

Subcontract Form of Agreement Crossroads System Build

Subcontractor: TBD **Subcontract No.:** 387935
Address: *
Contact: *
Telephone: *
E-mail: *
D-U-N-S No.: * **NAICS Code:** 334111

This subcontract, effective on the date of signature by the last party to sign, is hereby made and entered into by and between Los Alamos National Security, LLC (CONTRACTOR), and the above named SUBCONTRACTOR who hereby agree that all Work specified below, which is a portion of the goods and services to be provided by CONTRACTOR for the United States Department of Energy National Nuclear Security Administration (OWNER), shall be performed by the SUBCONTRACTOR in accordance with all the provisions of this subcontract.

1. **SUBCONTRACT DOCUMENTS:** This subcontract consists of the following documents:
 - Subcontract Form of Agreement [Dated 7-15-16]
 - Appendix SFA-1, FAR & DEAR Clauses Incorporated by Reference [Dated 7-15-16]
 - Exhibit "A" General Conditions [Dated 7-15-16]
 - Exhibit "B" Special Conditions [Dated 7-15-16]
 - Exhibit "C" Form A Quantities and Pricing Schedule [Dated 7-15-16]
 - Exhibit "C" Form B Milestone and Payment Schedules [Dated 7-15-16]
 - Exhibit "D" Scope of Work and Technical Specifications [Dated 7-15-10]
 - Exhibit "F" Environmental, Safety and Health Requirements [Dated May 2012]
 - Exhibit "G" Physical Security Requirements [Dated 6-1-16]
 - Exhibit "G" Cyber Security Requirements [Dated 6-2-16]
 - Exhibit "H" Quality Assurance Requirements [Dated 3-31-16]
2. **WORK TO BE PERFORMED (Work):** In accordance with the subcontract documents, SUBCONTRACTOR shall furnish all administrative, technical and professional services, and perform all operations, including the furnishing and supervision of all technical personnel and labor, and the furnishing of any equipment, material, tools, supplies and transportation necessary and required to satisfactorily perform the Work in accordance with Exhibit "D" Scope of Work and Technical Specifications.
3. **PERIOD OF PERFORMANCE AND SCHEDULE:** The period of performance for this subcontract shall commence on the effective date as defined in the opening paragraph above. The subcontract shall expire on *, which is the date currently identified as one (1) year after Crossroads System acceptance. The Work shall be performed in accordance with the Subcontract Schedule set forth in Exhibit "C" Form B Milestone and Payment Schedules.

Dated 7-15-16

4. **COMPENSATION:** As full consideration for the satisfactory performance by SUBCONTRACTOR of this subcontract, CONTRACTOR shall pay to SUBCONTRACTOR the total sum of * (\$*), in accordance with the prices set forth below and with the payment provisions of this subcontract.

Description	Price
TBD	\$TBD

5. **JOINT VENTURE** (if applicable): In signing this subcontract as a Joint Venture comprised of *, *, and *, the parties agree that they shall be jointly and severally obligated to CONTRACTOR to fulfill all the SUBCONTRACTOR'S obligations and responsibilities set forth herein.

This subcontract embodies the entire agreement between CONTRACTOR and SUBCONTRACTOR and supersedes all other writings. The parties shall not be bound by or be liable for any statement, representation, promise, inducement or understanding not set forth herein.

For the CONTRACTOR:

For the SUBCONTRACTOR:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Dated 7-15-16

Appendix SFA-1 FAR & DEAR Clauses Incorporated By Reference

- (a) The Federal Acquisition Regulation (FAR) and the Department of Energy Acquisition Regulation (DEAR) clauses which are incorporated by reference herein shall have the same force and effect as if printed in full text.
- (b) Full text of the referenced clauses may be accessed electronically at the following website addresses:
FAR: <http://farsite.hill.af.mil/vffara.htm>
DEAR: <http://farsite.hill.af.mil/vfdoea.htm>
- (c) The following alterations shall apply to FAR and DEAR clauses wherever necessary to make the context of the unmodified FAR and DEAR clauses applicable to this subcontract.
- (1) The term "Contractor" shall mean "SUBCONTRACTOR;"
 - (2) The term "Contract" shall mean this subcontract; and
 - (3) The term "DOE", "Government," "Contracting Officer" and equivalent phrases shall mean CONTRACTOR and/or CONTRACTOR'S representative, except the terms "Government" and "Contracting Officer" do not change:
 - (i) In the phrases "Government Property," "Government-Furnished Property," and "Government-Owned Property;"
 - (ii) In any patent clauses incorporated herein;
 - (iii) When a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or his duly authorized representative;
 - (iv) When title to property is to be transferred directly to the Government;
 - (v) When access to proprietary financial information or other proprietary data is required except for authorized audit rights; and
 - (vi) Where specifically modified herein.
 - (4) For authorized audit rights, the term "Contracting Officer or an authorized representative of the Contracting Officer" shall also include "CONTRACTOR, or an authorized representative of CONTRACTOR."
- (d) Each of the individual FAR/DEAR clauses listed below is incorporated by reference into this subcontract when the condition(s) for applicability is/are met.

Dated 7-15-16

THE FOLLOWING CLAUSES APPLY TO THIS SUBCONTRACT REGARDLESS OF THE AMOUNT OF THE SUBCONTRACT PRICE, UNLESS OTHERWISE NOTED:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation (Jul 2005)	Applies to subcontracts that may require or involve the employment of laborers and mechanics. If applicable, only paragraphs (a) through (d) apply to subcontracts. Furthermore, if applicable, SUBCONTRACTOR shall flow down paragraphs (a) through (d) to all its lower-tier subcontracts that may require or involve the employment of laborers and mechanics.
FAR 52.222-50	Combating Trafficking In Persons (Feb 2009)	Applies only in subcontracts for commercial items as defined in FAR subpart 2.101.
FAR 52.223-3	Hazardous Material Identification and Material Safety Data (Jan 1997) Alternate I (Jul 1995)	Applies if subcontract involves delivery of hazardous materials as defined in FAR subpart 23.301. If applicable, the term "Government" as used in this clause means "CONTRACTOR and the Government.
FAR 52.223-5	Pollution Prevention And Right-To-Know Information (May 2011) Alternate I (May 2011)	Applies in solicitations and subcontracts that provide for performance, in whole or in part, at LANL.
FAR 52.223-10	Waste Reduction Program (May 2011)	Applies only when work will be performed on site at LANL.
FAR 52.223-12	Refrigeration Equipment and Air Conditioners (May 1995)	Applies in solicitations and subcontracts for services when the subcontract includes the maintenance, repair, or disposal of any equipment or appliance using ozone-depleting substances as a refrigerant, such as air conditioners, including motor vehicles, refrigerators, chillers, or freezers.
FAR 52.225-13	Restrictions on Certain Foreign Purchases (Jun 2008)	
FAR 52.227-3	Patent Indemnity (Apr 1984)	Applies in subcontracts that may result in the delivery of commercial items, as that term is defined in 48 CFR subpart 2.1.
FAR 52.227-23	Rights to Proposal Data (Technical) (Jun 1987)	Applies if subcontract is based on consideration of a technical proposal.
FAR 52.244-6	Subcontracts for Commercial Items (Dec 2010)	
FAR 52.245-1	Government Property (Apr 2012)	Applies to (1) fixed-price solicitations and subcontracts when CONTRACTOR will provide Government property; and (2) subcontracts for the acquisition of commercial items where Government property that exceeds \$150,000 is furnished or where SUBCONTRACTOR is directed to acquire property for use under the subcontract that is titled in the Government.
FAR 52.245-1	Government Property (Apr 2012) Alternate I (Apr 2012)	Applies if subcontract is <u>not</u> a : (1) cost reimbursement, (2) time-and-material, (3) labor-hour, or (4) fixed-price awarded on the basis of submission of certified cost or pricing data.
FAR 52.245-2	Government Property Installation Operation Services (Apr 2012)	Applies if work performed at LANL when CONTRACTOR-furnished property will be provided for initial provisioning only and CONTRACTOR is not responsible for repair or replacement.
FAR 52.245-9	Use and Charges (Apr 2012)	Applies when FAR 52.245-1 is applicable.
FAR 52.247-63	Preference for U.S.-Flag Air Carriers (Jun 2003)	Applies if performance of subcontract may involve international air transportation.
FAR 52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006)	Applies unless exempted by paragraph (e)(4) of FAR 52.247-64.
FAR 52.249-2	Termination for Convenience of the Government (Fixed-Price) (Apr 2012)	Paragraph (d) is deleted; the period for submitting the subcontractor's termination settlement proposal in paragraph (e) is reduced to 6 months; and the period for submitting the subcontractor's request for equitable price adjustment in paragraph (l) is reduced to 45 days.

Dated 7-15-16

THE FOLLOWING CLAUSES APPLY TO THIS SUBCONTRACT REGARDLESS OF THE AMOUNT OF THE SUBCONTRACT PRICE, UNLESS OTHERWISE NOTED:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.249-8	Default (Fixed-Price Supply and Service) (Apr 1984)	
DEAR 952.203-70	Whistleblower Protection For Contractor Employees (Dec 2000)	Applies to subcontracts involving work performed on behalf of DOE directly related to activities at DOE-owned or leased sites.
DEAR 952-204-71	Sensitive Foreign Nations Controls (Apr 1994)	
DEAR 952.250-70	Nuclear Hazards Indemnity Agreement (Oct 2005) As Modified By DOE Acquisition Letter 2005-15 Note: Full text is contained in Special Condition No. SC-14 NUCLEAR HAZARDS INDEMNITY AND PRICE ANDERSON ACT (Jan 2010)	Applies only if performance of subcontract may involve the risk of public liability, as that term is defined in the Atomic Energy Act of 1954, as amended, with the additional conditions described in paragraph (d)(2).
DEAR 970.5223-1	Integration Of Environment, Safety, And Health Into Work Planning And Execution (Dec 2000)	Applies to subcontracts involving complex or hazardous work at LANL.
DEAR 970.5229-1	State and Local Taxes (Dec 2000)	Paragraph (b) is deleted.

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE EXCEEDS \$2,500:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.222-17	Nondisplacement of Qualified Workers (May 2014)	Applies in in solicitations and subcontracts for (1) service contracts, as defined at FAR 22.001, (2) that succeed subcontracts for performance of the same or similar work at the same location and (3) that are not exempted by FAR 22.1203-2 or waived in accordance with FAR 22.1203-3.
FAR 52.222-41	Service Contract Labor Standards (May 2014)	Unless exempted, applies if the principal purpose of the subcontract is to furnish services in the United States through the use of service employees. See FAR subparts 22.1003-3 and 22.1003-4 for exemptions to SCA.
FAR 52.222-42	Statement of Equivalent Rates for Federal Hires (May 2014)	Applies if FAR 52.222-41 is applicable.
FAR 52.222-43	Fair Labor Standards Act and Service Contract Labor Standards—Price Adjustment (Multiple Year and Option Contracts) (May 2014)	Applies in solicitations and subcontracts if the subcontract is expected to be a fixed-price, time-and-materials, or labor-hour service contract containing the clause at 52.222-41, Service Contract Labor Standards, and is a multiple year subcontract or is a subcontract with options to renew.
FAR 52.222-44	Fair Labor Standards Act and Service Contract Labor Standards—Price Adjustment (May 2014)	Applies in solicitations and subcontracts if the subcontract is expected to be a fixed-price service contract containing the clause at 52.222-41, Service Contract Labor Standards, and is not a multiple year subcontract or is not a subcontract with options to renew.
FAR 52.222-51	Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment—Requirements (May 2014)	Applies if SUBCONTRACTOR has made the certification specified in FAR 52.222-48(a).
FAR 52.222-53	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services—Requirements (May 2014)	Applies if SUBCONTRACTOR has made the certification specified in FAR 52.222-52(a).

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE EXCEEDS \$3,000:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.222-3	Convict Labor (Jun 2003)	Applies if subcontract will be performed in the United States,

Dated 7-15-16

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE EXCEEDS \$3,000:		
Clause Number	Title and Date	Additional Conditions of Applicability
		Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, or the U.S. Virgin Islands.
FAR 52.222-54	Employment Eligibility Verification (Jan 2009)	Applies if (1) subcontract is for construction or commercial or noncommercial services (except for commercial services that are part of the purchase of a commercially available off-the-shelf (COTS) item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item); and (2) subcontract includes work performed in the United States.
FAR 52.225-1	Buy American Act - Supplies (May 2014)	Applies if the acquisition is for supplies for use within the United States; and none of the exceptions to the Buy American Act apply (e.g., nonavailability, public interest, or information technology that is a commercial item).
FAR 52.232-23	Assignment of Claims (May 2014) Alternate I (Apr 1984)	

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE EXCEEDS \$10,000:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.222-21	Prohibition of Segregated Facilities (Feb 1999)	Applies if FAR 52.222-26, Equal Opportunity, is applicable.
FAR 52.222-26	Equal Opportunity (Mar 2007)	Applies unless one of the exemptions listed in FAR Subpart 22.807(b) is applicable.
FAR 52.222-36	Affirmative Action for Workers with Disabilities (Oct 2010)	Applies unless exempted by the rules, regulations, or orders of the Secretary of Labor.
FAR 52.222-40	Notification of Employee Rights Under the National Labor Relations Act (Dec 2010)	Applies only in subcontracts for commercial items as defined in FAR subpart 2.101 that will be performed wholly or partially in the United States, unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to section 3 of Executive Order 13496 of January 30, 2009.

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE IS \$25,000 OR MORE:		
Clause Number	Title and Date	Additional Conditions of Applicability
DEAR 970.5223-3	Agreement Regarding Workplace Substance Abuse Programs At DOE Sites (Dec 2010)	Solicitation provision applicable if performance of subcontract involves: (i) access to or handling of classified information or special nuclear materials; (ii) high risk of danger to life, the environment, public health and safety, or national security; or (iii) transportation of hazardous materials to or from a DOE site.
DEAR 970.5223-4	Workplace Substance Abuse Programs at DOE Sites (Dec 2010)	Applies if performance of subcontract involves: (i) access to or handling of classified information or special nuclear materials; (ii) high risk of danger to life, the environment, public health and safety, or national security; or (iii) transportation of hazardous materials to or from a DOE site.

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE IS \$100,000 OR MORE:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.222-35	Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2010)	Applies unless exempted by the rules, regulations, or orders of the Secretary of Labor.
FAR 52.222-37	Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006)	Applies unless exempted by the rules, regulations, or orders of the Secretary of Labor.

