other errors or omissions in such drawings nor from compliance with all the Order/Agreement requirements.

**20. LAYOUT OF THE WORK.**

- A. Unless otherwise specified elsewhere in this Order Agreement, Contractor shall set, cut and lay out the Work as necessary and shall furnish all stakes, templates, platforms, equipment and labor that may be required in performing such part of the Work. All stakes or other marks shall be preserved by Contractor until removal is authorized by Northrop Grumman Systems Corporation Purchasing Representative. Northrop Grumman Systems Corporation shall furnish, on request from Contractor, all location and limit marks reasonably necessary per the Specifications for the conduct of the Work.
- B. Basic elevations and controlling location reference points as may be designated in the drawings or Specifications shall be established by the Contractor. Contractor shall provide such survey work as required for the execution of the Work. Contractor shall be responsible for the accuracy of such intermediate lines and grades which shall be subject to check from time to time by Northrop Grumman Systems Corporation. Failure to check shall not relieve Contractor of responsibility for the accuracy of all lines and grades. Dimensions shown on the drawings or Specifications are to be verified in the field by the Contractor.

**21. UTILITIES.**

Unless otherwise provided in this Order/Agreement, Contractor shall furnish all the water and electric current and other utilities as may be required for the performance of this Order/Agreement. At no additional expense to Northrop Grumman, Contractor shall install and maintain any necessary temporary electrical and water supply connections, facilities and piping, but only at such locations and in such workmanlike manner as may be authorized in writing by Northrop Grumman Systems Corporation. Before final acceptance all temporary connections, facilities and piping installed by Contractor shall be removed in a workmanlike manner, to the satisfaction of Northrop Grumman.

**22. UTILITY SHUT-OFF.**

If Contractor requires the temporary shut-off of any utility (which term as used in this clause and the following clause shall include all supply, disposal, distribution and communication systems, and all similar facilities) Contractor shall notify Northrop Grumman Corporation twenty-four hours in advance of the time Contractor requires the shut-off. Contractor shall then perform the Work requiring the shut-off on such days and at such hours as Northrop Grumman Systems Corporation may direct. Regardless of the days or hours fixed by Northrop Grumman Systems Corporation, no extra compensation will be paid for such work.

- 23. EXISTING UNDERGROUND UTILITIES.** Underground utilities which are known by Northrop Grumman Systems Corporation to exist are shown in their approximate locations only because exact locations are unknown to Northrop Grumman Systems Corporation. Contractor shall excavate with utmost care so as not to cause damage or interruption of service. If any utility shown on the drawings is damaged as a result of any failure of Contractor or any of its subcontractors of any tier or any of their respective agents, representatives or employees to exercise utmost care, the Contractor shall be solely liable and shall indemnify and hold Northrop Grumman Systems Corporation harmless from any claims, suits,

damages or losses including any costs associated with repairing such utility. If an existing utility requires relocation and such relocation is not specified in the Order/Agreement, Northrop Grumman Systems Corporation shall issue a written field order pursuant to the "Changes" clause to provide for the relocation.

**24. NORTHROP GRUMMAN SYSTEMS CORPORATION AND CONTRACTOR REPRESENTATIVE.**

For all purposes in the administration of this Order/Agreement, Northrop Grumman and Contractor shall be represented only by that person respectively designated by each party elsewhere in this Order/Agreement or otherwise designated in writing by each party as the "Northrop Grumman Systems Corporation Purchasing Representative" and "Contractor Representative" assigned to administer this Order/Agreement for such party, and by such person(s) as such Representatives may authorize in writing to act for him. The term "Construction Representative" and "Engineer" and "Field Engineer" and "Inspector" as used in this Order/Agreement shall mean such designated person or any person(s) so authorized in writing by such representative to act for Northrop Grumman with such limitations in authority as may be set forth.

**25. PERSONNEL SUPERINTENDENCE.**

Contractor shall keep continuously on the Work at the site a competent superintendent or foreman acceptable to Northrop Grumman Systems Corporation fully authorized to receive instructions and act on behalf of Contractor in performance of the Order/Agreement as so authorized pursuant to Clause 24 above.

**26. INSURANCE REQUIREMENTS**

**A. General** (Professional Liability, as applicable) - Contractor shall not commence or continue to perform any Work unless, at its own expense, Contractor has in full force and effect all insurance required by this Section. Contractor shall not permit any subcontractor to perform Work unless these insurance requirements have been complied with by each subcontractor.

**B. Contractor's Liability Insurance**

- (1) Contractor shall purchase and maintain from a company or companies authorized to do business in the state in which the Work is located and acceptable to Owner, the following insurances which shall protect Contractor, Owner, and such other parties as Owner may from time to time designate, from claims which may arise out of or result from Contractor's operations under the Contract, by a subcontractor or lower-tier subcontractor of the Contractor, by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable:
  - (a) Comprehensive General Liability (CGL) including Operations and Premises Liability, Completed Operations and Product Liability (maintained in effect for a period of five (5) years after the date of final payment), Personal Injury Liability, and Contractual Liability and Broad form Property Damage Liability (including completed operation). Primary and Excess Liability (EL) Coverages shall be written on an occurrence basis in the amount of a combined single limit of not less than \$2,000,000.00 each occurrence.
  - (b) Workers' or Workmen's Compensation Insurance with Statutory Limits and in accordance with the law of the relevant state, including All States and Voluntary Compensation endorsement. Workers' Compensation insurer waives subrogation in favor of Northrop Grumman
  - (c) Employer's Liability Insurance with a limit of not less than \$1,000,000.00.
  - (d) Comprehensive Automobile Liability (AL) insurance plus Excess Liability including personal injury and property damage to cover owned automobiles, automobiles under long-term lease, hired automobiles, employer's non-ownership liability, medical payments and uninsured motorists in the amount of a combined single limit of not less than \$2,000,000.00.
- (2) CGL, AL, And EL insurance required under the Contract shall name Northrop Grumman as an additional insured under the applicable policies. Contractor waives statutory immunity as respects Northrop Grumman's additional insured status on the CGL.
- (3) Certificates of Insurance and amendatory riders or endorsements to Insurance Requirements policies, and copies of policies if requested, acceptable to Northrop Grumman shall be delivered by Contractor to the Contract Administrator prior to commencement of design and/or construction as applicable. The amendatory riders and endorsements shall indicate that, as respects the additional insured, there shall be severability of interests under such insurance policies for all coverages provided under the policies. These Certificates, riders or endorsements as well as insurance policies required by this Subparagraph B.3 shall clearly indicate the specific coverage (including the contractual liability for Contractor's obligations under Subparagraph B.1a hereof) and shall contain a provision that coverage will not be cancelled, modified or allowed to expire until at least thirty (30) days' prior written notice has been given to Northrop Grumman. If any of the foregoing insurance coverages are required to remain in force after final payment, an additional certificate evidencing continuation of such coverage shall be submitted by Contractor along with the application for final payment.
- (4) If Contractor fails to purchase or maintain, or fails to require to be purchased or maintained, the liability insurance specified by this Paragraph B, this Contract may be terminated for default, at Owner's sole discretion, in accordance with Article 65, Part A, Termination by Northrop Grumman for Cause. Alternatively, Northrop Grumman may (but shall not be obligated to) purchase such insurance on Contractor's behalf and Contractor shall repay Northrop Grumman for any premiums paid therefore by Northrop Grumman.

**C. Property Insurance**

- (1) Northrop Grumman shall purchase and maintain Builder's Risk property insurance covering the Work at the site for the full insurable value thereof. Property insurance shall include the interests of Northrop Grumman, Contractor, and the respective contractors and subcontractors in the Work. Northrop Grumman shall provide all-risk insurance for physical loss or damage, including theft, vandalism, and malicious mischief. Northrop Grumman agrees to include Contractor and appropriate subcontractors as insured under such policy to the extent of their interests in the Work, and to furnish Contractor an insurance certificate evidencing same. Waivers of subrogation will be granted among all parties.
- (2) Northrop Grumman and Contractor waive all rights against each other and the contractor', subcontractors, agents and employees, each of the other, for damages caused by fire or other perils to the extent covered by property insurance obtained pursuant to this Paragraph C or other property insurance applicable to the Work, except such rights as they may have to proceeds of such insurance held by Northrop Grumman. Northrop Grumman or Contractor, as appropriate, shall require from contractors and subcontractors by appropriate written agreements, similar waivers each in favor of the other parties enumerated in this Paragraph C.
- (3) If Contractor fails to purchase or maintain, or fails to require to be purchased or maintained, the property insurance specified by this Paragraph C, this Contract may be terminated for default, at Northrop Grumman's sole discretion, in accordance with Article 65, Part A, Termination by Northrop Grumman for Cause. Alternatively, Northrop Grumman may (but shall not be obligated to) purchase such insurance on Contractor's behalf and Contractor shall repay Northrop Grumman for any premiums paid therefore by Northrop Grumman.
- (4) Contractor policies shall be primary and Non-Contributory as respects any coverage carried by Northrop Grumman.
- (5) Contractor and any subcontractors will insure their own equipment and other assets while at the site, on an all risk basis for replacement cost and shall provide evidence of such insurance to Northrop Grumman.