Dated 7-15-16

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE EXCEEDS \$100,000:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.203-7	Anti-Kickback Procedures (Jul 1995)	Paragraph (c) (1) is deleted.
FAR 52.203-12	Limitation On Payments To Influence Certain Federal Transactions (Sep 2007)	
FAR 52.223-14	Toxic Chemical Release Reporting (Aug 2003)	Applies only to the acquisition of non-commercial items. If applicable, paragraph (e) is deleted.
FAR 52.227-1	Authorization and Consent (Dec 2007)	
DEAR 970.5227-4	Authorization And Consent (Aug 2002), paragraph (a) only	Applies if subcontract is for research and development activities.
DEAR 970.5227-5	Notice and Assistance Regarding Patent and Copyright Infringement (Dec 2000)	

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE EXCEEDS \$150,000:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.203-3	Gratuities (Apr 1984)	
FAR 52.203-5	Covenant Against Contingent Fees (Apr 1984)	Applies only if subcontract is for non-commercial items.
FAR 52.203-6	Restriction on Subcontractor Sales to the Government (Sep 2006) Alternate I (Oct 1995)	Alternate I applies only if subcontract is for commercial items.
FAR 52.203-8	Cancellation, Rescission, And Recovery Of Funds For Illegal Or Improper Activity (May 2014)	Applies only if subcontract is for non-commercial items.
FAR 52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (May 2014)	Applies only if subcontract is for non-commercial items. If applicable, in paragraph (d) the term "Government" means "Government or CONTRACTOR."
FAR 52.203-17	Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights (Apr 2014)	
FAR 52.215-2	Audit and Records - Negotiation (Oct 2010)	Applies in solicitations and subcontracts except those for— (i) The acquisition of utility services at rates not exceeding those established to apply uniformly to the general public, plus any applicable reasonable connection charge; or (ii) The acquisition of commercial items exempted under FAR subpart 15.403-1.
FAR 52.219-8	Utilization of Small Business Concerns (Oct 2014)	Applies if subcontract offers further subcontracting opportunities (except subcontracts to small business concerns). If applicable and the subcontract exceeds \$650,000, SUBCONTRACTOR shall include FAR 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.
FAR 52.222-17	Nondisplacement of Qualified Workers (May 2014)	Applies in in solicitations and subcontracts for (1) service contracts, as defined at FAR 22.001, (2) that succeed subcontracts for performance of the same or similar work at the same location and (3) that are not exempted by FAR 22.1203-2 or waived in accordance with FAR 22.1203-3.
FAR 52.222-39	Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004)	Applies unless exempted by the Department of Labor Deputy Assistant Secretary for Labor-Management Programs.
FAR 52.232-17	Interest (May 2014)	Applies unless one of the exemptions listed in FAR Subpart 32.611(a) is applicable.
DEAR 952.209-72	Organizational Conflicts of Interest (Aug 2009) with Alternate I	Applies if subcontract is for advisory and assistance services, as defined in FAR Subpart 2.101. The activities and programs listed in FAR Subpart 37.202 are excluded or exempted from the definition of advisory or assistance services.

Dated 7-15-16

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE EXCEEDS \$500,000:		
Clause Number	Title and Date	Additional Conditions of Applicability
DEAR 952.226-74	Displaced Employee Hiring Preference (Jun 1997)	Applies if subcontract is not for commercial items, as that term is defined in 48 CFR Subpart 2.1.
DEAR 970.5226-2	Workforce Restructuring Under Section 3161 of the National Defense Authorization Act for Fiscal Year 1993 (Dec 2000)	Applies if subcontract is not for commercial items, as that term is defined in 48 CFR Subpart 2.1.

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE EXCEEDS \$650,000, THE SUBCONTRACTOR IS A LARGE BUSINESS, AND FAR 52.219-8 IS APPLICABLE:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.219-9	Small Business Subcontracting Plan (Oct 2014), Alternate II (Oct 2001)	Applies in subcontracts to other than small business concerns that offer subcontracting possibilities, and are expected to exceed \$650,000. Subcontracting plans are not required when the subcontractor provides a commercial item subject to the clause at 52.244-6, Subcontracts for Commercial Items.

THE FOLLOWING CLAUSES APPLY ONLY TO A NEGOTIATED SUBCONTRACT IF THE SUBCONTRACT PRICE EXCEEDS \$700,000:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.215-10	Price Reduction for Defective Cost or Pricing Data (Aug 2011)	Applies if subcontract price is \$700,000 or more, unless one of the exceptions in FAR 15.403-1(b) is applicable.
FAR 52.215-11	Price Reduction for Defective Cost or Pricing Data – Modifications (Aug 2011)	Applies if modification price is \$700,000 or more, none of the exceptions in FAR 15.403-1(b) are applicable to the modification, and FAR 52.215-10 was not applicable to subcontract.
FAR 52.215-12	Subcontractor Cost or Pricing Data (Oct 1997)	Applies if subcontract price is \$700,000 or more, unless one of the exceptions in FAR 15.403-1(b) is applicable.
FAR 52.215-13	Subcontractor Cost or Pricing Data – Modifications (Oct 2010)	Applies if subcontract price is \$700,000 or more, unless one of the exceptions in FAR 15.403-1(b) is applicable.
FAR 52.230-2	Cost Accounting Standards (May 2012)	Applies unless the subcontract is: (1) exempted from CAS (see 48 CFR 9903.201-1 (FAR Appendix)), or (2) subject to modified CAS coverage (see 48 CFR 9903.201-2 (FAR Appendix)) or (3) awarded to a foreign concern. When applicable, paragraph (b) is deleted and SUBCONTRACTOR shall include the substance of this clause, without paragraph (b), in all other subcontracts of any tier.
FAR 52.230-3	Disclosure and Consistency of Cost Accounting Practices (May 2014)	Applies only to a negotiated subcontract that exceeds \$700,000 but is less than \$50 million, and the offeror certifies it is eligible for and elects to use modified CAS coverage. When applicable, paragraph (b) is excluded, and SUBCONTRACTOR shall include this clause in all other subcontracts of any tier, except those exempted by FAR 52.230-3 (d)).
FAR 52.230-4	Disclosure and Consistency of Cost Accounting Practices -- Foreign Concerns (May 2014)	Applies only to a negotiated subcontract with a foreign concern, unless the subcontract is otherwise exempt from CAS (see 48 CFR 9903.201-1 (FAR Appendix)). Foreign concerns do not include foreign governments or their agents or instrumentalities.
FAR 52.230-6	Administration of Cost Accounting Standards (Mar 2008)	Applies if FAR 52.230-2, 52.230-3 or 52.230-5 is applicable.
DEAR 970.5232-5	Liability With Respect To Cost Accounting Standards (Dec 2000)	Applies if any Cost Accounting Standards clauses are included (i.e., FAR 52.230-2, 52.230-3, 52.230-6).

Dated 7-15-16

THE FOLLOWING CLAUSES APPLY ONLY IF THE SUBCONTRACT PRICE EXCEEDS \$700,000 AND THE SUBCONTRACTOR IS REQUIRED TO SUBMIT COST OR PRICING DATA, OR WHERE PREAWARD OR POSTAWARD COST DETERMINATIONS WILL BE SUBJECT TO FAR PART 31, CONTRACT COST PRINCIPLES AND PROCEDURES:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.215-15	Pension Adjustments and Asset Reversions (Oct 2004)	

THE FOLLOWING CLAUSES APPLY ONLY IF THE SCOPE OF WORK REQUIRES THE DESIGN, DEVELOPMENT, OR OPERATION OF A SYSTEM OF RECORDS ON INDIVIDUALS THAT IS SUBJECT TO THE PRIVACY ACT OF 1974:		
Clause Number	Title and Date	Additional Conditions of Applicability
FAR 52.224-1	Privacy Act Notification (Apr 1984)	Applies if subcontract scope of work requires redesign, development or operation of a system of records on individuals that is subject to the Privacy Act of 1974.
FAR 52.224-2	Privacy Act (Apr 1984)	Applies if subcontract scope of work requires design, development or operation of a system of records on individuals that is subject to the Privacy Act of 1974.

THE FOLLOWING CLAUSES APPLY AS STATED IN THE CONDITIONS OF APPLICABILITY:		
Clause Number	Title and Date	Conditions of Applicability
FAR 52.203-13	Contractor Code of Business Ethics and Conduct (Apr 2010)	Applies only in subcontracts for commercial items as defined in FAR subpart 2.101 that exceed \$5,000,000 and have a performance period of more than 120 days.
FAR 52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (Jun 2010)	Applies only in subcontracts for commercial items as defined in FAR subpart 2.101 that are funded under the Act.
FAR 52.208-8	Required Sources for Helium and Helium Usage Data (Apr 2014)	Applies where performance of subcontract involves a major helium requirement. See FAR 52.208-8 for definition of major helium requirement.
FAR 52.211-15	Defense Priority And Allocation Requirements (Apr 2008)	Applies in subcontracts in support of an approved program issued in accordance with the provisions of the Defense Priorities and Allocations System (DPAS) regulation (15 CFR part 700).
FAR 52.222-1	Notice To The Government Of Labor Disputes (Feb 1997)	Applies if a potential labor dispute may delay the timely performance of the CONTRACTOR'S Prime Contract with DOE/NNSA.
FAR 52.222-24	Preaward On-Site Equal Opportunity Compliance Evaluation (Feb 1999)	Solicitation provision that applies in solicitations, other than those for construction, when a subcontract is contemplated that will include the clause at 52.222-26, Equal Opportunity, and the amount of the subcontract is expected be \$10 million or more.
FAR 52.223-7	Notice of Radioactive Materials (Jan 1997)	Applies if items containing either (1) radioactive material (requiring specific licensing under the regulations issued pursuant to the Atomic Energy Act of 1954, as amended) or (2) other radioactive material (not requiring specific licensing in which the specific activity is greater than 0.002 microcuries per gram or the activity per item equals or exceeds 0.01 microcuries) are to be delivered or serviced under this subcontract. If applicable, SUBCONTRACTOR shall notify CONTRACTOR, in writing, 30 days prior to delivery of, or prior to completion of any servicing required by this subcontract.
FAR 52.227-14	Rights in Data - General (May 2014) as modified by DEAR 927.409(a), including Alternate V (Dec 2007)	Applies in subcontracts in which technical data or computer software is expected to be produced and in subcontracts for supplies that contain a requirement for production or delivery of data.
FAR 52.227-16	Additional Data Requirements (Jun 1987)	Applies if subcontract involves experimental, developmental, research or demonstration work.

Dated 7-15-16

THE FOLLOWING CLAUSES APPLY AS STATED IN THE CONDITIONS OF APPLICABILITY:		
Clause Number	Title and Date	Conditions of Applicability
DEAR 952.211-71	Priorities And Allocations (Atomic Energy) (Apr 2008)	Applies in subcontracts issued in accordance with the provisions of the Defense Priorities and Allocations System (DPAS) regulation (15 CFR part 700) that are placed in support of authorized DOE atomic energy programs.
DEAR 952.227-11	Patent Rights – Retention by the Contractor (Short Form) (Mar 1995)	Applies if subcontract is for experimental, developmental, demonstration or research work to be performed by a small business firm or domestic nonprofit organization as defined at FAR Subpart 27.301. Subcontracts which are subject to exceptional circumstances in accordance with 35 U.S.C. 202 and subparagraph (b)(5) of DEAR 970.5227-12 are exempt from the requirements of this clause.
DEAR 952.227-13	Patent Rights – Acquisition by the Government (Sept 1997)	Applies if subcontract is for experimental, developmental, demonstration or research work, and subcontractor is <u>not</u> a small business firm or domestic nonprofit organization as defined at FAR Subpart 27.301.
DEAR 970.5208-1	Printing (Dec 2000)	Applies when printing is required, as “printing” is defined in Title I, Definitions, of the U.S. Government Printing and Binding Regulations (http://jcp.senate.gov/jcpregs.pdf)
DEAR 970.5222-1	Collective Bargaining Agreements - Management and Operating Contracts (Dec 2000)	Applies to subcontracts for protective services and other services performed at LANL which affect the continuity of operation of LANL.
DEAR 970.5227-1	Rights in Data-Facilities (Dec 2000)	Applies if subcontract involves the design or operation of any LANL plants or facilities or specially designed equipment for such LANL plants or facilities, or related support services for those plants or facilities.
DEAR 970.5227-7	Royalty Information (Dec 2000)	Solicitation provision which applies if the amount of royalties reported during negotiation is >\$250.
DEAR 970.5227-8	Refund Of Royalties (Aug 2002)	Applies if the amount of royalties reported during negotiation of the subcontract exceeds \$250. If applicable, SUBCONTRACTOR shall insert the substance of this clause in all lower tier subcontracts under this subcontract in which the amount of royalties reported during negotiation of the subcontract exceeds \$250.
DEAR 970.5227-12	Patent Rights Management and Operating Contracts, For-Profit Contractor, Advance Class Waiver (Aug 2002)	Applies if subcontract covers or is likely to cover subject matter that is classified for reasons of security.
DEAR 970.5232-3	Accounts, Records, and Inspection (Dec 2010)	Applies to subcontracts of any tier where costs incurred are a factor in determining the amount payable to the subcontractor. When the condition precedent is met, only paragraphs (a) through (h) of the clause shall apply.

Dated 7-15-16

EXHIBIT "A" GENERAL CONDITIONS

TABLE OF CONTENTS

<u>GC</u>	<u>Title</u>	<u>Page</u>
GC-1.	DEFINITIONS (Aug 2014)	3
GC-2A	AUTHORIZED REPRESENTATIVES, COMMUNICATIONS AND NOTICES (Jan 2010)	3
GC-3.	INDEPENDENT CONTRACTOR (Jun 2009)	4
GC-4.	SUBCONTRACT INTERPRETATION (Jun 2009).....	4
GC-5.	NOTICE TO PROCEED (Jul 2011)	4
GC-6.	ORDER OF PRECEDENCE (Jun 2009).....	5
GC-7.	STANDARDS AND CODES (Jun 2009)	5
GC-8.	LAWS AND REGULATIONS (Jun 2009)	5
GC-9.	PERMITS (Jun 2009).....	5
GC-10.	TAXES (Jun 2009)	6
GC-11.	NEW MEXICO GROSS RECEIPTS TAX (Jun 2009).....	6
GC-12.	FINES AND PENALTIES (Jun 2009).....	6
GC-13.	CONTRACTOR'S RIGHT TO OFFSET (Jan 2010)	6
GC-14.	LABOR, PERSONNEL AND WORK RULES (Jun 2009)	6
GC-15.	COMMERCIAL ACTIVITIES (Jun 2009).....	7
GC-16.	NONDISCLOSURE, PUBLICITY AND ADVERTISING (Jan 2010).....	7
GC-17.	ENVIRONMENTAL, SAFETY AND HEALTH REQUIREMENTS (Jun 2009).....	7
GC-25.	OVERSIGHT OF WORK BY SUBCONTRACTOR (Jun 2009)	7
GC-30.	CONTRACTOR'S COMPLIANCE WITH DOE DIRECTIVES (Jun 2009)	8
GC-31A.	INSPECTION AND TESTING (Jun 2009)	8
GC-35A.	CHANGES (Jun 2009)	8
GC-36.	DISPUTES (Jan 2010).....	8
GC-37.	BANKRUPTCY (Jun 2009)	11
GC-38.	RECORDS AND AUDIT (Jun 2009)	11
GC-39A.	WARRANTY (Jun 2009).....	11
GC-41.	INDEMNITY (Jun 2009)	12
GC-42.	PATENT AND INTELLECTUAL PROPERTY INDEMNITY (Jun 2009).....	12
GC-43.	ASSIGNMENTS (Jun 2009).....	13
GC-44.	SUSPENSION (Jun 2009)	13
GC-45.	EXPORT COMPLIANCE (Jun 2009)	13
GC-46.	SUBCONTRACTS (Jul 2011)	15
GC-47A.	TERMINATION FOR CONVENIENCE (Jun 2009).....	15
GC-48.	TERMINATION FOR DEFAULT (Jun 2009).....	16
GC-49A.	FINAL INSPECTION AND ACCEPTANCE (Jun 2009)	16
GC-50.	NON-WAIVER (Jan 2010)	16
GC-51A.	REPRESENTATIONS AND CERTIFICATIONS (Mar 2012) (Does not apply in subcontracts below \$2,500).....	16
GC-52.	SUBCONTRACT CLOSE-OUT CERTIFICATION AND RELEASE REQUIREMENTS (Jun 2009)	16

Dated 7-15-16

GC-55. SEVERABILITY (Jun 2009) 17

GC-56. SURVIVAL (Jun 2009) 17

GC-57. RELEASE AGAINST CLAIMS (Jun 2009) 17

GC-59. CERTIFICATION REGARDING FORMER UC OR CONTRACTOR EMPLOYEES
(Feb 2015) 17

GC-60. SUBCONTRACTS WITH CONTRACTOR'S TEAM MEMBERS AND TEAM MEMBER
AFFILIATES (Jan 2010) 18

GC-77. GREEN / SUSTAINABLE PRODUCTS (Feb 2015) 19

GC-80B. INVOICING AND PAYMENT (Aug 2014) 19

GC-82. ON-SITE USE OF RADIOACTIVE MATERIAL (Aug 2014) 20

GC-83. SECURITY INTEREST (Aug 2014) 20

GC-84. ASSESSMENT OF SUBCONTRACTOR'S PERFORMANCE (Aug 2014) 21

GC-85. LOWER-TIER SUBCONTRACTORS (Aug 2014) 21

GC-86. PROGRESS REPORTS (Aug 2014) 22

GC-88. MINIMUM WAGES UNDER EXECUTIVE ORDER 13658 (Mar 2015) 22

Sample Build

Dated 7-15-16

GC-1 DEFINITIONS (Aug 2014)

"CONTRACTOR" means Los Alamos National Security, LLC (LANS), a limited liability company, which manages and operates Los Alamos National Laboratory (LANL) pursuant to Contract No. DE-AC52-06NA25396 between the U.S. Department of Energy (DOE) / National Nuclear Security Administration (NNSA) and LANS. CONTRACTOR also means Subcontract Administrator, the individual authorized to act on behalf of LANS.

"Beneficial Occupancy" or "Use and Possession Prior to Completion", if used in this subcontract or task order, means the procedure where CONTRACTOR occupies or makes use of any part of the Work, in accordance with General Condition GC-29 USE OF COMPLETED PORTIONS OF WORK.

"Days" means calendar days unless otherwise provided.

"FAR" means the Federal Acquisition Regulations at 48 CFR Chapter 1.

"Final Acceptance" means CONTRACTOR'S acceptance of all of the Work as a whole following SUBCONTRACTOR completion and successful inspection and testing. It is conclusive except for latent defects, gross mistakes or fraud.

"Final Completion", if used in this subcontract or task order, means the point when all of the Work reasonably inferable from Subcontract Documents has been completed, as determined by CONTRACTOR. This includes the final cleanup of the premises, completion of all final inspection punch list items, and submission of all remaining contractual documents.

"GOVERNMENT" means the United States of America and includes the DOE / NNSA

"Jobsite" means a site at which the Work shall be performed under this subcontract.

"Laboratory" or "LANL" means the geographical location of Los Alamos National Laboratory, a federally funded research and development center owned by the DOE / NNSA.

"Subcontract" means this agreement, including all attachments, appendices, sections, exhibits, schedules, and revisions hereto, as issued from time to time.

"Subcontract Documents" denotes this Subcontract and those appendices and exhibits referenced thereon.

"SUBCONTRACTOR" means the company, corporation, partnership, individual, or other entity to which this Subcontract is issued, its authorized representatives, successors, and permitted assigns

"Substantial Completion", if used in this subcontract or task order, means the point when the Work or a designated portion of the Work is sufficiently complete, in accordance with the Subcontract Documents, so that CONTRACTOR may use or occupy the Work or designated portion thereof for its intended purpose, as determined by CONTRACTOR. Additional requirements for achieving Substantial Completion are provided in Exhibit D, Scope of Work and Technical Specifications.

"Work", "Goods" or "Services" means all the stated or implied activities to be performed by SUBCONTRACTOR as required by the Subcontract Documents, including the furnishing and supervision of all technical personnel and labor, and the supply of equipment, materials, and supplies necessary to perform this Subcontract.

GC-2A AUTHORIZED REPRESENTATIVES, COMMUNICATIONS AND NOTICES (Jan 2010)

Unless otherwise specified, all notices and communications in accordance with or related to this subcontract shall be between authorized representatives designated in writing by the parties and shall comply with security requirements set forth in Exhibit G "Security Requirements". Notices shall be in

Dated 7-15-16

writing and may be served either personally on the authorized representative of the receiving party, by electronic scanned document attached to an email, by facsimile, by courier or express delivery, or by certified mail to the address shown on the face of this subcontract or as directed by notice.

GC-3 INDEPENDENT CONTRACTOR (Jun 2009)

SUBCONTRACTOR represents that it is fully experienced, properly qualified, registered, licensed, equipped, organized, and financed to perform the Work under this subcontract. SUBCONTRACTOR shall act as an independent contractor and not as the agent of CONTRACTOR or GOVERNMENT in performing this subcontract, maintaining complete control over its employees and all of its suppliers and subcontractors of any tier. Nothing contained in this subcontract or any lower-tier purchase order or subcontract awarded by SUBCONTRACTOR shall create any contractual relationship between any lower-tier supplier or subcontractor and either CONTRACTOR or GOVERNMENT. SUBCONTRACTOR shall perform the Work hereunder in accordance with its own methods subject to compliance with the subcontract.

GC-4 SUBCONTRACT INTERPRETATION (Jun 2009)

All questions concerning interpretation or clarification of this subcontract by SUBCONTRACTOR shall be immediately submitted in writing to CONTRACTOR for resolution. Subject to the provisions of the General Condition titled "CHANGES," all determinations, instructions, and clarifications of CONTRACTOR shall be final and conclusive unless SUBCONTRACTOR believes such determinations, instructions or clarifications are fraudulent or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence, in which case SUBCONTRACTOR shall proceed under the terms of the Disputes clause.

At all times SUBCONTRACTOR shall proceed with the Work in accordance with the determinations, instructions, and clarifications of CONTRACTOR. SUBCONTRACTOR shall be solely responsible for requesting instructions or interpretations and shall be solely liable for any costs and expenses arising from its failure to do so.

GC-5 NOTICE TO PROCEED (Jul 2011)

SUBCONTRACTOR shall not commence work on site at LANL prior to receipt of a notice to proceed issued by the Subcontract Administrator. A notice to proceed shall not be issued prior to:

- (1) receipt by CONTRACTOR of a fully executed subcontract with the original signatures of both parties;
- (2) receipt by CONTRACTOR of certificates of insurance and endorsements evidencing that required coverage and limits of insurance are in full force and effect, when such certificates and endorsements are required herein;
- (3) approval by CONTRACTOR of SUBCONTRACTOR'S ES&H Plan submitted in accordance with the requirements of Exhibit F, when such ES&H Plan is required herein;
- (4) approval by CONTRACTOR of any plans submitted by SUBCONTRACTOR in accordance with the requirements of Exhibit G, when such plan(s) is/are required herein;
- (5) receipt by CONTRACTOR of executed payment and performance bonds, when such payment and performance bonds are required herein; and
- (6) receipt by CONTRACTOR of written confirmation that SUBCONTRACTOR has included or will include (i.e. flow down) in subcontracts with its lower-tier suppliers and subcontractors all environment, safety, health, security, and quality assurance requirements contained in Exhibits F, G and H necessary to fulfill this subcontract as it relates to their portion of the Work; and
- (7) compliance by SUBCONTRACTOR with any other applicable requirements specified in the subcontract.

Dated 7-15-16

CONTRACTOR reserves the right to issue a limited notice to proceed (LNTP) where CONTRACTOR determines circumstances require specific pre-performance activities necessary to support the subcontract. However this LNTP does not constitute a formal Notice to Proceed as set forth in this clause.

GC-6 ORDER OF PRECEDENCE (Jun 2009)

In resolving conflicts, discrepancies, errors or omissions between Subcontract Documents, the following order of precedence from highest to lowest shall be used, with the acknowledgement that a particular subcontract may not be comprised of all the documents listed below.

- (1) Subcontract Form of Agreement
- (2) Appendix SFA-1 titled "FAR & DEAR Clauses Incorporated by Reference"
- (3) Exhibit "A" – General Conditions
- (4) Exhibit "B" – Special Conditions
- (5) Exhibit "F" – Environmental, Safety and Health Requirements
- (6) Exhibit "G" – Security Requirements
- (7) Exhibit "H" – Quality Assurance Requirements
- (8) Exhibit "C" – Quantities and Pricing Schedule
- (9) Exhibit "D" – Scope of Work
- (10) Exhibit "D" – Technical Specifications
- (11) All other subcontract documents

NOTE: If this subcontract is funded in whole or part under the American Recovery and Reinvestment Act of 2009, Exhibit A1, ADDITIONAL GENERAL CONDITIONS RELATING TO WORK FUNDED UNDER AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (May 2009) shall take precedence over all documents listed herein except for the Subcontract Form of Agreement.

GC-7 STANDARDS AND CODES (Jun 2009)

Wherever references are made in this subcontract to standards or codes in accordance with which the Work under this subcontract is to be performed, the edition or revision of the standards or codes current on the effective date of this subcontract shall apply unless otherwise expressly stated. In case of conflict between any referenced standards and codes and any Subcontract Documents, the General Condition titled "SUBCONTRACT INTERPRETATION" shall apply.

GC-8 LAWS AND REGULATIONS (Jun 2009)

- (a) SUBCONTRACTOR shall comply with the requirements of applicable federal, state, and local laws and regulations. SUBCONTRACTOR shall also comply with DOE Directives, NNSA Policy Letters, and Laboratory policies and procedures, or parts thereof, which are identified in the subcontract. Copies of any such directives, letters, policies and procedures will be provided to the SUBCONTRACTOR upon request.
- (b) If SUBCONTRACTOR discovers any discrepancy or inconsistency between this subcontract and any law, ordinance, statute, rule, regulation, order or decree, SUBCONTRACTOR shall immediately notify CONTRACTOR in writing.
- (c) Regardless of the performer of the work, SUBCONTRACTOR is responsible for compliance with the requirements of this clause. SUBCONTRACTOR agrees to insert the substance of this clause, including this paragraph (c), in its subcontracts at any tier.

GC-9 PERMITS (Jun 2009)

Except as otherwise specified, SUBCONTRACTOR shall procure and pay for all permits, licenses, certifications and other applicable governing authority requirements and inspections, other than

Dated 7-15-16

inspections performed by CONTRACTOR or GOVERNMENT or permits which by law or regulation must be acquired by CONTRACTOR or GOVERNMENT. SUBCONTRACTOR shall furnish any documentation, bonds, securities, deposits or assistance required to permit performance of the Work.

GC-10 TAXES (Jun 2009)

- (a) SUBCONTRACTOR shall pay all taxes, levies, duties and assessments of every nature due in connection with the Work under this subcontract, and shall make any and all payroll deductions and withholdings required by law. SUBCONTRACTOR agrees to indemnify and hold harmless CONTRACTOR and GOVERNMENT from any liability on account of any and all such taxes, levies, duties, assessments and deductions.
- (b) SUBCONTRACTOR shall with the approval of CONTRACTOR apply for and obtain for the benefit of the project any available exemption, deduction or exclusion under applicable laws for which SUBCONTRACTOR, CONTRACTOR or GOVERNMENT qualify.

GC-11 NEW MEXICO GROSS RECEIPTS TAX (Jun 2009)

SUBCONTRACTOR is required to pay such New Mexico Gross Receipts Tax (NMGRT) as may be required by law. CONTRACTOR will issue a New Mexico Nontaxable Transaction Certificate (NTTC) to all Subcontractors who provide goods or services to CONTRACTOR, on the condition that SUBCONTRACTOR only uses the NTTC as permitted by New Mexico law. In no event will the payment of NMGRT by SUBCONTRACTOR or its immediate and lower-tier subcontractors be considered an allowable cost under this subcontract if SUBCONTRACTOR or its immediate and lower-tier subcontractors are eligible for applicable deductions or exemptions from NMGRT under New Mexico law.

GC-12 FINES AND PENALTIES (Jun 2009)

If a state or federal agency takes an enforcement action with associated fines and penalties against CONTRACTOR and/or Government for regulatory and/or permit noncompliance that resulted from a failure of SUBCONTRACTOR to perform in accordance with this Subcontract (e.g., failure to meet regulatory reporting milestones, making false statements in reports, etc.), SUBCONTRACTOR shall reimburse CONTRACTOR and/or the Government for the amount of any resultant fine and/or the cost of additional Work required as a result of the enforcement action. CONTRACTOR may withhold such amounts from any payments due SUBCONTRACTOR.

GC-13 CONTRACTOR'S RIGHT TO OFFSET (Jan 2010)

CONTRACTOR may collect any amount determined by the Subcontract Administrator to be owed to CONTRACTOR by offsetting the amount against any payment due to the SUBCONTRACTOR under any subcontract it has with CONTRACTOR issued pursuant to CONTRACTOR'S contract with GOVERNMENT for management and operation of Los Alamos National Laboratory. Any challenge to the amount of an offset under this clause shall be resolved under the Disputes clause of this subcontract.

GC-14 LABOR, PERSONNEL AND WORK RULES (Jun 2009)

- (a) SUBCONTRACTOR shall employ only competent and skilled personnel to perform the Work and shall remove from the Jobsite any SUBCONTRACTOR personnel determined to be unfit or to be acting in violation of any provision of this subcontract. SUBCONTRACTOR is responsible for maintaining labor relations in such manner that there is harmony among workers and shall comply with and enforce project and Jobsite procedures, regulations, work rules and work hours established by CONTRACTOR and GOVERNMENT.
- (b) CONTRACTOR may, at its sole discretion, temporarily or permanently bar from the Work, and any other location within the Los Alamos National Laboratory (LANL), any employee of SUBCONTRACTOR or any of its lower-tier subcontractors by written notice to SUBCONTRACTOR. In the event an employee is excluded from the Jobsite, SUBCONTRACTOR shall, promptly replace such individual with another who is fully competent

Dated 7-15-16

and skilled to perform the Work. SUBCONTRACTOR shall not be entitled to compensation for any costs resulting from the removal of such employee.

- (c) SUBCONTRACTOR shall, to the extent permissible under applicable law, comply with the provisions of all labor agreement(s) which apply to the Work performed under this subcontract. If required by the terms of any such labor agreement(s), SUBCONTRACTOR shall, immediately after subcontract award, agree to comply with and be bound by the terms of such labor agreement(s).
- (d) If SUBCONTRACTOR has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this subcontract, SUBCONTRACTOR shall immediately give notice, including all relevant information, to CONTRACTOR.
- (e) SUBCONTRACTOR shall include the substance of this clause in all lower-tier subcontracts which require work to be performed at LANL.