**27. CONTRACTOR'S EMPLOYEES.**

Northrop Grumman may, by a written order signed by the Northrop Grumman Purchasing Representative, require Contractor to remove from the Work any employee, agent or representative of Contractor or any of its subcontractors, Northrop Grumman deems incompetent, careless or otherwise objectionable.

**28-29. Reserved..**

**30. CONTRACTOR'S WORK AREA.**

- A. Contractor shall confine all its operations, including storage, vehicle parking and the movement of materials, equipment and workmen to the areas specified herein, or approved by Northrop Grumman; provided, however, that at Northrop Grumman's option, premises adjacent to the construction site may be made available for use by Contractor without cost whenever such use will not interfere with other use or purposes of Northrop Grumman Systems Corporation and Northrop Grumman Systems Corporation gives its written consent.
- B. Materials and equipment shall be neatly and safely stored with the least possible interference to existing traffic lanes.
- C. Temporary buildings may be erected if approved by Northrop Grumman Systems Corporation in writing.

**31. NORTHROP GRUMMAN SYSTEMS CORPORATION RIGHT TO DO WORK.**

If Contractor refuses or fails to prosecute any part of the Work with such diligence as will ensure its completion within the time specified in this Order/Agreement, as the same may be modified in writing from time to time, or otherwise fails to perform any of its obligations under this Order/Agreement, Northrop Grumman Systems Corporation may, at any time after three (3) days' written notice to Contractor, or in an emergency endangering life or property, after such notice, if any, as may be reasonable under the circumstances, without prejudice to any other rights or remedies Northrop Grumman Systems Corporation may have, make good such deficiencies by such means as Northrop Grumman Systems Corporation may deem expedient and charge the cost thereof to Contractor.

**32. Reserved.**

**33. MATERIAL AND WORKMANSHIP.**

- A. Unless otherwise specifically provided in this Order/Agreement, all material (which term as used in this Order/Agreement shall include all materials, equipment and other items incorporated or to be incorporated in the Work covered by this Order/Agreement) shall be new and of the most suitable grade for the purpose intended.
- B. Unless otherwise specifically provided in this Order/Agreement, reference to any material or patented process by trade name, make or catalog number, whether or not coupled with the words "or equal," shall be regarded as establishing a standard of quality and shall not be construed as limiting competition, and Contractor may, at his option, substitute any material or process which, in the judgment of Northrop Grumman Systems Corporation, is equal to that so referred to. All substitutions, including "or equal" items, must have the prior written approval of Northrop Grumman Systems Corporation.
- C. When required by this Order/Agreement or when requested by Northrop Grumman Systems Corporation, Contractor shall promptly furnish to Northrop Grumman Systems Corporation for its approval full information concerning, and samples of, the material to be incorporated in the Work. Material installed or used without required approval shall be at the risk of subsequent rejection.
- D. Approval by Northrop Grumman Systems Corporation of material shall not relieve Contractor of any warranty with respect thereto or any obligation or liability in connection with this Order/Agreement.
- E. All Work under this Order/Agreement shall be performed in a skillful and workmanlike manner.

**34. CODES AND STANDARDS.**

Material and workmanship specified by reference to codes or standards shall, unless otherwise specified, comply with the latest revision of such codes or standards in effect on the effective date of the Order/Agreement.

**35. PROTECTION OF PROPERTY.**

At all times Contractor shall use suitable precautions to prevent damage to Northrop Grumman Systems Corporation property or the property of third parties. If any such property is damaged by any negligent act or omission of Contractor or any of its subcontractors of any tier or any of their respective agents or employees in connection with the performance of this Order/Agreement, Contractor shall, at no cost to Northrop Grumman Systems Corporation, promptly and equitably reimburse the owner of such property for such damage or repair or otherwise make good the same to the owner's satisfaction. If Contractor fails to do so, Northrop Grumman Systems Corporation may do so and charge to or otherwise recover from Contractor the cost thereof. This clause shall not be construed to relieve Contractor of, or limit, Contractor's liability under any other provision of this Order/Agreement for loss or destruction of or damage to any property.

**36. PROTECTION OF MONUMENTS AND MARKS.**

Contractor shall carefully protect all land monuments and property marks from disturbance and damage and shall not move the same without the prior written consent of Northrop Grumman Systems Corporation.

**37. PROTECTION OF WORK AND MATERIAL.**

At all times Contractor shall adequately protect from damage or deterioration all Work performed and all materials, equipment and other items incorporated or to be incorporated therein. All reasonable requests of Northrop Grumman Systems Corporation to enclose or otherwise protect such property shall be complied with promptly at no cost to Northrop Grumman Systems Corporation.

**38. RISK OF LOSS.**

Contractor shall bear the risk of any loss or destruction of or damage to the Work performed under this Order/Agreement or any materials, equipment or other items incorporated or to be incorporated therein until the completion of the Work and its final acceptance by Northrop Grumman Systems Corporation.

**39. INSPECTION AND ACCEPTANCE.**

- A. Contractor shall (1) maintain an adequate inspection system and perform such inspections as will assure that the Work will be free from defects and otherwise conform to the Order/Agreement requirements and (2) maintain and make available to Northrop Grumman Systems Corporation adequate records of such inspections.
- B. Contractor shall (1) be responsible for notifying the appropriate city, county or other inspection agency whenever the Work has advanced to the point at which an inspection is required under this Order/Agreement or any applicable law or ordinance, (2) have the Work ready for inspection upon the arrival of such inspectors, and (3) notify Northrop Grumman Systems Corporation in advance, when possible, of their arrival.
- C. All material and workmanship shall be subject to inspection and test by Northrop Grumman Systems Corporation at all reasonable times and places, including the period of manufacture or performance and the premises of subcontractors and suppliers.