GC-15 COMMERCIAL ACTIVITIES (Jun 2009)

Neither SUBCONTRACTOR nor its employees shall establish any commercial activity or issue concessions or permits of any kind to third parties for establishing commercial activities on the Jobsite or any other lands owned or controlled by CONTRACTOR or GOVERNMENT.

GC-16 NONDISCLOSURE, PUBLICITY AND ADVERTISING (Jan 2010)

SUBCONTRACTOR'S disclosure to a third party of any information, material, data, charts, graphs, or records obtained, developed or maintained under this subcontract is prohibited, except as approved in writing in advance by CONTRACTOR. Furthermore, SUBCONTRACTOR shall not make any announcement, release any photographs, or release any information concerning this subcontract, or the Laboratory, or any part thereof to any member of the public, press, business entity, or any other third party unless prior written consent is obtained from CONTRACTOR. All SUBCONTRACTOR requests for review and approval shall be addressed to CONTRACTOR. Additionally, SUBCONTRACTOR will ensure that its employees, subcontractors and/or affiliates who work on this subcontract understand this non-disclosure requirement and provide written acknowledgement of the same if requested by CONTRACTOR'S Subcontract Administrator. SUBCONTRACTOR agrees to include a similar requirement in all lower-tier subcontracts. All requests for authorization to release information by lower-tier subcontractors shall be subject approval of CONTRACTOR'S Subcontract Administrator.

GC-17 ENVIRONMENTAL, SAFETY AND HEALTH REQUIREMENTS (Jun 2009)

- (a) SUBCONTRACTOR shall be solely responsible for conducting operations under this subcontract to avoid risk of harm to the health and safety of persons and property and for inspecting and monitoring all its equipment, materials and work practices to ensure compliance with its obligations under this subcontract.
- (b) Throughout performance of the Work, SUBCONTRACTOR shall conduct all operations in such a way as to minimize impact upon the natural environment and prevent any spread or release of contaminated or hazardous substances.
- (c) SUBCONTRACTOR shall be solely responsible for complying with Exhibit F titled "ENVIRONMENTAL, SAFETY, AND HEALTH REQUIREMENTS", if made a part of this subcontract.

GC-25 OVERSIGHT OF WORK BY SUBCONTRACTOR (Jun 2009)

At all times during performance of this Subcontract and until the Work is completed and accepted, SUBCONTRACTOR shall directly oversee the Work, and when Work is performed on site at LANL, assign and have on site a competent individual, who is satisfactory to CONTRACTOR, who has authority to act for SUBCONTRACTOR.

Dated 7-15-16

GC-30 CONTRACTOR'S COMPLIANCE WITH DOE DIRECTIVES (Jun 2009)

When requested by CONTRACTOR, SUBCONTRACTOR shall provide such information, assistance and support as necessary to ensure CONTRACTOR'S compliance with any DOE directives that may be applicable to the scope of the work. If SUBCONTRACTOR believes that such request for information, assistance or support is not provided for elsewhere in the subcontract and constitutes a change under the General Condition titled "Changes", SUBCONTRACTOR shall proceed in accordance with the "Changes" clause.

GC-31A INSPECTION AND TESTING (Jun 2009)

- (a) All equipment and material furnished and work performed shall be properly inspected by SUBCONTRACTOR at its expense and shall at all times be subject to quality surveillance and quality audit by CONTRACTOR, GOVERNMENT or their authorized representatives who, upon reasonable notice, shall be afforded full and free access to the shops, factories or other places of business of SUBCONTRACTOR and its suppliers and subcontractors of any tier for such quality surveillance or audit. If any equipment, material or work is determined by CONTRACTOR or GOVERNMENT to be defective or not in conformance with this subcontract the provisions of the General Condition titled "WARRANTY" shall apply.
- (b) Unless otherwise provided in the subcontract, testing of equipment, materials or work shall be performed by SUBCONTRACTOR at its expense and in accordance with subcontract requirements. Should tests in addition to those required by this subcontract be desired by CONTRACTOR, SUBCONTRACTOR will be given reasonable notice to permit such testing. Such additional tests will be at CONTRACTOR'S expense.
- (c) SUBCONTRACTOR shall furnish samples as requested and shall provide reasonable assistance and cooperation necessary to permit tests to be performed on materials or work in place including reasonable stoppage of work during testing.

GC-35A CHANGES (Jun 2009)

- (a) CONTRACTOR may at any time, without notice to the sureties if any, unilaterally direct in writing subcontract changes, including additions, deletions, rescheduling and acceleration or deceleration, place of performance, to all or any part of the Work, and SUBCONTRACTOR agrees to perform such work as changed.
- (b) If any change under this clause, whether or not changed by any such order, or an act or omission of CONTRACTOR or GOVERNMENT, directly or indirectly causes an increase or decrease in the cost of or in the time required to perform any part of the Work an equitable adjustment shall be made to pricing or time of performance, or both. SUBCONTRACTOR shall, within thirty (30) calendar days of such change or act or omission, notify CONTRACTOR and submit detailed information substantiating its impact. SUBCONTRACTOR waives its rights, if any, to an equitable adjustment if it fails to comply with the requirements of this subclause. Upon agreement as to the impact of the change or act or omission, the subcontract shall be modified accordingly.
- (c) SUBCONTRACTOR shall proceed diligently with performance of the Work, pending final resolution of any request for adjustment, dispute, claim, appeal, or action arising under the subcontract, and comply with any decision of CONTRACTOR.

GC-36 DISPUTES (Jan 2010)

- (a) Definitions. For purposes of this clause:

"Board" means the Civilian Board of Contract Appeals or such successor Board as may be established by law.

Dated 7-15-16

“Arbitration decision” means a decision of the Board in an arbitration pursuant to this clause.

“Claim” means a written demand or written assertion by either contracting party seeking as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of a subcontract term, or other relief arising under, or relating to, this subcontract. A voucher, invoice, or other request for payment or equitable adjustment under the terms of the subcontract that is not in dispute when submitted is not a claim. The SUBCONTRACTOR may convert such submission into a claim if it is disputed either as to liability or amount, or is not acted upon in a reasonable time, by demanding a decision by the Subcontract Administrator.

“Counterclaim” means a claim asserted in a pleading filed with the Board in an arbitration proceeding pursuant to this clause which arises from the same occurrence or transaction that is the subject matter of the opposing party’s claim. Counterclaims do not need to be submitted to the Subcontract Administrator for decision.

- (b) Nature of the Subcontract. This subcontract is not a Government contract and, therefore, is not subject to the Contract Disputes Act of 1978 (41 U.S.C. §§601-613). SUBCONTRACTOR acknowledges that GOVERNMENT is not a party to the subcontract, and, for purposes of the subcontract CONTRACTOR is not an agent of GOVERNMENT. Consequently, the provision for arbitration by the Board, as provided for in this clause, does not create or imply the existence of privity of contract between SUBCONTRACTOR and GOVERNMENT.
- (c) Scope of Clause. The rights and procedures set forth in this clause are the exclusive rights and procedures for resolution of all claims and disputes arising under, or relating to, this subcontract, and no action based upon any claim or dispute arising under, or relating to, this subcontract shall be brought in any court except as provided in this clause. The parties shall be bound by any arbitration decision rendered pursuant to this clause, which shall be vacated, modified, or corrected only as provided in the Federal Arbitration Act (9 U.S.C. §§1-16). An arbitration decision may only be enforced in any court of competent jurisdiction in the State of New Mexico.
- (d) Filing a Claim/Subcontract Administrator’s Decision.
- (1) Unless otherwise provided in this subcontract, SUBCONTRACTOR must file any claim against CONTRACTOR within sixty (60) Days after SUBCONTRACTOR knew or should have known the facts giving rise to the claim. Failure to file a claim within the period prescribed by this paragraph shall constitute a waiver of SUBCONTRACTOR’S right, if any, to an equitable adjustment under the subcontract.
 - (2) SUBCONTRACTOR shall submit any claim in writing to the Subcontract Administrator who shall issue a decision on the matter within sixty (60) Days of receipt of the claim. If the Subcontract Administrator fails to issue a decision within sixty (60) Days, SUBCONTRACTOR may request mediation or demand for arbitration as provided in paragraphs (e) and (f) of this clause.
 - (3) CONTRACTOR may, at any time prior to final payment under the subcontract or expiration of any warranty period, whichever is later, file a claim against SUBCONTRACTOR by issuing a written decision by the Subcontract Administrator asserting such a claim.
 - (4) The decision of the Subcontract Administrator shall be final and conclusive unless SUBCONTRACTOR requests mediation or demands arbitration in accordance with the terms of this clause.

Dated 7-15-16

- (e) Request for Mediation.
- (1) If the decision of the Subcontract Administrator is not satisfactory to SUBCONTRACTOR, or the Subcontract Administrator has failed to timely issue a decision in accordance with subparagraph (d) 2) of this provision, and SUBCONTRACTOR desires to pursue further action, SUBCONTRACTOR may request that the matter be scheduled for mediation. The request for mediation must be made within forty-five (45) Days after receipt of the Subcontract Administrator's decision.
 - (2) If the Subcontract Administrator believes that mediation of the dispute is likely to lead to a satisfactory resolution, he or she will so inform SUBCONTRACTOR and the matter will be scheduled for mediation. The parties will agree on the format of the mediation and will jointly select the mediator. The cost of the mediator and related expenses shall be divided evenly between the parties.
 - (3) If the Subcontract Administrator decides that mediation is not likely to lead to a satisfactory resolution of the claim, or that a mediation undertaken pursuant to this clause has been unsuccessful, he or she will so inform SUBCONTRACTOR in writing.
- (f) Demand for Arbitration. If the decision of the Subcontract Administrator is not satisfactory to SUBCONTRACTOR, or if SUBCONTRACTOR'S request for mediation has been denied, or a mediation undertaken pursuant to paragraph (e) of this clause has been unsuccessful, or the Subcontract Administrator has failed to timely issue a decision in accordance with subparagraph (d) 2) of this clause, and SUBCONTRACTOR desires to pursue further action, SUBCONTRACTOR must submit to the Board a written demand for arbitration of the claim within forty-five (45) Days after receipt of the Subcontract Administrator's decision, or within forty-five (45) Days after the Subcontract Administrator notifies SUBCONTRACTOR that its request for mediation has been denied or that the mediation undertaken pursuant to paragraph (e) has been unsuccessful, whichever is later.
- (g) Arbitration Procedures/Costs. The Board shall arbitrate the claim and any counterclaims in accordance with the Rules of the Board. All claims for \$100,000 or less shall be arbitrated under the Board's Small Claims (Expedited) Procedure. All other claims, regardless of dollar amount, shall be arbitrated under the Board's Accelerated Procedure. Both parties shall be afforded an opportunity to be heard and to present evidence in accordance with the Rules of the Board. Unless the Board orders otherwise, each party shall pay its own costs of prosecuting or defending an arbitration before the Board.
- (h) Review of Arbitration Decision. An arbitration decision shall be final and conclusive unless a party files a timely action to vacate, modify, or correct the decision pursuant to the Federal Arbitration Act.
- (i) Subcontractor Performance Pending Claim Resolution. SUBCONTRACTOR shall proceed diligently with performance of the subcontract and shall comply with any decision of the Subcontract Administrator pending final resolution of any claim or dispute arising under, or relating to, the subcontract.
- (j) Choice of Law. The subcontract shall be governed by federal law as provided in this paragraph. Irrespective of the place of award, execution, or performance, the subcontract shall be construed and interpreted, and its validity determined, according to the federal common law of government contracts as enunciated and applied to prime government contracts by the federal boards of contract appeals and federal courts having appellate jurisdiction over their decisions rendered pursuant to the Contract Disputes Act of 1978. The Federal Arbitration Act, other federal statutes, and federal rules shall govern as applicable. To the extent that federal common law of government contracts is not dispositive, the laws of the State of New Mexico shall apply.

Dated 7-15-16

- (k) Interest. Interest on amounts adjudicated due and unpaid by a party shall be paid from the date the complaining party files a demand for arbitration with the Board. Interest on claims shall be paid at the rate established by the Secretary of the Treasury of the United States pursuant to Public Law 92-41 (85 Stat. 97).

GC-37 BANKRUPTCY (Jun 2009)

In the event SUBCONTRACTOR enters into proceedings relating to bankruptcy, whether voluntary or involuntary, SUBCONTRACTOR agrees to furnish CONTRACTOR written notification of the bankruptcy within five (5) days of the proceedings.

GC-38 RECORDS AND AUDIT (Jun 2009)

- (a) SUBCONTRACTOR shall maintain records and accounts in connection with the performance of this subcontract which will accurately document incurred costs, both direct and indirect, of whatever nature for a period of three (3) years from final payment unless otherwise specified by applicable law. CONTRACTOR, GOVERNMENT or their representatives shall have the right to examine and copy, at all reasonable times and with advance notification, such records and accounts for the purpose of verifying payments or requests for payment when costs are the basis of such payment and to evaluate the reasonableness of proposed subcontract price adjustments and claims.
- (b) If CONTRACTOR or GOVERNMENT establishes uniform codes of accounts for the project, SUBCONTRACTOR shall use such codes in identifying its records and accounts.
- (c) For subcontracts in excess of \$100,000.00, FAR clause 52.215-2, Audit and Records – Negotiation (JUN 1999) shall also apply, when included in Appendix SFA-1, FAR and DEAR Clauses Incorporated By Reference.

GC-39A WARRANTY (Jun 2009)

- (a) SUBCONTRACTOR warrants that it will perform the services under this subcontract with the degree of high professional skill, sound practices and good judgment normally exercised by recognized professional firms providing services of a similar nature. In addition to all other rights and remedies which CONTRACTOR or GOVERNMENT may have, SUBCONTRACTOR shall, at its expense, re-perform the services to correct any deficiencies which result from SUBCONTRACTOR'S failure to perform in accordance with the above standards.
- (b) All equipment and materials, if any, furnished under this subcontract shall be new, of clear title and of the most suitable grade of their respective kinds for their intended uses unless otherwise specified. All workmanship shall be first class and performed in accordance with sound industry practices acceptable to CONTRACTOR.
- (c) SUBCONTRACTOR warrants all equipment, materials and services it furnishes or performs under this subcontract against all defects for a period from Work commencement to a date twelve (12) months after acceptance of the project as a whole by GOVERNMENT or SUBCONTRACTOR'S most favored customer warranty term, whichever is longer.
- (d) In the event CONTRACTOR or GOVERNMENT discover defects in design, equipment, materials or workmanship at any time before the expiration of the specified warranty period, SUBCONTRACTOR shall, upon written notice from CONTRACTOR or GOVERNMENT and at SUBCONTRACTOR'S sole expense, cure any such defect by re-performing defective services and/or workmanship and repairing or replacing defective equipment and/or materials. All costs incidental to such corrective action including, but not limited to, review, access, removal, retesting and re-inspection shall be borne by SUBCONTRACTOR. If SUBCONTRACTOR fails to take corrective action within a reasonable time, CONTRACTOR or GOVERNMENT may perform the corrective measures by other reasonable means and SUBCONTRACTOR agrees to pay

Dated 7-15-16

CONTRACTOR all actual costs, including labor burden, reasonably incurred by CONTRACTOR in performing or in having performed corrective actions. SUBCONTRACTOR further warrants any and all corrective measures for a period of twelve (12) months following their acceptance by CONTRACTOR or GOVERNMENT.