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- D. No inspector (other than the Northrop Grumman Systems Corporation Purchasing Representative) is authorized to change any of the Order/Agreement requirements.
  - E. Neither the presence nor absence of an inspector, nor any inspection or test performed, nor any failure to discover defective or nonconforming Work shall relieve Contractor of any Order/Agreement requirement.
  - F. If the Specifications call for the Work to be covered or buried (as in the case of certain conduit or pipes) Contractor shall, at no cost to Northrop Grumman Systems Corporation, uncover or remove such portion of the Work as may be necessary if Contractor covered or buried the Work prior to Northrop Grumman Systems Corporation having fully inspected and approved the Work.
  - G. Contractor shall, at no cost to Northrop Grumman System Corporation, promptly and satisfactorily replace any material and correct any workmanship found to be defective or otherwise not in conformity with the Order/Agreement requirements, unless Northrop Grumman consents in writing to accept such material or workmanship with an appropriate adjustment in the Order/Agreement price, in which event the Order/Agreement shall be modified in writing accordingly. Contractor shall promptly segregate and remove rejected material from the site.
  - H. If Contractor does not promptly and satisfactorily replace rejected material or correct rejected workmanship, Northrop Grumman may (1) by contract or otherwise, replace such material or correct such workmanship and charge the cost thereof to Contractor, or (2) terminate or cancel Contractor's right to proceed in accordance with the "Cancellation for Default-Damages for Delay" clause.
  - I. Contractor shall furnish all facilities reasonably needed for such inspection and test as may be performed by Northrop Grumman Systems Corporation. All inspection and test by Northrop Grumman Systems Corporation shall be performed in such manner as not unnecessarily to delay the Work. Contractor shall be charged with any additional cost of inspection if the Work is not ready for inspection at the time stated or advised by Contractor.
  - J. Should it be considered necessary by Northrop Grumman Systems Corporation at any time before acceptance of the entire Work to make an examination of Work already completed, by removing or tearing out same, Contractor shall, on request, promptly furnish all necessary facilities, labor and material. If such Work is found to be defective or nonconforming in any material respect due to the fault of Contractor or his subcontractors Contractor shall defray all the expenses of such examination and of satisfactory reconstruction. If, however, such Work is found to meet the requirements of the Order/Agreement, an equitable adjustment shall be made in the Order/Agreement price to compensate Contractor for the additional Work involved in such examination and reconstruction and, if completion of the Work has been delayed thereby, Contractor shall, in addition, be granted a suitable extension of time and the Order/Agreement shall be modified in writing accordingly.
  - K. Unless otherwise provided in this Order/Agreement, final acceptance by Northrop Grumman Systems Corporation shall be made as promptly as practicable after completion and inspection of all Work required by this Order/Agreement. Final acceptance shall be conclusive except as regards latent defects, fraud or such gross mistakes as may amount to fraud, and except as regards Northrop Grumman Systems Corporation rights under the "Warranty" clause or under any other warranty or guarantee made or given in connection with this Order/Agreement.
- 40. PRICE BREAKDOWN AND INVOICES.**
- A. Within ten days after commencing Work, Contractor shall submit to Northrop Grumman Systems Corporation for approval a breakdown of the total Order/Agreement price. Such breakdown shall consist of an allocation of costs for all items of labor, materials, equipment, supplies, services and all other expenditures of whatever nature which may be chargeable to the Work by Contractor and each of its subcontractors.
  - B. The construction and equipment cost breakdown requirements shall be provided to Northrop Grumman Systems Corporation in such a manner as to provide reasonable cost allocations and description for depreciation and insurance purposes.
  - C. Contractor shall submit to Northrop Grumman Systems Corporation an invoice for each payment provided for in this Order/Agreement. Each invoice shall be in the form prescribed by Northrop Grumman Systems Corporation and shall be accompanied by such evidence in support thereof as may reasonably be required by Northrop Grumman Systems Corporation.
  - D. The invoice shall be serially numbered and Northrop Grumman Systems Corporation Order/Agreement number must appear the invoice.
  - E. Contractor, in connection with any proposal it makes for a Contract modification pursuant to the "Changes" clause or any other clause of this Order/Agreement shall furnish a price breakdown, itemized as required by Northrop Grumman Systems Corporation. Unless otherwise directed, the breakdown shall be in sufficient detail to permit an analysis of all material, labor, equipment, subcontract and overhead costs, as well as profit and shall cover all Work involved in the modification, whether such Work was deleted, added or changed. Any amount claimed for subcontracts shall be supported by a similar price breakdown. In addition, if the proposal includes a time extension, a justification therefore shall be furnished.
  - F. Contractor shall furnish for that portion of the Work covered under each invoice submittal:
    - (1) A list of every subcontractor, material man, laborer and other person furnishing services, labor or materials in connection with the Work, and
    - (2) A receipt in full together with an affidavit that the receipt covers all the services, labor, equipment, and materials for which a lien might be filed, or
    - (3) Except as covered by the release or receipt in full, Contractor may furnish a bond satisfactory to Northrop Grumman Systems Corporation against any claim or lien or otherwise.
- 41. PROGRESS PAYMENTS.**
- A. No progress payments will be made under Order/Agreement unless this Order/Agreement contains another clause specifically providing that progress payments will be made. If so provided for, Northrop Grumman Systems Corporation shall make progress payments monthly as the Work proceeds (or at more frequent intervals if deemed advisable by Northrop Grumman Systems Corporation). The approved price breakdown shall be used as the basis for determining progress payments. Subject to the retention provided for in Clauses 41.B, and 42., and subject to the approval by Northrop Grumman Systems Corporation of the estimated values involved, each progress payment shall be equal to the estimated value of Work in place at the site plus the value of materials purchased and suitably stored at the site for timely and permanent incorporation in the Work, less the total of all previous payments and retention, provided that such estimated values shall not include any Work added by field order until the price adjustment for such Work has been incorporated in the Order/Agreement by a change order or other Order/Agreement modification signed by both parties.

- B. In making progress payments, ten percent of each such payment shall be retained by Northrop Grumman Systems Corporation until completion and final acceptance of all of the Work under the Order/Agreement. However, if Northrop Grumman Systems Corporation at any time after 50 percent of the Work has been completed finds that satisfactory progress is being made, it may make any of the remaining progress payments in full. Also, whenever the Work is substantially complete, Northrop Grumman Systems Corporation, if it considers the amount retained to be in excess of the amount adequate for the protection of Northrop Grumman Systems Corporation, may release to Contractor all or a portion of such excess amount. Further, on completion and acceptance of any separate part of the Work for which a price is stated separately in the Order/Agreement, payment may be made therefore without retention.
- C. All material and Work covered by progress payments made shall thereupon become the sole property of Northrop Grumman Systems Corporation, but this provision shall not be construed as relieving Contractor from the risk of loss of or the sole responsibility for all material and Work upon which payments have been made, or from Contractor's obligation to restore any damaged material or Work, or as waiving the right of Northrop Grumman Systems Corporation to require the fulfillment of all of the terms of this Order/Agreement. This paragraph shall not apply to scrap or materials furnished by Contractor that are not intended for permanent incorporation in the Work, and the same shall remain the property of Contractor.

**42. FINAL PAYMENT.**

Upon (a) the final acceptance by Northrop Grumman Systems Corporation of all of the Work called for by this Order/Agreement, (b) the submission by Contractor, if requested, of an affidavit, together with receipts, releases or other satisfactory evidence in support thereof, stating that all payments and claims for which Contractor is responsible hereunder have been made or settled, except as specifically listed therein, and (c) the submission by Contractor as required by Clauses 40. and 43. of a release and waiver by Contractor of all liens and rights of lien and all claims against the Work site or property and Northrop Grumman Systems Corporation under or arising out of this Order/Agreement or its performance other than such claims, if any, as may be specifically excepted by Contractor from the operation of the release in stated amounts set forth therein or in estimated amounts where the amounts are not susceptible of exact statement. Northrop Grumman Systems Corporation shall pay Contractor the amount due Contractor under this Order/Agreement, provided, however, that Northrop Grumman Systems Corporation may retain from any payment, until the claim involved is settled, such amount as may reasonably be necessary to protect Northrop Grumman Systems Corporation from loss on account of any lien, claim, suit or action for which Contractor is responsible under this Order/Agreement or any claim Northrop Grumman Systems Corporation may have against Contractor in connection with this Order/Agreement.

**43. PAYMENT FOR LABOR, MATERIAL, AND WAIVER OF LIENS AND RELEASE OF LIENS.**

- A. Contractor shall be responsible for the prompt payment of all persons who perform labor upon or furnish services, materials, equipment, supplies or other items (including but not limited to water, gas, power, light, heat, oil, gasoline, telephone service and rental of equipment) used or to be used in the performance of the Work called for by this Order/Agreement.
- B. Contractor shall (1) indemnify and save harmless Northrop Grumman Systems Corporation from all claims, demands, causes of action or suits of whatever nature arising out of the services, labor and materials furnished by Contractor or its subcontractors and from all laborer's, material men's and mechanic's liens upon the real property upon which the Work is located arising out of the services, labor and materials furnished by Contractor or any of its subcontractors under this Order/Agreement, and (2) keep said property free and clear of all liens and claims and encumbrances arising from the performance of this Order/Agreement by Contractor or its subcontractors.
- C. Contractor for its subcontractors, material men, laborers and for all other persons performing any labor or furnishing any services, labor or materials for any of the Work, hereby waives, to the full extent permitted by law, all right to file or maintain any mechanical or other liens or claims for and on account of the services, labor or materials to be furnished hereunder.
- D. It is the intention of the parties hereto, and Contractor agrees, that if Contractor or any of its subcontractors of any tier fail to pay all such persons, Northrop Grumman Systems Corporation may, at any time after five (5) days' written notice to Contractor, pay such persons directly and deduct such payments from any amounts due Contractor hereunder.