GC-41 INDEMNITY (Jun 2009)

- (a) To the maximum extent permitted by applicable law, but no further, SUBCONTRACTOR hereby releases and shall indemnify, defend and hold harmless CONTRACTOR, GOVERNMENT and their subsidiaries and affiliates and the officers, agents, employees, successors and assigns and authorized representatives of all the foregoing from and against any and all suits, actions, legal or administrative proceedings, claims, demands, damages, liabilities, interest, attorney's fees, costs, expenses, and losses of whatsoever kind or nature in connection with or incidental to the performance of this subcontract, whether arising before or after completion of the Work hereunder and in any manner directly or indirectly caused, occasioned, or contributed to in whole or in part, or claimed to be caused, occasioned or contributed to in whole or in part, by reason of any act, omission, fault or negligence whether active or passive of SUBCONTRACTOR, its lower-tier suppliers, subcontractors or of anyone acting under its direction or control or on its behalf.
- (b) The foregoing shall include, but is not limited to, indemnity for:
- (1) Property damage and injury to or death of any person, including employees of CONTRACTOR, GOVERNMENT or SUBCONTRACTOR.
 - (2) The breach by SUBCONTRACTOR of any representation, warranty, covenant, or performance obligation of this subcontract.
- (c) SUBCONTRACTOR specifically waives any immunity provided against this indemnity by an industrial insurance or workers' compensation statute.

GC-42 PATENT AND INTELLECTUAL PROPERTY INDEMNITY (Jun 2009)

- (a) SUBCONTRACTOR hereby indemnifies and shall defend and hold harmless GOVERNMENT, CONTRACTOR, and their representatives from and against any and all claims, actions, losses, damages, and expenses, including attorney's fees, arising from any claim, whether rightful or otherwise, that any concept, product, design, equipment, material, process, copyrighted material or confidential information, or any part thereof, furnished by SUBCONTRACTOR under this subcontract constitutes an infringement of any patent or copyrighted material or a theft of trade secrets.
- (b) If use of any part of such concept, product, design, equipment, material, process, copyrighted material or confidential information is limited or prohibited, SUBCONTRACTOR shall, at its sole expense, procure the necessary licenses to use the infringing or a modified but non-infringing concept, product, design, equipment, material, process, copyrighted material or confidential information or, with CONTRACTOR'S prior written approval, replace it with substantially equal but non-infringing concepts, products, designs, equipment, materials, processes, copyrighted material or confidential information; provided, however,
- (1) That any such substituted or modified concepts, products, designs, equipment, material, processes, copyrighted material or confidential information shall meet all the requirements and be subject to all the provisions of this subcontract; and
 - (2) That such replacement or modification shall not modify or relieve SUBCONTRACTOR of its obligations under this subcontract.
- (c) The foregoing obligation shall not apply to any concept, product, design, equipment, material, process, copyrighted material or confidential information the detailed design of which (excluding

Dated 7-15-16

rating and/or performance specifications) has been furnished in writing by CONTRACTOR or GOVERNMENT to SUBCONTRACTOR.

GC-43 ASSIGNMENTS (Jun 2009)

- (a) Any assignment of this subcontract or rights hereunder, in whole or part, without the prior written consent of CONTRACTOR shall be void, except that upon ten (10) calendar days written notice to CONTRACTOR, SUBCONTRACTOR may assign, with CONTRACTOR'S approval, claims for monies due or to become due hereunder to a bank, trust company, or other financial institution including any federal lending agency. Any such assignment may cover all amounts payable under this subcontract and not already paid, and shall not be made to more than one party, except that any such assignment may be made to one party, as agent or trustee of two or more parties participating in SUBCONTRACTOR'S financing. Payments to an assignee of any monies due, or to become due hereunder, shall be subject to setoff or recoupment for any present or future claim or claims which CONTRACTOR may have against SUBCONTRACTOR arising under this and other subcontracts. Upon such assignment, SUBCONTRACTOR shall provide CONTRACTOR with two copies of any such assignment and shall indicate on each invoice to whom payment is to be made.
- (b) This subcontract may be assigned by CONTRACTOR, in whole or in part, to GOVERNMENT or to others upon written notice to SUBCONTRACTOR.
- (c) No assignment will be approved which would relieve SUBCONTRACTOR or its sureties, if any, of their responsibilities under this subcontract.

GC-44 SUSPENSION (Jun 2009)

- (a) CONTRACTOR may by written notice to SUBCONTRACTOR suspend the Work under this subcontract in whole or in part at any time. Upon receipt of such notice, SUBCONTRACTOR shall discontinue work to the extent specified in the notice; continue to protect and maintain the Work; and take any other steps to minimize costs associated with such suspension.
- (b) Upon receipt of notice to resume suspended work, SUBCONTRACTOR shall immediately resume performance under this subcontract to the extent required in the notice.
- (c) If SUBCONTRACTOR intends to assert a claim for equitable adjustment under this clause it must, pursuant to the General Condition titled "CHANGES" and within ten (10) calendar days after receipt of notice to resume work, submit a written notification of claim and within twenty (20) calendar days thereafter a written proposal setting forth the impact of such suspension. Any such claim for equitable adjustment must exclude profit.

GC-45 EXPORT COMPLIANCE (Jun 2009)

- (a) SUBCONTRACTOR agrees that U.S. export control laws and regulations may govern aspects of the performance of this subcontract. SUBCONTRACTOR also acknowledges that all applicable export rules and regulations of the origin countries shall apply to the exports of commodities, software and technology (technical data and assistance) under this subcontract. Additionally, SUBCONTRACTOR acknowledges that other rules and regulations may restrict the use of certain parties under this subcontract. Such laws, rules and regulations are generally described below. SUBCONTRACTOR shall be responsible for any delay resulting from SUBCONTRACTOR'S failure to comply fully and timely with any such laws, rules or regulations described herein.

- (1) Restricted Parties Lists

The U.S. Government, foreign governments and international organizations publish Restricted Parties Lists ("Lists") that identify parties (such as known or suspected terrorists, money launderers and drug traffickers) restricted from certain or all types of

Dated 7-15-16

transactions. SUBCONTRACTOR shall review all applicable Lists prior to initiating transactions with any third party for the performance of all or any portion of the Work to ensure such third party is not identified on any applicable Lists. SUBCONTRACTOR shall not enter into any transactions with any third party identified on any applicable Lists.

(2) U.S. Export Control Requirements

- (i) SUBCONTRACTOR will comply with all U.S. export control laws and regulations, including the provisions of the Export Administration Act of 1979 and the U.S. Export Administration Regulations (15 C.F.R. 730-774) promulgated thereunder, the U.S. Department of Energy's export regulations (10 C.F.R. Part 810), the Arms Export Control Act, the International Traffic in Arms Regulations, and the sanctions and laws administered by the U.S. Treasury Department, Office of Foreign Assets Control (OFAC). SUBCONTRACTOR acknowledges that these statutes and regulations impose restrictions on the import and export to foreign countries and foreign nationals of certain categories of items and data and that licenses from the U.S. Department of Energy, U.S. Department of Commerce, U.S. State Department and/or OFAC may be required before such items or data can be disclosed, and that such licenses may impose further restrictions on use of and further disclosure of such data. SUBCONTRACTOR further acknowledges that the information which CONTRACTOR may disclose to SUBCONTRACTOR pursuant to the subcontract may be subject to these statutes and regulations.
- (ii) All work produced by SUBCONTRACTOR that is deemed to be export controlled shall be clearly marked with a legend on each page which states "Restricted access and distribution pursuant to U.S. export control laws."

(3) Licensing Requirements

- (i) General: The United States of America and each country have export regulations that control commodities, software and technology for various reasons, such as national security, foreign policy, anti-terrorism, and to avoid the proliferation of weapons and potential weapons, e.g. certain nuclear, chemical or biological agents. Numerous countries have export regulations that specifically address dual-use items, meaning commercial items with the potential to be applied to military and/or weapon proliferation uses. SUBCONTRACTOR shall ensure that all necessary export licenses are timely obtained, or license exceptions confirmed in writing to CONTRACTOR, prior to the export of any commodity, software or technology. SUBCONTRACTOR shall provide to CONTRACTOR a copy of any export license obtained upon receipt by SUBCONTRACTOR, and in any event prior to the export occurring.
- (ii) United States of America (USA) Export Licensing Requirements: SUBCONTRACTOR is solely responsible for obtaining any required USA export licenses for all commodities, software, and technology being supplied in the performance of the Work, except for any commodity, software or technology supplied by CONTRACTOR. A copy of the export license, or SUBCONTRACTOR'S rationale as to why a license is not required, shall be provided to CONTRACTOR in writing upon receipt of the export license or SUBCONTRACTOR'S determination that a license is not required, and in any event prior to the export occurring.

- (b) In the event work under this subcontract is performed off shore, unless otherwise expressly provided for or otherwise approved in writing by CONTRACTOR:

Dated 7-15-16

- (1) SUBCONTRACTOR shall use the specifications and technical data only for purposes of this subcontract;
 - (2) SUBCONTRACTOR shall not disclosure the specifications and/or technical data to any other person, except a lower-tier subcontractor within the same country where SUBCONTRACTOR is performing the work under this subcontract;
 - (3) Nothing in this subcontract shall permit SUBCONTRACTOR or any other non U.S. person to acquire any rights in the specifications and/or technical data;
 - (4) SUBCONTRACTOR, and any lower-tier subcontractor, shall destroy or return to CONTRACTOR all of the specifications and technical data upon completion of its subcontract; and
 - (5) SUBCONTRACTOR shall deliver the deliverables under this subcontract directly to and only to CONTRACTOR.
- (c) SUBCONTRACTOR hereby agrees to indemnify, defend and hold CONTRACTOR, GOVERNMENT, each of their respective affiliates and the respective directors, officers, employees and representatives of each harmless from and against any and all claims, legal or regulatory actions, final judgments, reasonable attorneys' fees, civil fines and any other losses which any of them may incur as a result of SUBCONTRACTOR'S failure to comply with its obligations under this clause.
- (d) The substance of this clause shall be included in all subcontracts at every tier.

GC-46 SUBCONTRACTS (Jul 2011)

- (a) SUBCONTRACTOR shall not subcontract with any third party for the performance of all or any portion of the Work without the advance written approval of CONTRACTOR. Purchase orders and subcontracts of any tier must include provisions to secure all rights and remedies of CONTRACTOR and GOVERNMENT provided under this subcontract, and must impose upon the lower-tier supplier and subcontractor all of the duties and obligations required to fulfill this subcontract as it relates to their portion of the Work. SUBCONTRACTOR shall provide written confirmation prior to commencement of work on site at LANL that SUBCONTRACTOR has included or will include (i.e. flow down) in subcontracts with its lower-tier suppliers and subcontractors all environment, safety, health, security and quality assurance requirements contained in Exhibits F, G and H necessary to fulfill this subcontract as it relates to their portion of the Work. Additionally, when requested by CONTRACTOR, SUBCONTRACTOR shall provide written confirmation that SUBCONTRACTOR has included (i.e. flowed down) in subcontracts with its lower-tier suppliers and subcontractors all other duties and obligations required to fulfill this Subcontract as it relates to their portion of the Work.
- (b) Copies of all purchase orders and subcontracts are to be provided to CONTRACTOR upon request. Pricing may be deleted unless the compensation to be paid there under is reimbursable under this subcontract.
- (c) No subcontract will be approved which would relieve SUBCONTRACTOR or its sureties, if any, of their responsibilities under this subcontract.

GC-47A TERMINATION FOR CONVENIENCE (Jun 2009)

FAR clause 52.249-2 titled "TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) (May 2004) applies to this subcontract, as specified in Appendix SFA-1.

Dated 7-15-16

GC-48 TERMINATION FOR DEFAULT (Jun 2009)

FAR clause 52.249-8 titled "DEFAULT (FIXED PRICE SUPPLY AND SERVICE) (Apr 1984)" applies to this subcontract, as specified in Appendix SFA-1.

GC-49A FINAL INSPECTION AND ACCEPTANCE (Jun 2009)

When SUBCONTRACTOR considers the Work under this subcontract, or any CONTRACTOR specified segment thereof, complete and ready for acceptance, SUBCONTRACTOR shall notify CONTRACTOR in writing. CONTRACTOR will conduct such reviews, inspections and tests as needed to satisfy CONTRACTOR that each segment, or upon completion, the Work conforms to subcontract requirements. CONTRACTOR will notify SUBCONTRACTOR of any nonconformance and SUBCONTRACTOR shall take corrective action and the acceptance procedure shall be repeated as required by CONTRACTOR until each segment or, upon completion, the Work is accepted. If the Work is accepted in segments such acceptance is provisional pending Final Acceptance of the Work as a whole. CONTRACTOR'S written Notice of Final Acceptance of the Work shall be conclusive except for latent defects, fraud, or CONTRACTOR'S and GOVERNMENT'S rights under the General Condition titled "WARRANTY".

GC-50 NON-WAIVER (Jan 2010)

- (a) Failure by CONTRACTOR to insist upon strict performance of any terms or conditions of this subcontract shall not operate as, nor be deemed to be, a waiver or release of SUBCONTRACTOR'S obligations under this subcontract. The following illustrative examples include but are not limited to:
- (1) Failure or delay to exercise any rights or remedies provided herein or by law;
 - (2) The acceptance of or payment for any goods or services hereunder;
 - (3) Failure to properly notify SUBCONTRACTOR in the event of breach of any obligation;
 - (4) The review or failure by CONTRACTOR to review SUBCONTRACTOR submissions;
 - (5) The inspection and test by CONTRACTOR or the failure to inspect and test the Work; and
 - (6) The termination either in whole or in part of Work under this subcontract.
- (b) CONTRACTOR or GOVERNMENT reserves the right to insist upon strict performance hereof and to exercise any of its rights or remedies as to any prior or subsequent default hereunder.

GC-51A REPRESENTATIONS AND CERTIFICATIONS (Mar 2012) (Does not apply in subcontracts below \$2,500)

All Representations and Certifications provided by SUBCONTRACTOR are incorporated by reference and made part of this subcontract.

GC-52 SUBCONTRACT CLOSE-OUT CERTIFICATION AND RELEASE REQUIREMENTS (Jun 2009)

To administratively close out this subcontract, SUBCONTRACTOR shall submit, in addition to other requirements of this subcontract, the following documentation:

- (1) Property Status

Include a certification that states the following:

Dated 7-15-16

"All Government and CONTRACTOR-furnished property, material, special tooling, and special test equipment furnished, acquired, or generated and accountable to this subcontract has been consumed, delivered or otherwise disposed of by transfer, plant clearance or other authorized means as instructed by CONTRACTOR."

(2) Release and Certificate of Final Payment

SUBCONTRACTOR and each assignee, if any, under an assignment entered into under this subcontract and in effect at the time of final payment under this subcontract, shall execute and deliver, at the time of, and as a condition precedent to, final payment under this subcontract, a release in the format and content provided by CONTRACTOR, discharging CONTRACTOR, GOVERNMENT, and their respective officers, agents, and employees, of and from all liabilities, obligations and claims arising out of or under this subcontract.