**E. RELEASE OF LIENS.**

Contractor shall furnish for that portion of the work covered under each invoice submittal:

- 1) A list of every subcontractor, material man, laborer and other person furnishing services, labor or materials in connection with the work, and
- 2) Original, duly executed unconditional waiver and release upon progress payment, or, , unconditional waiver and release upon final payment, in a form specified by NGSC for itself, every subcontractor, material man, laborer and other person furnishing services, labor, equipment, or materials in connection with the work, or
- 3) Original, duly executed Conditional Waiver and Release Upon Progress Payment, or, Conditional Waiver and Release Upon Final Payment, for itself, every subcontractor, material man, laborer and other person furnishing services, labor, equipment, or materials in connection with the work, or except as covered by the release or receipt in full, Contractor may furnish a bond satisfactory to NGSC against any claim or lien or otherwise.

**F. CONTRACTOR RESPONSIBILITY.**

Contractor shall be responsible for verifying that all sub-tier level contractors have provided duly executed lien releases to their customers, and/or the contractor, thus relieving NGSC of the liability for those contracts.

**44. MAINTENANCE INFORMATION AND TOOLS.**

For each piece of equipment installed in the Work, Contractor shall, as a condition precedent to final payment, provide Northrop Grumman Systems Corporation with the following: three (3) each of working drawings, operating instructions, performance curves and data, and maintenance and parts manuals, and one (1) each of nonstandard tools required in the normal maintenance, adjustment, use and operation of the equipment. For small commercial standard equipment the information and tools to be provided shall be limited to that normally available from the manufacturer. The provisions of this clause do not apply to Northrop Grumman Systems Corporation furnished equipment.

**45. PAYMENT OR TERMINATION OF SUBCONTRACTORS.**

- A. If Contractor fails to pay any of its subcontractors and such failure jeopardizes the completion of the Work within the time specified in this Order/Agreement, then Northrop Grumman Systems Corporation, upon notice to Contractor, may make payment directly to any such subcontractor in accordance with the actual subcontract price for work performed under this Order/Agreement. To the extent of any such



direct payments to a subcontractor, payments made to Contractor or to be made, or both shall be adjusted and any refund due Northrop Grumman Systems Corporation as a result of such adjustment shall be promptly paid.

- B. In addition, Northrop Grumman Systems Corporation may terminate the Work under the Order/Agreement being performed by any subcontractor in accordance with the clause herein entitled "Termination for Convenience" and (1) contract directly with such subcontractor, or (2) upon request by Northrop Grumman Systems Corporation the Contractor shall assign the subcontract involved to Northrop Grumman Systems Corporation. The terms and conditions of Contractor's subcontracts shall make Northrop Grumman Systems Corporation a third party beneficiary to the Termination for Convenience Clause by giving Contractor or Northrop Grumman Systems Corporation the right to terminate the subcontract.

**46. NORTHROP GRUMMAN SYSTEMS CORPORATION FURNISHED PROPERTY.**

- A. Northrop Grumman Systems Corporation shall deliver or cause to be delivered to Contractor, for installation under or other use in the performance of this Order/Agreement, the property, if any, described in this Order/Agreement as property to be furnished by Northrop Grumman Systems Corporation. The Furnished Property shall be installed or used in accordance with any provisions of this Order/Agreement that specifically refer to its installation or use and, to the extent such property is not specifically referred to it, shall be used wherever practicable, provided that it complies with the specifications and this Order/Agreement. In no event shall the Furnished Property be used where it does not comply with the specifications and the Order/Agreement and the fact that it is furnished shall not be construed as establishing that it does comply. The Order/Agreement price and time for completion specified in this Order/Agreement are based upon the expectation that the Furnished Property will be delivered to Contractor in a condition suitable for the intended use (except for property to be furnished "as is") at the time stated in the Order/Agreement, or if not so stated, in sufficient time to enable Contractor to meet such time for completion. If the Furnished Property is not delivered within such time or is received by Contractor in a condition not suitable for the intended use, Contractor shall promptly notify Northrop Grumman Systems Corporation in writing and Northrop Grumman Systems Corporation shall promptly issue a written field order pursuant to the "Changes" clause to provide for the return, repair or other disposition of any unsuitable property (except for property to be furnished "as is") and for the furnishing or procurement of substitutes for any undelivered property, or for such other remedial action as may be appropriate. The parties shall then proceed in accordance with the "Changes" clause, an equitable adjustment shall be made as provided therein and the Order/Agreement shall be modified in writing accordingly. The foregoing provisions for adjustment are exclusive and Northrop Grumman Systems Corporation shall not be liable to suit for breach of contract by reason of any delay in delivery of Furnished Property or delivery of such property in a condition not suitable for the intended use.
- B. Northrop Grumman Systems Corporation may, by a written field order issued pursuant to the "Changes" clause, increase, and decrease or change the property to be furnished by Northrop Grumman Systems Corporation.
- C. Title to all Furnished Property is and shall remain in Northrop Grumman Systems Corporation.
- D. Contractor shall maintain suitable and accurate records, acceptable to Northrop Grumman Systems Corporation and open to its inspection, showing the receipt, use and disposition of all Furnished Property.
- E. The Furnished Property shall, unless otherwise provided herein, be used only in the performance of this Order/Agreement.
- F. At all times Contractor shall adequately protect from damage or deterioration all Furnished Property. All reasonable requests of Northrop Grumman Systems Corporation to enclose or otherwise protect such property shall be complied with promptly at no cost to Northrop Grumman Systems Corporation.
- G. Northrop Grumman Systems Corporation shall at all reasonable times have access to the premises wherein any Furnished Property is located.
- H. Contractor, upon delivery to it of any Furnished Property, assumes the risk of and shall be responsible for any loss or destruction of or damage to such property. Contractor shall promptly report to Northrop Grumman Systems Corporation all instances of loss, destruction or damage of Furnished Property. When the Furnished Property is no longer needed by Contractor for the performance of this Order/Agreement and in event upon the completion (or termination or cancellation) of the Work, and as a condition precedent to its final acceptance, Contractor shall return all the Furnished Property to Northrop Grumman Systems Corporation in as good condition as when received, except for reasonable wear and tear and except to the extent such property has been incorporated in the Work, or reasonably consumed or used in the intended manner in the performance of Work under and in accordance with this Order/Agreement.

**47. SALVAGE AND CLEAN UP.**

- A. Unless otherwise provided in this Order/Agreement, all material excavated, demolished or removed from existing improvements by Contractor and not required for incorporation in the Work (such as waste, rubble and salvable materials) shall be stored, destroyed, removed from the site or otherwise disposed of by Contractor, as directed by Northrop Grumman Systems Corporation.
- B. Contractor shall keep its work and storage areas cleared of debris at all times.
- C. Upon completion of the Work and before final acceptance, Contractor shall, unless otherwise specified herein or authorized by Northrop Grumman Systems Corporation, remove from the site all construction equipment, debris, surplus materials and temporary construction, clean both sides of all glass installed and leave the premises in a broom-clean neat and workmanlike condition.
- D. If Contractor fails to clean the Worksite at the completion of the Work, Northrop Grumman may do so and the cost thereof shall be charged to Contractor."

**48. RESTORATION OF EXISTING IMPROVEMENTS.**

Unless otherwise specified, all existing structures and other improvements altered or removed by Contractor in the execution of the Work shall be appropriately repaired, replaced or otherwise restored by Contractor at no cost to Northrop Grumman Systems Corporation. Quality of the restoration shall be as good as existing and meet the approval of Northrop Grumman Systems Corporation.

**49. CITIZENSHIP ELIGIBILITY REQUIREMENTS.**

- A. Employees of Seller who perform Services under this Order shall be citizens of the United States of America (U.S.), its possessions or territories, or lawful permanent residents as defined by 8 United States Code (U.S.C.) 1101(a)(20), or protected individuals as defined by 8 U.S.C. 1324b(a)(3). Seller shall provide Form P0-F162, ITAR Certification/Visitor Badge Request, not later than 10 days after notice of award of a purchase order. Certification of compliance upon buyer request. Seller shall promptly notify Buyer of any changes to the Certification. Failure to provide the Certification, or notice of changes, may result in termination of the purchase order for default.
- B. Upon the request of Buyer, Seller shall submit verification of citizenship, lawful permanent resident status, protected individual status, or employment eligibility status to Buyer for each employee who will perform Services under this Order. Examples of documents that may be

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considered satisfactory are state birth certificates, U.S. passports, U.S. naturalization papers, and “green” cards (I-551) issued by the U.S. Department of Immigration and Naturalization. Consistent with IRCA, the order of presentment of such documents shall be the sole prerogative of Seller’s employees. If these documents are not available, a compilation of other evidence may suffice.

- C. Employees of Seller not listed on the Certification of Employees or providing individual proof of U.S. citizenship, or other status as described in subparagraph B. above, may be denied access to Buyer’s premises.

**50. BADGES AND PLANT SECURITY.**

If this Order requires Contractor’s personnel to enter Buyer’s or Buyer’s customer’s premises, Contractor agrees to have its personnel, engaged in the performance of Services hereunder, report to Buyer’s plant, at times to be specified by Buyer, so that Buyer may provide said personnel with identification badges, which will permit such personnel to enter and leave the premises where the work is to be performed. Contractor further agrees that said badges shall be worn by said personnel, in a conspicuous place upon the person of each of its personnel, when such personnel are in, on, or about the premises. Contractor further agrees to abide by and comply with, and require its Employees to abide by and comply with, such rules and regulations pertaining to plant security as may be prescribed by Buyer and/or the Buyer’s Customer

**51. AS-BUILT DATA.**

Promptly after completion of all Work, and as a condition precedent to final payment, Contractor shall deliver to Northrop Grumman Systems Corporation all data necessary to revise the drawings and specifications to conform to the “as-built” condition. Contractor shall also deliver survey data establishing the location and elevation, to any accuracy of 0.1 foot horizontally and vertically, of all underground utilities installed under this Order/Agreement or encountered by Contractor in performing the Work

**52. CONFIDENTIALITY**

Contractor shall treat all information relating to the Work as confidential and proprietary information of Northrop Grumman. Contractor shall not permit its release to other parties or make any public announcements, public releases or photographs without Northrop Grumman’s prior written consent. Contractor shall also cause its subcontractors and suppliers to comply with this requirement.

**53. SUPERINTENDENCE BY NORTHROP GRUMMAN SYSTEMS CORPORATION.**

A. The duties of the Northrop Grumman Purchasing Representative or his designee as authorized in Clause 24 above shall be as follows:

- (1) Make decisions at the site or in the field on behalf of Northrop Grumman including the resolution of discrepancies in accordance with the clause herein entitled “Specifications and Drawings.”
- (2) Inspect details of the Work as it progresses,
- (3) Suspend or cause to be suspended Contractor’s operations for unsafe practices or any other act or omission detrimental to sound construction practices and Work resumption, or cause to be resumed operations when such unsafe practices are corrected, and
- (4) Assist in making other determinations and findings for Northrop Grumman provided for in this Order/Agreement.

B. A field decision shall be binding on Contractor and Northrop Grumman when such decision is in writing (Northrop Grumman Form 60-506) and signed by Northrop Grumman’s Purchasing Representative and the Contractor Representative provided that such decision relates only to changes in (1) the Work, and (2) schedules.

The mutually agreed to field decision shall permit the Contractor to immediately proceed with the Work as changed. The final agreed to pricing change(s) shall be processed in accordance with the clause herein entitled “Changes.”

**54. Reserved.**

**55. RESPONSIBILITY FOR CLAIMS.**

Contractor shall defend, protect, indemnify and hold Northrop Grumman Systems Corporation harmless from and against all claims, suits and actions arising from any negligent act or omission of Contractor or any of its subcontractors of any tier or any of their respective agents or employees in connection with the performance of this Order/Agreement.

**56. FIRE PROTECTION.**

- A. Contractor shall provide adequate fire extinguishing equipment including, as a minimum, portable extinguishers suitable for the types of hazards involved and any other extinguishers specified herein or required by Northrop Grumman Systems Corporation.
- B. Welding, cutting and other open flame operations shall be performed only after obtaining a permit, if required by Northrop Grumman Systems Corporation (daily permits may be required), and only under conditions approved by Northrop Grumman Systems Corporation.
- C. Smoking shall be confined to areas free from fire hazards and any smoking regulations in effect in any area where Work is being performed shall be strictly observed.

**57. Reserved.**

**58. COMPLIANCE WITH SITE REGULATIONS.**

If any Work is performed hereunder at a Government facility, Contractor and all its subcontractors of every tier shall comply with all regulations applicable at such facility.

**59. PATENT, TRADEMARK, AND COPYRIGHT INDEMNITY.**

Seller shall defend, indemnify, and hold Buyer, Buyer’s officers, agents, employees, and customers harmless against all claims and liabilities, including costs, for infringement of any United States patent, trademark, or copyright by any Products delivered under this Order or, at Seller’s option and expense, Seller shall obtain such licenses as are necessary to remove such infringement, provided that Seller is reasonably notified of such claims and liabilities. Seller’s obligation shall not apply to Products manufactured by Seller pursuant to detailed designs developed by Buyer and furnished to Seller under an Order which does not require research, development, or design work by Seller. Seller’s obligation shall also not apply to any infringement arising from the use or sale of Products in combination with items not delivered by Seller if such infringement would not have occurred from the use or sale of such Products solely for the purpose for which they were designed or sold to Buyer. Seller’s obligation shall extend to the U.S. Government only if and to the extent Buyer has agreed to indemnify the U.S. Government.

**60. Reserved.**

**61. INDEPENDENT CONTRACTOR.**

Contractor shall perform the Work provided for as an independent contractor and at its sole risk and responsibility. Employees and subcontractors engaged in Contractor’s services hereunder shall not be in any sense employees or subcontractors of Northrop Grumman Systems Corporation, but shall be employees and subcontractors of Contractor during the period of this Order/Agreement and shall be subject to the rules and regulations and management of Contractor. Contractor shall not act in any sense as agent or representative of Northrop Grumman Systems Corporation.

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Contractor shall establish and enforce rules and regulations for its employees and subcontractors while on the Work site, including all security and safety regulations as herein provided.

**62. TITLE TO WORK.**

Title to all of the Work completed and all material, equipment and fixtures installed in the Work, shall vest in Northrop Grumman Systems Corporation upon installation thereof at the construction site, and Contractor shall deliver to Northrop Grumman Systems Corporation all necessary indicia of ownership relating thereto.

**63. COMPOSITION OF CONTRACTOR.**

If Contractor is comprised of more than one legal entity, each such entity shall be jointly and severally liable under this Order/Agreement.