GC-55 SEVERABILITY (Jun 2009)

The provisions of this subcontract are severable. If any provision shall be determined to be illegal or unenforceable, such determination shall have no effect on any other provision hereof, and the remainder of the subcontract shall continue in full force and effect so that the purpose and intent of this subcontract shall still be met and satisfied.

GC-56 SURVIVAL (Jun 2009)

All terms, conditions and provisions of this subcontract, which by their nature are independent of the period of performance, shall survive the cancellation, termination, expiration, default or abandonment of this subcontract.

GC-57 RELEASE AGAINST CLAIMS (Jun 2009)

SUBCONTRACTOR shall promptly pay all claims of persons or firms furnishing labor, equipment or materials used in performing the Work hereunder. CONTRACTOR reserves the right to require SUBCONTRACTOR to submit satisfactory evidence of payment and releases of all such claims. CONTRACTOR may withhold any payment until SUBCONTRACTOR has furnished such evidence of payment and release and shall indemnify and defend CONTRACTOR and GOVERNMENT against any liability or loss from any such claim.

GC-59 CERTIFICATION REGARDING FORMER UC OR CONTRACTOR EMPLOYEES (Feb 2015)

- (a) Effective June 1, 2006, individuals who retire under CONTRACTOR'S Defined Benefit Pension Plan (i.e., TCP-1), who wish to begin a retirement benefit, are required to have a true and complete severance from CONTRACTOR with no prior prearrangement for reemployment with CONTRACTOR or any of CONTRACTOR'S affiliated companies or subcontractors to do similar work. This can be documented by completing a form at the time of termination stating that no prearrangement for reemployment existed prior to the termination, and by demonstrating a true and complete severance from CONTRACTOR, before working for any of CONTRACTOR'S affiliated companies or subcontractors, for at least:
- one hundred eighty (180) days, if under the age of sixty (60) at the time of termination; or
 - ninety (90) days, if age sixty (60) or above at the time of termination.
- (b) Effective June 1, 2006, individuals who retire under CONTRACTOR'S 401(k) Retirement Plan (i.e., TCP-2), before attaining age sixty (60), are required to have a true and complete severance from CONTRACTOR with no prior prearrangement for reemployment with CONTRACTOR or any of CONTRACTOR'S affiliated companies or subcontractors to do similar work. This can be

Dated 7-15-16

documented by completing a form at the time of termination stating that no prearrangement for reemployment existed prior to the termination and by demonstrating a true and complete severance from CONTRACTOR, before working for any of CONTRACTOR'S affiliated companies or subcontractors, for at least one hundred eighty (180) days. Individuals who retire under CONTRACTOR'S 401(k) Retirement Plan after age sixty (60) do not have any restrictions on reemployment.

- (c) An individual who retired under the University of California Retirement Plan (UCRP) or the Public Employees Retirement System (PERS) may be immediately reemployed by any of CONTRACTOR'S affiliated companies or subcontractors, unless that individual also retired under one of CONTRACTOR'S retirement plans in which case such individual must also comply with paragraph (a) or (b) above.
- (d) Any former employee of CONTRACTOR or of the University of California (UC) who was terminated for cause or who resigned in lieu of termination for cause is prohibited from returning to work at Los Alamos National Laboratory (LANL). SUBCONTRACTOR and its lower tier subcontractors may not employ any former employee of CONTRACTOR or of UC, who was terminated for cause or who resigned in lieu of termination for cause, for any on-site work at LANL or for any work under this subcontract in which such former employee may have any direct or indirect substantive contact with a current CONTRACTOR employee, unless approved by CONTRACTOR in writing prior to commencement of work by SUBCONTRACTOR.
- (e) In order to assure compliance with paragraphs (a) through (d), SUBCONTRACTOR shall, with respect to its employees who are assigned to work under this subcontract and those of its lower tier subcontractors' employees who are assigned to work under this subcontract, certify that all individuals who are assigned to work under this subcontract are in compliance with the requirement of paragraphs (a) through (d) of this clause. Such certification must be provided in writing to CONTRACTOR before the start of work under this subcontract. In making this certification SUBCONTRACTOR and its lower tier subcontractors may rely on information provided by applicants for employment or current employees, so long as SUBCONTRACTOR and its lower tier subcontractors have exercised due diligence and have, at a minimum, obtained the following information from each applicant or employee:
- (1) whether the employee was a former UC or CONTRACTOR employee, and if so:
 - (i) the date of separation;
 - (ii) age at separation; and
 - (iii) reason for separation.
 - (2) whether the employee is a member of CONTRACTOR'S Defined Benefit Pension Plan (i.e., TCP-1) or CONTRACTOR'S 401(k) Plan (i.e., TCP-2); and
 - (3) confirmation that, if the employee retired under one of CONTRACTOR'S retirement plans, to the extent described above, the employee had no prior prearrangement for reemployment by SUBCONTRACTOR or one of its lower tier subcontractors prior to separation.
- (f) CONTRACTOR may exclude SUBCONTRACTOR from future subcontracts for a reasonable, specified period, if CONTRACTOR determines that SUBCONTRACTOR breached any of the requirements contained in paragraphs (a) through (d) of this clause.
- (g) SUBCONTRACTOR shall ensure that the substance of this clause is included in all lower-tier subcontracts awarded pursuant to this subcontract.

GC-60 SUBCONTRACTS WITH CONTRACTOR'S TEAM MEMBERS AND TEAM MEMBER AFFILIATES (Jan 2010)

- (a) As used in this provision:

Dated 7-15-16

- (1) Team Members means any of the following entities: Bechtel National, University of California, The Babcock and Wilcox Company, and the Washington Division of URS, Professional project Services, Inc. and DreamTech Solutions, LLC doing business as Ngenuity.
 - (2) Team Member Affiliate means any person or entity which is a wholly owned, majority owned, or otherwise an affiliate of any Team Member. The term 'affiliate' is defined at FAR 2.101.
- (b) Because of restrictions in the contract between NNSA and CONTRACTOR concerning the payment of fee or profit when subcontracting with any Team Member or any Team Member Affiliate, as well as Organizational Conflict of Interest concerns, neither SUBCONTRACTOR nor any tier of its lower tier subcontractors or suppliers shall enter into a subcontract with any Team Member or any Team Member Affiliate to provide goods or services under this subcontract without the advance written approval of the Subcontract Administrator. In the event that written approval is granted to enter into a subcontract with a Team Member or a Team Member Affiliate, no fee or profit shall be paid to such Team Member or Team Member Affiliate under the proposed subcontract. In the event it is later determined that a Team Member or a Team Member Affiliate has been paid a fee or profit, SUBCONTRACTOR shall reimburse CONTRACTOR the amount of this fee or profit.
- (c) SUBCONTRACTOR shall include the substance of this provision in all lower tier subcontracts and purchase orders.

GC-77 GREEN / SUSTAINABLE PRODUCTS (Feb 2015)

Whenever possible, SUBCONTRACTOR shall offer green/sustainable products and/or repair/spare parts, which meet the (1) minimum content levels for sustainable products or (2) Environmental Program certification or (3) product attributes, listed at the *Sustainable Facilities Tool* website found at <http://www.sftool.gov/greenprocurement>. Minimum content levels, environmental program certifications and product attributes, if any, are listed under the column titled "Procurement Info" for each product.

When green/sustainable products and/or repair/spare parts are purchased under this subcontract, when requested by CONTRACTOR, SUBCONTRACTOR shall provide quarterly reports to CONTRACTOR describing green/sustainable products procured by CONTRACTOR in the preceding quarter. Reports shall (at a minimum) include the following information:

1. Total dollar value of CONTRACTOR purchases for the preceding quarter, separated into each product category shown at the Sustainable Facilities Tool website.
2. Total dollar value of CONTRACTOR green/sustainable product purchases for the preceding quarter, separated into each product category shown at the *Sustainable Facilities Tool* website.

GC-80B INVOICING AND PAYMENT (Aug 2014)

- (a) SUBCONTRACTOR shall prepare and submit invoices pursuant to the Special Condition titled "MEASUREMENT FOR PAYMENT." CONTRACTOR may reject all or part of an invoice because the measurement for payment provisions have not been met, noting the deficiencies for SUBCONTRACTOR correction and compliance with the subcontract requirements.

CONTRACTOR may require SUBCONTRACTOR to withhold amounts from its billings until a reserve is set aside in an amount that the Subcontract Administrator considers necessary to protect CONTRACTOR'S interests. The Subcontract Administrator may require a withhold of up to 5 percent (5%) of the amounts due to SUBCONTRACTOR, but the total amount shall not exceed \$50,000. The amounts withheld shall be retained until the Subcontract Administrator no longer deems such action necessary to protect CONTRACTOR'S interests.

Dated 7-15-16

Within thirty (30) calendar days after receipt of an invoice, CONTRACTOR will pay SUBCONTRACTOR the approved invoice amount, less any withholds.

CONTRACTOR may, as a condition precedent to any payment, require SUBCONTRACTOR to submit for itself, its subcontractors, immediate and remote, and all material suppliers, vendors, laborers and other parties acting through or under it, complete waivers and releases of all claims against CONTRACTOR or GOVERNMENT arising under or by virtue of this subcontract. Upon request, SUBCONTRACTOR shall in addition furnish acceptable evidence that all such claims have been satisfied.

Failure to specify the subcontract number or to submit supporting documentation may be cause for invoice rejection or delay in payment.

- (b) Any amounts otherwise payable under this subcontract may be withheld, in whole or in part, if:
- (1) Any claims are filed against SUBCONTRACTOR by CONTRACTOR, GOVERNMENT or third parties (for which CONTRACTOR or GOVERNMENT is or may become liable);
 - (2) SUBCONTRACTOR is in default of any subcontract condition;
 - (3) Adjustments are due from previous overpayment or audit result; or
 - (4) Offsets in favor of CONTRACTOR in other transactions are asserted.

CONTRACTOR will pay SUBCONTRACTOR such withheld payments when all issues are resolved to CONTRACTOR'S satisfaction.

If claims filed against SUBCONTRACTOR connected with performance under this subcontract, for which CONTRACTOR may be held liable if unpaid (e.g., unpaid withholding and back taxes), are not promptly discharged by SUBCONTRACTOR after receipt of written notice from CONTRACTOR to do so, CONTRACTOR may discharge such claims and deduct all costs in connection with such removal from withheld payments or other monies due, or which may become due, to SUBCONTRACTOR. If the amount of such withheld payment or other monies due SUBCONTRACTOR under this subcontract is insufficient to meet such costs, or if any claim against SUBCONTRACTOR is discharged by CONTRACTOR after final payment is made, SUBCONTRACTOR and its surety or sureties, if any, shall promptly pay CONTRACTOR all costs incurred thereby regardless of when such claim arose.

- (c) Upon final acceptance of the Work by CONTRACTOR, SUBCONTRACTOR shall submit to CONTRACTOR a completed final release of claims acceptable to CONTRACTOR and a final correct invoice. Within thirty (30) calendar days after receipt of the final release of claims and final correct invoice, CONTRACTOR shall pay SUBCONTRACTOR the amount then remaining due.
- (d) SUBCONTRACTOR shall submit all invoices, in form and format directed by CONTRACTOR, electronically to invoices@lanl.gov.

GC-82 ON-SITE USE OF RADIOACTIVE MATERIAL (Aug 2014)

No radioactive material may be used or stored at the work site unless approved in advance in writing by the Subcontract Administrator.

GC-83 SECURITY INTEREST (Aug 2014)

- (a) SUBCONTRACTOR grants CONTRACTOR a security interest in the Goods and any special tooling and special test equipment as defined in FAR 45.101, Definitions, together with all raw materials, components, and inventory identified thereto ("Collateral"), whether now owned or

Dated 7-15-16

hereafter acquired, and products and proceeds thereof as security for any and all advances or progress payments now or hereafter made under or in connection with this subcontract. SUBCONTRACTOR further agrees:

- (1) to execute such financing statements or other related documents evidencing such security interest as CONTRACTOR may request from time to time for the purpose of perfecting or continuing such security interest in the Collateral;
 - (2) to allow CONTRACTOR to unilaterally file unexecuted financing statements or other related documents to the extent legally permitted without notice to SUBCONTRACTOR; and
 - (3) to provide to CONTRACTOR such information as is necessary for filing financing statements or related documents.
- (b) SUBCONTRACTOR agrees that it will, and will permit CONTRACTOR'S representatives to, appropriately mark and/or segregate the Collateral so as to indicate CONTRACTOR'S and GOVERNMENT'S interest therein. SUBCONTRACTOR further agrees that it will not sell, assign, or otherwise dispose of any of the Collateral and that it will not create, suffer, or permit to attach or exist any lien or encumbrance thereon, except for the interest granted CONTRACTOR hereunder. SUBCONTRACTOR further agrees that CONTRACTOR'S right to a security interest is in addition to and not in lieu of any other rights of CONTRACTOR or GOVERNMENT to the Collateral under this subcontract or at law.
- (c) SUBCONTRACTOR shall insert the substance of this clause, including this subclause, in all its purchase orders and subcontracts pursuant to which advances or progress payments are to be made.

GC-84 ASSESSMENT OF SUBCONTRACTOR'S PERFORMANCE (Aug 2014)

CONTRACTOR shall periodically assess SUBCONTRACTOR'S performance to document how well SUBCONTRACTOR performed to the various standards/requirements described in this subcontract. That information will be used by CONTRACTOR in the future to determine whether SUBCONTRACTOR will be invited to submit proposals/bids for future solicitations for similar work.

GC-85 LOWER-TIER SUBCONTRACTORS (Aug 2014)

- (a) SUBCONTRACTOR shall submit to CONTRACTOR the list of all lower-tier (at all tiers) subcontractors and their function, together with a point of contact address and telephone number for each such subcontractor. Whenever, for any reason, SUBCONTRACTOR needs to substitute for, add to, or remove one or more of the aforementioned lower-tier subcontractors from Work under this Subcontract, SUBCONTRACTOR shall do so only with the prior approval of CONTRACTOR.
- (b) CONTRACTOR may not approve any proposed additional/substitute lower-tier subcontractor if CONTRACTOR has actual knowledge of the proposed additional/substitute lower-tier subcontractor's poor environmental compliance or safety performance under existing subcontracts with CONTRACTOR or any work performed for others even if the proposed lower-tier subcontractor has otherwise met all other ES&H qualification requirements in Exhibit F of this subcontract.
- (c) SUBCONTRACTOR'S request for CONTRACTOR approval of additional/substitute lower-tier subcontractor(s) must include the following information for each proposed additional/substitute lower-tier subcontractor:
 - A brief explanation of the need to alter the list of lower-tier subcontractors
 - Name, address, contact, and phone number of proposed lower-tier subcontractor

Dated 7-15-16

- Summary list of tasks to be performed under this Subcontract by the proposed lower-tier subcontractor
- ESH qualification data for the proposed lower-tier subcontractor if required under Exhibit F of this subcontract.

GC-86 PROGRESS REPORTS (Aug 2014)

When requested by CONTRACTOR, SUBCONTRACTOR shall provide to CONTRACTOR, on a monthly basis, a concise summary report, in form and format and at a time directed by CONTRACTOR, describing the Work accomplished during the reporting period, Work forecasted to be completed during the next reporting period and a summary of problem areas, if any.