**64. Reserved.**

**65. TERMINATION FOR CONVENIENCE.**

- A. The performance of Work under this Order/Agreement may be terminated by Northrop Grumman Systems Corporation in accordance with this clause in whole, or from time to time in part for any reason and whenever Northrop Grumman Systems Corporation so desires. Any such termination shall be effected by delivery to Contractor of a Notice of Termination specifying the extent to which performance of Work under the Order/Agreement is terminated and the date upon which such termination becomes effective.
- B. After receipt of a Notice of Termination and except as otherwise directed by Northrop Grumman Systems Corporation, Contractor shall:
- (1) Stop work under the Order/Agreement on the date and to the extent specified in the Notice of Termination;
  - (2) Place no further orders or subcontracts for materials services or facilities except as may be necessary for completion of such portion of the Work under the Order/Agreement as is not terminated;
  - (3) Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination;
  - (4) Assign to Northrop Grumman Systems Corporation in the manner, at the times and to the extent directed by Northrop Grumman Systems Corporation, all of the right, title and interest of Contractor under the orders and subcontracts so terminated, in which case Northrop Grumman Systems Corporation shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
  - (5) Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts with the approval or ratification of Northrop Grumman Systems Corporation to the extent it may require, which approval or ratification shall be final for all the purposes of this clause;
  - (6) Transfer title and deliver to Northrop Grumman Systems Corporation, in the manner, at the times and to the extent, if any, directed by Northrop Grumman Systems Corporation, (a) the fabricated or unfabricated parts, work in process, completed work, supplies and other material produced as a part of, or acquired in connection with the performance of, the Work terminated by the Notice of Termination, and (b) the completed or partially completed plans, drawings, information and other property which, if the Order/Agreement had been completed, would have been required to be furnished to Northrop Grumman Systems Corporation;
  - (7) Use Contractor's best efforts to sell, in the manner at the times, to the extent and at the price or prices directed or authorized by Northrop Grumman, any property of the types referred to in (6) above; provided, however, that Contractor (a) shall not be required to extend credit to any purchaser, and (b) may acquire any such property under the conditions prescribed and at a price or prices approved by Northrop Grumman, and provided further that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by Northrop Grumman to Contractor under this Order/Agreement or shall otherwise be credited to the price or cost of the Work covered by this Order/Agreement or paid in such other manner as Northrop Grumman Systems Corporation may direct;
  - (8) Complete performance of such part of the Work as shall not have been terminated by the Notice of Termination, and
  - (9) Take such action as may be necessary, or as Northrop Grumman Systems Corporation may direct, for the protection and preservation of the property related to this Order/Contract which is in the possession of Contractor and in which Northrop Grumman Systems Corporation has or may acquire an interest.
- C. After receipt of a Notice of Termination, Contractor shall submit to Northrop Grumman Systems Corporation its termination claim, in the form and with the certification prescribed by Northrop Grumman Systems Corporation. Such claim shall be submitted promptly but in no event later than six months after the effective date of termination. If Contractor fails to submit its termination claim within the time allowed, Northrop Grumman Systems Corporation may determine on the basis of information available to it the amount, if any, due Contractor by reason of the termination, and such determination shall be final. After Northrop Grumman Systems Corporation has made a determination under this paragraph, Northrop Grumman Systems Corporation shall pay Contractor the amount so determined, which payment shall be deemed to satisfy all claims of Contractor against Northrop Grumman Systems Corporation by reason of the termination.
- D. Subject to the provisions of 65.C., Contractor and Northrop Grumman Systems Corporation may agree upon the whole or any part of the amount or amounts to be paid to Contractor by reason of the total or partial termination of Work pursuant to this clause, which amount or amounts may include a reasonable allowance for profit on Work done; provided that such agreed amount or amounts, exclusive of settlement costs, shall not exceed the total Order/Agreement price as reduced by the amount of payments otherwise made and as further reduced by the Order/Agreement price of Work not terminated. The Order/Agreement shall be amended accordingly, and Contractor shall be paid the agreed amount. Nothing in 65.E., prescribing the amount to be paid to Contractor in the event of failure of Contractor and Northrop Grumman Systems Corporation to agree upon the whole amount to be paid to Contractor by reason of the termination of Work pursuant to this clause, shall be deemed to limit, restrict or otherwise determine or affect the amount or amounts which may be agreed upon to be paid to Contractor pursuant to this paragraph 65.D.
- E. In the event of the failure of Contractor and Northrop Grumman Systems Corporation to agree as provided in 65.D. upon the whole amount to be paid to Contractor by reason of the termination of Work pursuant to this clause, Northrop Grumman Systems Corporation shall pay Contractor the following amounts (but without duplication of any amounts agreed upon in accordance with 65.D.), which payment shall be deemed to satisfy all claims of Contractor against Northrop Grumman Systems Corporation by reason of the termination:
- (1) With respect to all Work performed prior to the effective date of the Notice of Termination, the total (without duplication of any items) of:
    - (a) The cost of such Work;
    - (b) The cost of settling and paying claims arising out of the termination of Work under subcontracts or orders as provided in 65.B.(6), exclusive of the amounts paid or payable on account of supplies or materials delivered or services furnished by the subcontractor prior to the effective date of the Notice of Termination of Work under this Order/Agreement, which amounts shall be included in the cost on account of which payment is made under (a) above; and

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- (c) A sum, as profit on (a) above, to be fair and reasonable, provided, however, that if it appears that Contractor would have sustained a loss on the entire Order/ Agreement had it been completed, no profit shall be included or allowed under this subdivision (c) and an appropriate adjustment shall be made reducing the amount of the settlement to reflect the indicated rate of loss; and
- (2) The reasonable cost of the preservation and protection of property incurred pursuant to 65.B.(9), and other reasonable cost incidental to termination of Work under this Order/Agreement, including expense incidental to the determination of the amount due to Contractor as the result of the termination of Work under this Order/ Agreement.

The total sum to be paid to Contractor under (1) above shall not exceed the total Order/Agreement price as reduced by the amount of payments otherwise made and as further reduced by the Order/Agreement price of Work not terminated. Except for the normal spoilage and except to the extent that Northrop Grumman Systems Corporation shall have otherwise expressly assumed the risk of loss, there shall be excluded from the amounts payable to Contractor under (1) above, the fair value of property which is destroyed, lost, stolen or damaged so as to become undeliverable to Northrop Grumman Systems Corporation, or to a buyer pursuant to 65.B. (7).

- F. Contractor and Northrop Grumman Systems Corporation agree that any determination of costs under 65.C. or 65.E. shall be governed by the principles and procedures set forth or referred to in Section XV, Part 4, of the Defense Acquisition Regulation (DAR) as in effect on the date of this Order/Agreement even though this is not a subcontract under a Government contract.
- G. In arriving at the amount due Contractor under this clause there shall be deducted (1) all unliquidated advance or other payments on account theretofore made to Contractor, applicable to the terminated portion of this Order/Agreement, (2) any claim which Northrop Grumman Systems Corporation may have against Contractor in connection with this Order/Agreement, and (3) the agreed price for, or the proceeds of sale of, any materials, supplies or other things kept by Contractor or sold, pursuant to the provisions of this clause, and not otherwise recovered by or credited to Northrop Grumman Systems Corporation.
- H. If the termination hereunder be partial, prior to the settlement of the terminated portion of this Order/Agreement, Contractor may file with Northrop Grumman Systems Corporation request in writing for an equitable adjustment of the price or prices specified in the Order/Agreement relating to the continued portion of the Order/Agreement (the portion not terminated by the Notice of Termination), and such equitable adjustment as may be agreed upon shall be made in such price or prices.
- I. Northrop Grumman Systems Corporation may from time to time, under such terms and conditions as it may prescribe, make partial payments and payments on account against costs incurred by Contractor in connection with the terminated portion of this Order/Agreement whenever in the opinion of Northrop Grumman Systems Corporation the aggregate of such payments shall be within the amount to which Contractor will be entitled hereunder. If the total of such payments is in excess of the amount finally agreed or determined to be due under this clause, such excess shall be payable by Contractor to Northrop Grumman Systems Corporation upon demand, together with interest computed at the rate of ten (10) percent per annum, for the period from the date such excess payment is received by Contractor to the date on which such excess is repaid to Northrop Grumman Systems Corporation, provided, however, that no interest shall be charged with respect to any such excess payment attributable to a reduction in Contractor's claim by reason of retention or other disposition of termination inventory until ten (10) days after the date of such retention or disposition, or such later date as determined by Northrop Grumman Systems Corporation by reason of the circumstances.
- J. Unless otherwise provided for in this Order/Agreement by applicable statute, Contractor, from the effective date of termination and for a period of three (3) years after final settlement under this Order/Agreement, shall preserve and make available to Northrop Grumman Systems Corporation at all reasonable times at the office of Contractor, and without charge, all Contractor's books, records, documents and other evidence bearing on the costs and expenses of Contractor under this Order/Agreement and relating to the Work terminated hereunder.
- K. Contractor shall include in each of its subcontracts a clause similar to this clause 65.

**66. CANCELLATION FOR DEFAULT – DAMAGES FOR DELAY.**

- A. If Contractor refuses or fails to prosecute the Work, or any separable part thereof, with such diligence as will ensure its completion within the time specified in this Order/Agreement as the same may be modified in writing from time to time, or fails to complete said Work within such time, Northrop Grumman Systems Corporation may, by written notice to Contractor, cancel Contractor's right to proceed with the Work or such part of the Work as to which there has been delay. In such event Northrop Grumman Systems Corporation may take over the Work and prosecute the same to completion, by contract or otherwise, and may take possession of and utilize in completing the Work such materials, tools and plans as may be on the site of the Work and necessary. Whether or not Contractor's right to proceed with the Work is terminated, Contractor and its sureties shall be liable for any damage to Northrop Grumman Systems Corporation resulting from Contractor's refusal or failure to complete the work within the specified time.
- B. If liquidated damages are provided for in this Order/Agreement and if Northrop Grumman Systems Corporation so cancels Contractor's right to proceed, the resulting damage shall consist of such liquidated damages until such reasonable time as may be required for final completion of the Work together with any increased costs occasioned by Northrop Grumman Systems Corporation in completing the Work.
- C. If liquidated damages are provided for in this Order/Agreement and if Northrop Grumman Systems Corporation does not so cancel Contractor's right to proceed, the resulting damage shall consist of such liquidated damages until the Work is completed or accepted.
- D. Contractor shall not be liable to Northrop Grumman Systems Corporation for resulting damage if and to the extent: (1) the delay in the completion of the Work arises from unforeseeable causes beyond the control and without the fault or negligence of Contractor, including but not restricted to, acts of God, acts of the public enemy, acts of the Government in either its sovereign or contractual capacity, acts of Northrop Grumman Systems Corporation, acts of another contractor in the performance of a contract with Northrop Grumman Systems Corporation, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather or delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of both Contractor and such subcontractors or suppliers, and (2) Contractor, within ten (10) days after the beginning of any such delay, or within such further period before final payment under this Order/Agreement as Northrop Grumman Systems Corporation may allow in writing, notifies Northrop Grumman Systems Corporation in writing of the cause of the delay.
- E. If, after notice of cancellation issued pursuant to this clause, it is determined for any reason that Contractor was not in default under the provisions of this clause, or that the delay was excusable under the provisions of this clause, the rights and obligations of the parties shall be the same as if the notice of cancellation had been issued pursuant to the Termination for Convenience clause.

- F. The rights and remedies of Northrop Grumman Systems Corporation provided in this clause are in addition to any other rights and remedies provided by law or under this Order/Agreement. The terms subcontractors or suppliers means subcontractors or suppliers at any tier.
- G. By written notice to Contractor, Northrop Grumman Systems Corporation may cancel the whole or any part of this Order/Agreement in the event of suspension of Contractor's business, insolvency of Contractor, institution of bankruptcy, reorganization, arrangement or liquidation proceedings by or against Contractor, appointment of a trustee or receiver for Contractor's property or business, or any assignment by Contractor for the benefit of creditors. Such cancellation shall be deemed "for default" in accordance with the provisions of this clause and rights and obligations of the parties shall be determined as herein provided.
- 67. INCONSISTENCY OF PROVISIONS.**  
In the event of any conflict or inconsistency between the provisions of the Order/Agreement, the provisions of any drawings and specifications, and the provisions of these General Conditions, the provisions of these General Conditions shall control unless specifically amended by a particular provision of the Order/Agreement.
- 68. NON-WAIVER.**  
Any failure at any time of Northrop Grumman Systems Corporation to enforce any provision of this Order/Agreement shall not constitute a waiver of such provision or prejudice the right of Northrop Grumman Systems Corporation to enforce such provision at any subsequent time.
- 69. SAFETY.**  
A. At all times Contractor shall use suitable safety precautions including as a minimum those safety precautions specified elsewhere in this Order/Agreement or as may be required by Northrop Grumman's Safety Rules and Standards in order to prevent injury to workmen and all other persons who may be on or about the site. Such safety precautions shall include but not be limited to the use of proper materials, tools, mechanical and automotive equipment and the erection and maintenance of barricades, signs, flags, lights and other safeguards. The barricades used shall be equipped with an electric flasher type light approved by Northrop Grumman.
- B. If, because of the site area, safety permits are required by Northrop Grumman's Safety Rules and Standards, Contractor shall obtain proper permits or clearance in writing from Northrop Grumman's Safety Office and any previous approvals granted under any other contracts with Northrop Grumman shall not be valid for the purpose hereof.
- C. Contractor shall also comply with all applicable rules, regulations and orders of the Occupational Safety and Health Act of 1970 (P.L. 91-596, 29 USC 651-678) as amended and all applicable safety laws, rules, regulations and orders of the United States and the State wherein the Work is being performed. Contractor hereby indemnifies and holds Northrop Grumman Systems Corporation harmless from and against any noncompliance by Contractor with any of the above laws, rules, regulations and orders as may be applicable.
- 70. SUCCESSORS OR PARTIES.**  
This Order/ Agreement is binding on the parties and their respective legal representatives, trustees, successors and assigns.
- 71. OFFSET COMMITMENT.**  
This clause shall only apply to Orders in excess of \$50,000.00.
- A. Definition: "Offset" means the obligations that Buyer undertakes, in order to market or sell its Products, to assist a customer country in reducing any trade imbalance caused by its purchase of Buyer's Products or to meet other customer country national objectives.
- B. Notwithstanding that this Order is or is not made in direct support of a foreign sale, Seller agrees that it is obligated to support Buyer's Offset commitments as a condition of this Order.
- C. The offset credits arising out of or resulting from, directly or indirectly, this Order are for the exclusive use of Buyer and may be used by Buyer and any of its affiliates and subsidiaries to fulfill all past, present and future Offset obligations. In addition, Seller agrees to identify and retain for Buyer's use any rights to offset credits generated by its suppliers and subcontractors arising out of or resulting from this Order.
- D. Seller shall provide a copy of each Order or Subcontract placed with a foreign source under this Order in support of Buyer's rights to offset credit.
- E. Seller shall execute all necessary documents to evidence Buyer's right to use or assign any offset credits.
- F. Buyer reserves the right to assign offset credits generated through Seller's efforts under this Order to third parties.
- G. Seller shall include the substance of this clause, in favor of Buyer, in its subcontracts issued at all tiers pursuant to this Order.
- 72. CONTRACT PERFORMANCE.**  
Contractor shall perform all Work required by and in strict accordance with the drawings, specifications and other provisions and requirements of the Order/Agreement and all within the period of time specified and at the price or prices set forth in the Order/Agreement.
- 73. SUBSTANTIAL COMPLETION**  
The date of substantial completion of the Work or a designated portion thereof is the date when (a) construction is sufficiently complete in accordance with the Drawings and Specifications so Northrop Grumman may occupy or utilize the Work or designated portion thereof for the full use and benefit for which it is intended; and (b) Contractor has delivered to Northrop Grumman a Certificate of Beneficial Occupancy (collectively, the "Substantial Completion Date"). Notwithstanding the foregoing, if Contractor is unable to obtain a Certificate of Beneficial Occupancy due to Northrop Grumman's action or failure to act, the Substantial Completion Date shall not be affected thereby. The Substantial Completion Date shall be established by a Certificate of Substantial Completion signed by Northrop Grumman and Contractor which shall state their respective responsibilities for security, maintenance, heat, utilities, damage to the Work, and insurance. This Certificate of Substantial Completion shall also list the items to be completed or corrected and fix the time for their completion or correction (the "Punch List"). Failure to include an item on the Punch List does not alter or waive the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.
- 74. RECORD RETENTION REQUIREMENTS.**  
Supplier shall retain all documents, notes, records and all other documentation with regard to the Services, including records of hours worked by each Supplier employee, for a period of four (4) years after completion of such Services provided by Supplier.
- 75. POSSESSION OR USE PRIOR TO COMPLETION.**  
Northrop Grumman Systems Corporation may pursuant to a written field order signed by the Northrop Grumman Systems Corporation Representative which expressly refers to this clause, take possession of or use of any completed or partially completed part of the Work at any time prior to final completion. Unless otherwise agreed in writing, such possession or use shall not be deemed an acceptance of any part of the Work nor relieve Contractor of the risk of loss. If such possession or use delays the progress of the Work or causes additional expense to Contractor, an equitable adjustment shall be made in the Order/Agreement price and time for completion and the Order/Agreement shall be modified in writing accordingly; provided, however, if Contractor fails to complete the Work within the time specified in this Order/Agreement, as the same may be modified in writing from time to time, Northrop Grumman Systems Corporation may take possession of or use all or any part of the Work without payment of additional compensation to Contractor or extension of time for completion of such possession or use.

**76. INDEMNITY**

Contractor shall totally indemnify, defend, protect, and hold harmless Northrop Grumman, and its consultants, and each of its directors, officers, agents, and employees (collectively, the "Indemnified Parties" each, an "Indemnified Party") from and against all claims, damages, liens, losses, expenses, liabilities, and any other costs, including costs of defense and attorneys' fees. This covenant shall extend to all liabilities arising out of, or resulting from or in connection with the failure, neglect, or refusal of Contractor to faithfully perform the Work, and all of Contractor's obligations under the Contract, both on and off the Worksite, to the extent that the liability (1) is attributable to personal injury, bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom, and (2) is caused in whole or in part by any act or omission of Contractor or any of its subcontractors, or suppliers, or anyone directly or indirectly employed by any of them or anyone for whose acts or omissions any of them may be liable, regardless of whether or not such claims, damages, losses, expenses, liabilities or costs are caused in part by any act or omission (active, passive, or comparative negligence included), of an Indemnified Party. Owner shall have the right at its own expense to join in the defense of any action in which it is made a defendant. In any and all claims against the Indemnified Parties by any employee of Contractor, or any of its subcontractors, or suppliers, or anyone directly or indirectly employed by any of them to perform or furnish any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under the first paragraph of this Article 76 shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor, or any subcontractor, or any supplier or other persons under workers' compensation acts, disability benefit acts or other employee benefit acts.