When requested by CONTRACTOR, CONTRACTOR and SUBCONTRACTOR shall meet weekly to review the status of the Work.

GC-88 MINIMUM WAGES UNDER EXECUTIVE ORDER 13658 (Mar 2015)

This clause implements Executive Order 13658, Establishing a Minimum Wage for Contractors, dated February 12, 2014, and OMB Policy Memorandum M-14-09, dated June 12, 2014.

- (a) Each service employee, laborer, or mechanic employed in the United States (the 50 States and the District of Columbia) in the performance of this contract by SUBCONTRACTOR or any lower-tier subcontractor, regardless of any contractual relationship which may be alleged to exist between SUBCONTRACTOR and each service employee, laborer, or mechanic, shall be paid not less than the applicable minimum wage under Executive Order 13658. The minimum wage required to be paid to each service employee, laborer, or mechanic performing work on this subcontract between January 1, 2015, and December 31, 2015, shall be \$10.10 per hour.
- (b) SUBCONTRACTOR shall adjust the minimum wage paid under this subcontract each time that Secretary of Labor's annual determination of the applicable minimum wage under section 2(a)(ii) of Executive Order 13658 results in a higher minimum wage. Adjustments to the Executive Order minimum wage under section 2(a)(ii) of Executive Order 13658 will be effective for all service employees, laborers, or mechanics subject to the Executive Order beginning January 1 of the following year. The Secretary of Labor will publish annual determinations in the Federal Register no later than 90 days before such new wage is to take effect. The Secretary will also publish the applicable minimum wage on www.wdol.gov (or any successor website). The applicable published minimum wage is incorporated by reference into this subcontract.
- (c) CONTRACTOR will adjust the subcontract price or subcontract unit price under this clause only for the increase in labor costs resulting from the annual inflation increases in the Executive Order 13658 minimum wage beginning on January 1, 2016. CONTRACTOR shall consider documentation as to the specific costs and workers impacted in determining the amount of the adjustment.
- (d) CONTRACTOR will not adjust the subcontract price under this clause for any costs other than those identified in paragraph (c) of this clause, and will not provide price adjustments under this clause that result in duplicate price adjustments with the respective clause of this subcontract implementing the Service Contract Labor Standards statute (formerly known as the Service Contract Act) or the Wage Rate Requirements (Construction) statute (formerly known as the Davis Bacon Act).
- (e) SUBCONTRACTOR shall include the substance of this clause, including this paragraph (e) in all subcontracts.

Dated 7-15-16

EXHIBIT "B" SPECIAL CONDITIONS

TABLE OF CONTENTS

<u>SC</u>	<u>Title</u>	<u>Page</u>
SC-2	AUTHORITY OF PERSONNEL (Apr 2012).....	2
SC-3A	COMMENCEMENT, PROGRESS AND COMPLETION OF THE WORK (Aug 2014- Deviation).....	3
SC-10B	INSURANCE REQUIREMENTS (Jan 2010).....	3
SC-13A	MEASUREMENT FOR PAYMENT (Jun 2009).....	5
SC-24	TECHNICAL DATA RIGHTS (Jun 2009).....	5
SC-103	KEY PERSONNEL (Jun 2009).....	5
SC-105	LIMITATION OF FUNDS (Aug 2014).....	5
SC-112	REGIONAL PURCHASING PRICING PREFERENCE (Apr 2014).....	6
SC-113	SUBCONTRACTOR'S REGIONAL AND COMMUNITY DEVELOPMENT PLAN (Jun 2009) .	6
SC-114	SUBCONTRACTOR'S SMALL BUSINESS SUBCONTRACTING PLAN (Aug 2014).....	6
SC-143	OPTION TO EXTEND TERM OF SUBCONTRACT (Jan 2010).....	7
SC-156	AVAILABILITY OF FUNDS (MAR 2014).....	7
SC-200	U.S. NATIONAL LABORATORIES AND AGENCIES (JUN 2016-Added).....	7
SC-201	STATEMENT OF WORK CONFIGURATION REVIEW (JUN 2016-Added).....	8
SC-202	SHIPPING / DELIVERY (JUN 2016-Added).....	9

Appendices

- B-1 SUBCONTRACTOR'S REGIONAL AND COMMUNITY DEVELOPMENT PLAN
- B-2 SUBCONTRACTOR'S SMALL BUSINESS SUBCONTRACTING PLAN

Dated 7-15-16

SC-2 AUTHORITY OF PERSONNEL (Apr 2012)

- (a) CONTRACTOR designates the below named individual as the Subcontract Administrator to administer the subcontract and act as CONTRACTOR'S authorized representative.

Darren Knox
Los Alamos National Security, LLC
Los Alamos National Laboratory
P.O. Box 1663, Mail Stop D447
Los Alamos, NM 87545-1663
Phone: (505) 665-3814
Fax: (505) 665-9022
Email: dknox@lanl.gov

Additionally, all correspondence shall be issued and received by the designated Subcontract Administrator. The Subcontract Administrator is the only individual authorized to direct SUBCONTRACTOR to deviate from the express, written terms of the subcontract.

- (b) CONTRACTOR designates the below named individual as the Subcontract Technical Representative (STR), who is the point of contact for all of the technical aspects of the subcontract and is responsible for oversight of SUBCONTRACTOR's technical performance under this subcontract. The STR is also responsible for monitoring and facilitating SUBCONTRACTOR compliance with various subcontract requirements, such as submission of technical deliverables and evidence of completion of training requirements.

Jim Lujan
Los Alamos National Security, LLC
Los Alamos National Laboratory
P.O. Box 1663, Mail Stop B260
Los Alamos, NM 87545-1663
Phone: (505) 665-0718
Fax: (505) 667-5586
Email: jewel@lanl.gov

The STR may designate other personnel to oversee the performance of the Work, sign field tickets, etc. However, the designated STR retains ultimate authority over the technical aspects of the Work. Should SUBCONTRACTOR and the STR disagree over the technical aspects of the subcontract such matters will be immediately referred to CONTRACTOR'S Subcontract Administrator for resolution. The STR does not possess any authority, express or implied, to direct SUBCONTRACTOR to deviate from the terms and conditions of the subcontract.

- (c) The Subcontract Administrator's Property Representative (SAPR) is:

ASM-PM Disposition Office
Los Alamos National Security, LLC
Los Alamos National Laboratory
P.O. Box 1663, Mail Stop C308
Los Alamos, NM 87545
Phone: (505) 665-8079
Fax: (505) 667-3195
Email: disposition@lanl.gov

The ASM-PM Disposition Office is designated to monitor the government property provided, acquired, or used in the performance of this subcontract. Any questions concerning said government property should be addressed to the Subcontract Administrator with a copy to the SAPR. The SAPR is also authorized to take any action necessary to ensure compliance with Federal Property Management Regulations, DOE Property Management Regulations, the LANL

Dated 7-15-16

Property Management Manual and the terms of this subcontract regarding the appropriate use, loss, replacement, transfer, return, or other disposition of government-furnished property or subcontractor-acquired property. Notwithstanding the foregoing, the SAPR does not possess authority to change any of the requirements under this subcontract.

- (d) The Acquisition Services Management Division Manager, or the Manager's designee, may change the Subcontract Administrator, STR or SAPR at any time upon written notice to SUBCONTRACTOR.

SC-3A COMMENCEMENT, PROGRESS AND COMPLETION OF THE WORK (Aug 2014-Deviation)

- (a) SUBCONTRACTOR shall assure prosecution of the Work to completion in accordance with the Milestone and Payment Schedules stated in Exhibit "C" Form B.
- (b) When the Subcontract Schedule is deemed critical by CONTRACTOR, SUBCONTRACTOR shall provide to CONTRACTOR, whenever requested, for CONTRACTOR'S approval, an original and subsequently updated Subcontract Schedule showing all activities and sequence of operations needed for the orderly performance and completion of the Work in accordance with the Subcontract Milestones set forth above. SUBCONTRACTOR shall adhere to the approved Subcontract Schedule, submitting periodic progress reports and/or proposed schedule changes in form and manner directed by CONTRACTOR.

SC-10B INSURANCE REQUIREMENTS (Jan 2010)

- (a) SUBCONTRACTOR shall, at its expense, maintain in effect at all times, during the performance of the Work, insurance coverage with limits not less than those set forth below and with insurers with an A.M. Best rating of not less than A-VII or equivalent and under forms of policies satisfactory to CONTRACTOR:
- (1) Workers' Compensation as required by any applicable law or regulation.
 - (2) Employer's Liability of not less than \$500,000 each accident.
 - (3) Commercial General Liability with limits of liability for bodily injury, property damage and personal injury of not less than:

\$ 500,000	Combined single limit for Bodily Injury and Property Damage each occurrence;
\$ 500,000	Personal Injury Limit each occurrence;
\$1,000,000	Products-Completed Operations Annual Aggregate Limit; and
\$1,000,000	General Annual Aggregate Limit (other than Products-Completed Operations).

 - (i) Coverage (a)(3) shall apply to the indemnity agreement in the General Condition titled "INDEMNITY".
 - (ii) To the maximum extent permitted by applicable law but no further, CONTRACTOR, and its members, subsidiaries, affiliates, and the officers, directors, and employees of the foregoing shall be named as Additional Insureds under the Commercial General Liability Insurance policy, but only with respect to liability caused by or arising out of the acts or omissions of SUBCONTRACTOR or its officers, employees or agents in the performance of ongoing operations for CONTRACTOR and GOVERNMENT. The United States Insurance Services Office (ISO) form CG 2010 07 04 or equivalent as determined by CONTRACTOR shall be used to show the Additional Insureds. Such insurance shall: (1) include an Insurer's waiver of subrogation in favor of the Additional Insureds; (2) be primary and non-contributory as regards any other coverage maintained for or by

Dated 7-15-16

the Additional Insureds whether primary, excess, contingent, or on any other basis; (3) contain a cross-liability clause, also known as separation of interest / severability of interests / separation of insureds condition; and (4) be on an occurrence policy form, not a claims made form.

- (iii) In lieu of naming CONTRACTOR, and its members, subsidiaries, affiliates, officers, directors, and employees as Additional Insureds under the Commercial General Liability policy, SUBCONTRACTOR may, at CONTRACTOR'S sole discretion and not as an option, provide Owners and Contractors Protective Liability Insurance. If SUBCONTRACTOR carries Owners and Contractors Protective Liability Insurance, the policy shall have a combined single limit for Bodily Injury or Property Damage of not less than: \$500,000 Each Occurrence and \$1,000,000 Annual Aggregate. If the policy covers more than one project, this subcontract (the Work) shall be designated in the Policy Declarations. The policy shall name CONTRACTOR, and its members, subsidiaries, affiliates, officers, directors, and employees as Named Insured.

If the CGL policy does not have an endorsement providing the General Annual Aggregate limits are as indicated above, SUBCONTRACTOR shall provide an endorsement titled "Amendment of Limits of Insurance (Designated Project or Premises)." Such endorsement shall provide for a Products-Completed Operations Annual Aggregate Limit of not less than \$1,000,000 and a General Annual Aggregate Limit of not less than \$1,000,000.

- (4) Automobile Liability (Owned, hired and non-owned) with combined single limits of liability for bodily injury or property damage of not less than \$500,000 for any one occurrence. SUBCONTRACTOR'S Automobile Liability Insurance shall include coverage for Automobile Contractual Liability.
- (5) In the event SUBCONTRACTOR maintains insurance covering loss or damage to equipment, tools, or any other property of SUBCONTRACTOR such insurance shall include an Insurer's waiver of subrogation in favor of CONTRACTOR and GOVERNMENT.
- (b) The required limits of coverage specified in (a)(1) through (a)(4) may be satisfied by a combination of a primary policy and an excess or umbrella policy.
- (c) The requirements contained herein as to types and limits, as well as CONTRACTOR'S approval of insurance coverage to be maintained by SUBCONTRACTOR, are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by SUBCONTRACTOR under this subcontract.
- (d) Neither CONTRACTOR nor GOVERNMENT is maintaining any insurance on behalf of SUBCONTRACTOR covering against loss or damage to the Work or to any other property of SUBCONTRACTOR.
- (e) SUBCONTRACTOR shall deliver to CONTRACTOR no later than ten (10) calendar days after subcontract award, but in any event prior to commencing the Work or entering the Jobsite, certificates of insurance and necessary endorsements evidencing that such coverage and limits of insurance are in full force and effect. Certificates of insurance and endorsements must provide clear evidence that SUBCONTRACTOR'S insurance policies contain the minimum limits of coverage prescribed in this clause. Furthermore, certificates shall identify on their face CONTRACTOR'S subcontract number. Delivery of certificates, endorsements and any notices of policy change shall be made to the Subcontract Administrator identified in clause SC-2 AUTHORITY OF PERSONNEL.

Dated 7-15-16

SC-13A MEASUREMENT FOR PAYMENT (Jun 2009)

- (a) SUBCONTRACTOR shall submit an invoice upon completion of each Milestone. The amount due and payable shall be in accordance with the price set forth in Exhibit C Form B and the applicable milestone acceptance criteria of the subcontract.
- (b) SUBCONTRACTOR shall make all necessary measurements and conduct all tests and performance demonstrations required to establish each Payment Milestone has been satisfactorily accomplished. SUBCONTRACTOR shall notify CONTRACTOR prior to the time such measurements, tests or demonstrations are made or conducted. CONTRACTOR, at its discretion, may witness and verify such measurements, tests or demonstrations. Copies of all SUBCONTRACTOR'S records made for the purpose of determining Milestone completion shall be furnished to CONTRACTOR upon request.

SC-24 TECHNICAL DATA RIGHTS (Jun 2009)

CONTRACTOR and GOVERNMENT shall have, and SUBCONTRACTOR hereby grants CONTRACTOR and GOVERNMENT, a permanent, assignable, non-exclusive, royalty-free license to use any concept, product, process (patentable or otherwise), copyrighted material (including without limitation documents, specifications, calculations, maps, sketches, notes, reports, data, models, samples, drawings, designs, and electronic software) and confidential information owned by SUBCONTRACTOR upon commencement of the Work under this subcontract and used by SUBCONTRACTOR or furnished or supplied to CONTRACTOR or GOVERNMENT by SUBCONTRACTOR in the course of performance under this subcontract.

SC-103 KEY PERSONNEL (Jun 2009)

SUBCONTRACTOR shall not reassign or remove the key personnel listed below without the prior written authorization of CONTRACTOR. The key personnel listed below are an essential and material consideration for this subcontract. Any change to Key Personnel will be required to meet minimum qualifications listed herein and is subject to CONTRACTOR approval.