**77. FINAL ACCEPTANCE OF WORK**

Unless otherwise provided in the Order/Agreement the Final Acceptance by Northrop Grumman shall be made as promptly as practicable after completion and inspection of all Work performed under this Order/Agreement. The Final Acceptance shall be conclusive except as regards latent defects, fraud or such gross mistakes as may amount to fraud, and except as regards Northrop Grumman's rights under Article 51 Warranty or under any other warranty or guarantee made or given in connection with this Order/Agreement. Upon Final Acceptance of the Work, Contractor shall deliver to the Construction Representative a notebook containing all warranties and guarantees pertaining to all equipment incorporated into the Work. The warranty period set forth in Article 51, Warranty, shall terminate twelve (12) months after the date of Final Acceptance.

**78.-79. Reserved.**

**80. AUDIT RIGHTS.**

A. During the Term of this Order and for a period of four (4) years thereafter, Buyer shall have the right to audit such records of Supplier to ensure compliance with the terms and conditions of this Order. Such books and records shall be made available at Buyer's facility in the United States for verification, copying, audit and inspection by Buyer or its representatives, including authorized third-party auditors. Any such audit shall be conducted during normal business hours upon reasonable prior written notice to Supplier provided, however, that Supplier shall provide reasonable assistance necessary to enable Buyer to conduct such audit and shall not be entitled to charge Buyer for any such assistance. In the event such audit reveals that Supplier has billed Buyer in excess of the correct amount to be billed, Supplier shall promptly pay to Buyer the amounts over paid.

**B. RESPONSE TO AUDIT.**

Buyer shall not be prohibited from providing copies of the purchase order to federal and state taxing agencies as requested by either buyer's or government auditors to comply with auditing procedures.

**81. Reserved.**

**82. MERGERS AND ACQUISITIONS – COMMODITY PRODUCTS/SERVICES.**

If Buyer merges with or acquires an entity or entities that have a need for Seller's products and services, Buyer and the acquired entity will be permitted to make purchases using this purchase order and price discounts in support of the acquired entity. If under any existing purchase order with an acquired entity or entities Seller currently provides or agrees to provide services, Buyer and Seller will negotiate a combined agreement sufficient to cover the combined companies so as to avoid any disruption in service.

**83. ANTI-CORRUPTION COMPLIANCE**

Seller represents, warrants and covenants that:

A. It has not and will not, directly or indirectly, pay, promise, offer, or authorize the payment of any money or anything of value to:

1. an officer, employee, agent or representative of any government, including any department, agency, or instrumentality thereof or any person acting in an official capacity thereof;
2. a candidate for political office, any political party or any official of a political party; or
3. any other person or entity while knowing or having reason to know that all or any portion of such payment or thing of value will be offered, given or promised, directly or indirectly, to any person or entity for the purpose of assisting Buyer in obtaining or retaining business, or an improper business advantage.

Without limiting the generality of the foregoing, Seller shall not directly or indirectly, pay, promise, offer, or authorize the payment of any facilitating payment intended to expedite or secure performance of a routine governmental action, such as, customs clearance on behalf of Buyer.

B. No gift, travel expenses, business courtesies, hospitalities or entertainment of any nature has been or will be accepted or made in connection with this agreement where the intent of was, or is, to unlawfully influence the recipient of the gift, travel expense, business courtesy, hospitality or entertainment. Seller also represents that any gifts, travel expenses, business courtesies, hospitalities or entertainment offered or provided shall meet the following conditions:

1. be permitted under the U.S. FCPA and the laws and regulations of the country in which this agreement will be performed;
2. be consistent with applicable social and ethical standards and accepted business practices;
3. be of such limited value as not to be deemed a bribe, payoff or any other form of improper inducement or payment; and
4. be of such nature that its disclosure will not cause embarrassment for the Buyer.

C. Breach of any of the foregoing provisions of parts A and B of this clause by Seller shall be considered an irreparable material breach of this agreement and shall entitle the Buyer to terminate this agreement immediately without compensation to Seller.

**84-89. Reserved.**

**90. WAIVER OF RIGHT TO JURY TRIAL.**

Buyer and Seller hereby waive their respective right to trial by jury of any cause of action, claim, counterclaim or cross-complaint in any action, proceeding or hearing brought by either Seller against Buyer or Buyer against Seller on any matter whatsoever arising under, relating to, or in any way connected with this Order, the relationship of Seller and Buyer or any claim of injury or damage, or the enforcement of any remedy under any law, statute or regulation now or hereafter in effect.

**91. RESERVED**

**92. BACKGROUND INVESTIGATIONS**

A. Contractor must complete Background Investigations (BI) on all new or rehired Contractor personnel who will perform services hereunder on premises under the ownership or control of Buyer. The BI's are required prior to issuance by Buyer of long-term visitor badges or unescorted access badges to Buyer's site(s) for more than sixty (60) days or a cumulative of sixty (60) days in a twelve (12) month period. This requirement does not apply to Contractor's employees who are currently in possession of a long-term badge.

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- B. Contractors are responsible for completing background investigations and will certify that the BI has been completed and a thorough review of the investigative report disclosed only favorable information. At a minimum, BI's will include:
  - 1. A criminal convictions check
  - 2. A check of Contractor's employees Department of Motor Vehicles records for violations of any kind;
  - 3. Verification of asserted college degrees and professional licenses or other professional or educational certifications
- C. The Contractor must notify and obtain approval in writing from Buyer's Authorized Purchasing Representative prior to assignment of Contractor's personnel to a site owned or under the control of Buyer when a particular BI has been completed and the investigation report disclosed unfavorable/adverse information in the following area(s):
  - 1. Education and/or professional background
  - 2. License(s) or certification(s)
  - 3. Criminal and/or driving record.
- D. "Unfavorable/adverse information" includes but is not limited to any criminal conviction, misdemeanor or felony, any driving violation that appears on the information provided by the Department of Motor Vehicles, failure of an educational or professional institution to acknowledge completion of a degree, license or certification, and the like. Buyer shall have the ultimate and sole determination as to whether the investigation report contains "unfavorable/adverse information."

**93. RESERVED**

**94. SUSTAINABILITY.**

Buyer is committed to providing a sustainable environment for its employees, customers, investors, suppliers, and communities. Our goal is to promote resource conservation and environmental responsibility through the use of recycled contents and recovered materials to achieve waste reduction and energy efficiency. Buyer is dedicated to obtaining products and services from suppliers that exceed or comply with all applicable Federal, state and local laws, regulations, and ordinances relating to preservation and protection of the environment, in addition to employing techniques and materials that support sustainability.

To assist Buyer in maintaining its commitment, suppliers of products and services must also demonstrate the same degree of integrity from a social and environmental perspective. The following are the minimum requirements all Buyer's suppliers are expected to satisfy.

A. Ensure the necessary programs are in place for continuous improvement in the following key areas of sustainability: water, energy, recycling, waste and air,

B. Ensure that the products and services provided meet the following key sustainability criteria to assist Buyer to become a more sustainable organization: (1) Water and Energy: Products and services are developed in a manner that minimizes energy and water use, (2) Recycling and Waste: Products and services are developed to employ recycled materials, to enable recycling during disposal and utilizing innovative packaging that maximizes the use of recycled materials while diminishing overall waste, (3) Water, Air and Waste: Products and services are developed in a manner that minimizes emissions, effluents, and waste released at all of your facilities and operations.

**95.-96. RESERVED**

**97. PRODUCT VULNERABILITIES.**

Within 24 hours of confirming vulnerability in their product line, seller shall notify buyer and provide a corrective action plan to address the issue. This plan should include, but not be limited to: identification of the specific vulnerability; steps to isolate and prevent further occurrences; replacement of the defective product(s); enhanced quality control procedures,