<u>Name</u>	<u>Title/Position</u>
*	Technical Project Leader

SC-105 LIMITATION OF FUNDS (Aug 2014)

- (a) The amount of funds presently available for payment by CONTRACTOR and allotted to this subcontract is * (\$*). SUBCONTRACTOR shall perform or have performed Work up to the point at which the total amount paid and payable approximates, but does not exceed the total amount actually allotted.
- (b) CONTRACTOR will allot additional funds incrementally to the subcontract up to the full subcontract ceiling, provided funds are made available by GOVERNMENT. Directed Change Orders issued under the Changes clause shall not be considered an authorization to exceed the allotted amount.
- (c) SUBCONTRACTOR shall notify CONTRACTOR in writing whenever it has reason to believe that the amount to be invoiced under this subcontract in the next 30 days, when added to all previously invoiced amounts, will exceed 80% of the total funds so far allotted. Upon notification, CONTRACTOR will allot additional funds or may suspend or terminate the subcontract in accordance with its terms.
- (d) SUBCONTRACTOR is not authorized to continue performance or otherwise incur costs in excess of the allotted funds, unless one of the following exceptions applies: (1) if required to protect and maintain the Work in accordance with General Condition GC-44 SUSPENSION; or (2) protect and

Dated 7-15-16

preserve the property related to this subcontract in accordance with GC-47(x) TERMINATION FOR CONVENIENCE.

SC-112 REGIONAL PURCHASING PRICING PREFERENCE (Apr 2014)

SUBCONTRACTOR shall maximize procurement opportunities for Northern New Mexico (NNM) small business concerns by implementing a Regional Purchasing Pricing Preference when procuring goods or services for this subcontract exceeding \$100,000. The price preference will be given by adding a 5% adjustment factor to the price/cost including priced options of a proposed lower-tier subcontractor that does not meet the definition of a NNM small business concern, when evaluating such bid/offer against other bids/offers received for the same goods or services.

NNM includes the counties of Taos, Santa Fe, Rio Arriba, Sandoval, Mora, San Miguel, and Los Alamos, and the eight regional Pueblos of Nambe, Ohkay Owingeh (formerly known as San Juan), Picuris, Pojoaque, San Ildefonso, Santa Clara, Taos, and Tesuque.

A NNM business concern is a business that is actively engaged in doing business in NNM, has an operative business location in NNM, and uses labor from NNM. To meet these requirements, a business must be able to demonstrate, if and when requested, through the submission of New Mexico gross receipts tax and unemployment compensation tax forms or otherwise, that for the calendar year preceding the submission of its bid/offer:

- (a) it has been properly authorized to do business and has been operating in NNM with a staff of three or more full time equivalent employees (of which 51% must reside in NNM), and that it currently has a facility in NNM that can support the business activity contemplated by the Statement of Work / Scope of Work; or
- (b) it has historically operated in NNM with two or less full time equivalent employees who reside in NNM, it is independently owned (i.e., its owner(s) exercise(s) close control over operations and decisions which are not subject to control or the power to control by others), its majority ownership interest is held by residents of NNM, it has been properly authorized to do business in NNM and it currently has a facility in NNM that can support the business activity contemplated by the Statement of Work / Scope of Work.

SUBCONTRACTOR shall report to CONTRACTOR, on April 30th and October 30th throughout the term of this subcontract, the results of its efforts to maximize procurement opportunities for NNM small business concerns. In addition, SUBCONTRACTOR shall submit a final report to CONTRACTOR at the completion/expiration of its subcontract.

SC-113 SUBCONTRACTOR'S REGIONAL AND COMMUNITY DEVELOPMENT PLAN (Jun 2009)

- (a) SUBCONTRACTOR will begin developing a Subcontractor's Regional and Community Development Plan (SRCDP) immediately upon notice of award and shall deliver its proposed SRCDP to the CONTRACTOR for review and approval within 60 days after notice of award. The SUBCONTRACTOR'S approved SRCDP shall be incorporated into the subcontract by reference through a subcontract modification, and shall apply with the same force and effect as if incorporated in full text.
- (b) During performance of the subcontract, SUBCONTRACTOR shall maintain records, including receipts, payroll information, and any other documents that demonstrate SUBCONTRACTOR'S compliance with its SRCDP. SUBCONTRACTOR shall submit reports to CONTRACTOR semi-annually documenting its compliance with its SRCDP and, if requested by CONTRACTOR, shall provide evidence to substantiate any statement contained in a report.

SC-114 SUBCONTRACTOR'S SMALL BUSINESS SUBCONTRACTING PLAN (Aug 2014)

- (a) Unless exempt, SUBCONTRACTOR shall comply with the requirements set forth in Appendix SFA-1, FAR clause 52.219-9, Small Business Subcontracting Plan. SUBCONTRACTOR'S Small

Dated 7-15-16

Business Subcontracting Plan (Plan) is subject to CONTRACTOR'S approval, and once approved is incorporated into this subcontract by reference as if fully set forth herein.

- (b) Subcontracting reports shall be submitted on the Individual Subcontracting Report (ISR) and the Summary Subcontracting Report (SSR) in accordance with the instructions on the Electronic Subcontracting Reporting System (eSRS) website at <http://www.esrs.gov>. SUBCONTRACTOR shall ensure that its lower-tier subcontractors with subcontracting plans submit the ISR and/or the SSR using eSRS.
- (c) ISR data must be submitted online at <http://www.esrs.gov> semi-annually during subcontract performance for the periods ending March 31 and September 30. A report is also required for each subcontract within 30 days of subcontract completion. Reports are due 30 days after the close of each reporting period. Reports are required when due, regardless of whether there has been any subcontracting activity since the inception of the subcontract or the previous reporting period.
- (d) SSR data must be submitted online at <http://www.esrs.gov> annually for the twelve month period ending September 30. Reports are due 30 days after the close of each reporting period.
- (e) Failure of SUBCONTRACTOR to comply in good faith with its CONTRACTOR-approved Plan and the above reporting requirements may be considered a material breach of this subcontract and constitute grounds for termination.

SC-143 OPTION TO EXTEND TERM OF SUBCONTRACT (Jan 2010)

CONTRACTOR may extend the term of this subcontract by giving written notice to SUBCONTRACTOR by the date specified as the expiration date of this subcontract. CONTRACTOR shall attempt to give SUBCONTRACTOR a preliminary written notice of its intent to extend the term of this subcontract at least 60 days before the then current expiration date; however, the preliminary notice shall not be a commitment by CONTRACTOR to extend the term of this subcontract. Failure to provide the preliminary notice at least 60 days before the current expiration date does not prevent CONTRACTOR from the exercise of an option. The exercise of an option to extend the term of this subcontract shall be accomplished by a unilateral written modification issued by CONTRACTOR.

The term of this subcontract may be extended pursuant to this clause for up to * (*) months beyond the initial term. Such extension may be made from time to time or in one modification. However, the total duration of this subcontract, including the exercise of options under this clause, shall not exceed * (*) months.

SC-156 AVAILABILITY OF FUNDS (MAR 2014)

Funds are not presently available for performance under this subcontract beyond U.S. Government fiscal year *. CONTRACTOR'S obligation for performance of this subcontract beyond that fiscal year is contingent upon the availability of Government appropriated funds each fiscal year thereafter and the transfer of those funds by DOE/NNSA to CONTRACTOR. If such appropriations or transfers are not made, CONTRACTOR shall have the right to terminate this subcontract without penalty by giving SUBCONTRACTOR prompt written notice thereof.

SC-200 U.S. NATIONAL LABORATORIES AND AGENCIES (JUN 2016-Added)

The SUBCONTRACTOR recognizes that work performed under this Subcontract is of interest not only to LANS, but to other U.S. national laboratories and agencies as well. The SUBCONTRACTOR agrees that LANS may share and otherwise distribute deliverables, information, data, software, and any correspondence provided by SUBCONTRACTOR under this Subcontract with personnel at the U.S. national laboratories and agencies identified below.

- Sandia Corporation, manager and operator of Sandia National Laboratory (SNL)

Dated 7-15-16

- The Regents of the University of California, manager and operator of Lawrence Berkeley National Laboratory (LBNL)
- Lawrence Livermore National Security LLC, manager and operator of Lawrence Livermore National Laboratory (LLNL)
- UChicago Argonne LLC, manager and operator of Argonne National Laboratory (ANL)
- UT-Battelle LLC, manager and operator of Oak Ridge National Laboratory (ORNL)
- U.S. Department of Energy, National Nuclear Security Administration (NNSA)
- U.S. Department of Energy, Office of Science (DOE SC)

This Special Condition does not in any way limit or restrict LANS' or the Government's rights set forth herein.

SC-201 STATEMENT OF WORK CONFIGURATION REVIEW (JUN 2016-Added)

- (a) The Crossroads System is described in Exhibit "D" Scope of Work and Technical Specifications.
- (b) Upon completion of deliverables prescribed for Subcontract TBD with SUBCONTRACTOR for ACES Non-Recurring Engineering (NRE), CONTRACTOR and SUBCONTRACTOR shall determine a configuration for the Crossroads System based on the System as described in Exhibit "D", results of the NRE subcontract, industry product roadmaps, and other factors as mutually agreeable.
- (1) The affirmation of an agreed upon configuration for the Crossroads System will be documented through bilateral modification of revisions to Exhibit "D".
 - (2) Upon completion of the bilateral modification to document the configuration for the Crossroads System, CONTRACTOR will authorize SUBCONTRACTOR in writing to acquire the parts necessary to build the Crossroads System. Parts include, but are not limited to, processors and interconnect ASICs, memory chips or DIMMs, PCBs, optical component cables, empty racks, cooling equipment, power supplies, fans, and fully or partially integrated built racks of parts. The expressed written approval of the CONTRACTOR's authorized representative is required before SUBCONTRACTOR is permitted to acquire parts for the Crossroads System.
- (c) CONTRACTOR and SUBCONTRACTOR agree to share the price risk for memory in the Crossroads System. In exchange for this memory price risk sharing, SUBCONTRACTOR agrees to disclose actual cost information for memory (i.e., the sum of the actual cost SUBCONTRACTOR will pay its supplier for memory and SUBCONTRACTOR's allocable indirect costs) to CONTRACTOR prior to purchasing Crossroads System memory parts. The fixed price of this Subcontract is based on a total of TBD TibiBytes (TiB) of DDR4 SDRAM for Crossroads at the total estimated price of \$TBD, or \$TBD per GibiByte (GiB). Similarly, the fixed price of this Subcontract is based on a total of TBD TibiBytes (TiB) of NVRAM for Crossroads at the total estimated price of \$TBD, or \$TBD per GibiByte (GiB). If the actual memory price is more than 5% above or below this estimate when the SDRAM and NVRAM need to be purchased to build Crossroads, the parties agree to negotiate a mutually acceptable memory price estimate and either change the total fixed price of this Subcontract accordingly or change the Crossroads System deliverables accordingly.

If CONTRACTOR obtains substantive information indicating SUBCONTRACTOR's memory pricing may not represent a fair and reasonable market price, CONTRACTOR will share this information with SUBCONTRACTOR. If CONTRACTOR and SUBCONTRACTOR cannot agree on an equitable change to the Subcontract, CONTRACTOR may elect, by written notice to SUBCONTRACTOR within 14 days, to purchase the SDRAM and/or NVRAM itself and furnish it to SUBCONTRACTOR.

Dated 7-15-16

SC-202 SHIPPING / DELIVERY (JUN 2016-Added)

- (a) Shipping Terms – SUBCONTRACTOR shall ship all items FOB Destination, freight included/prepaid. All shipments shall be shipped via SUBCONTRACTOR's vehicles or a licensed common carrier selected by SUBCONTRACTOR, at SUBCONTRACTOR's expense.
- (b) Delivery Address - All shipments shall be coordinated through the individual identified above in SC-2(b) as the LANS Subcontract Technical Representative and shall be delivered in accordance with his instruction and schedule to the following address:

Metropolis Computing Center
TA-03, Building 2327, Room 2405
Los Alamos National Laboratory
Los Alamos, NM 87545

Sample Build

Dated 7-15-16

**EXHIBIT B
APPENDIX B-1**

LOS ALAMOS NATIONAL LABORATORY

SUBCONTRACTOR'S REGIONAL AND COMMUNITY DEVELOPMENT PLAN

SUBCONTRACTOR'S Regional and Community Development Plan dated * is attached and incorporated into this subcontract.

Sample Build

Dated 7-15-16

**EXHIBIT B
APPENDIX B-2**

LOS ALAMOS NATIONAL LABORATORY

SMALL BUSINESS SUBCONTRACTING PLAN

SUBCONTRACTOR'S Small Business Subcontracting Plan dated * is attached and incorporated into this subcontract.

Sample Build

Dated 7-15-16

**EXHIBIT "C" FORM A
QUANTITIES AND PRICING SCHEDULE**

NOTE:

This Exhibit "C" Form A is part of the model subcontract for Crossroads and is provided to Offerors for informational purposes only. It is not intended that this form be returned with the Offeror's proposal.

1.0 WORK TO BE PERFORMED

Work shall be performed strictly in accordance with requirements of the Subcontract Documents.

2.0 PRICING

- a. Pricing for the Crossroads system is detailed on the Subcontract Form of Agreement. All amounts stated in the Pricing detail are fixed for the duration of the Subcontract and are not subject to escalation for any cause. Payment for these Pricing amounts shall constitute full payment for performance and acceptance of the Work and covers all costs of whatever nature incurred by SUBCONTRACTOR in accomplishing the Work in accordance with the provisions of this Subcontract.
- b. SUBCONTRACTOR shall maintain all work in progress until it is accepted. SUBCONTRACTOR shall repair, rework or replace as necessary any work damaged or lost due to normal wear and tear, anticipated events, or conditions within its control. No separate payment shall be made for such maintenance costs which are deemed included in the original Subcontract Pricing. Any failure to maintain the Work shall be considered a defect in accordance with the General Condition titled "WARRANTY."
- c. The subcontract's Milestone and Payment Schedule for the Crossroads System is contained in Exhibit "C" Form B Milestone and Payment Schedule.

3.0 OPTIONS

CONTRACTOR may, at any time between the commencement and completion of the subcontract, exercise the options priced below. CONTRACTOR will give the SUBCONTRACTOR preliminary written notice of the exercise of options approximately 60 days in advance of the exercise of any options. The preliminary notice shall be accomplished unilaterally, at the sole discretion of CONTRACTOR.

- a. Pricing for options shall be based on pricing stipulated below. Option prices shall not increase for the time between the commencement and completion of the subcontract.
- b. Delivery requirements for all options will be negotiated at the time the option is exercised.
- c. CONTRACTOR reserves the right to exercise any one or all of the options multiple times between the commencement and completion of the subcontract.
- d. CONTRACTOR reserves the right to exercise options with lesser requirements or to split the requirements into multiple awards with lesser requirements.

Dated 7-15-16

Option Description	Exhibit "D" Reference	Price

Sample Build

Dated 7-15-16

**EXHIBIT "C" FORM B
MILESTONE AND PAYMENT SCHEDULES**

NOTE:

This Exhibit "C" Form B is part of the model subcontract for Crossroads and is provided to Offerors for informational purposes only. It is not intended that this form be returned with the Offeror's proposal.

The following Milestone and Payment Schedule is established pursuant to Exhibit "B" Special Conditions SC-3A and SC-13A:

No.	Milestone Description	Subcontract Schedule (# of months after Notice to Proceed)	Payment Amounts
1.0	<i>Initial Milestone</i>		\$ TBD
2.0	<i>(continue as necessary)</i>		TBD
—	"		"
—	"		"
—	"		"
—	"		"
—	"		"
—	<i>Final Milestone</i>		"
	TOTAL OF PAYMENTS		\$ TBD

SUBCONTRACTOR'S invoices will issue on Completion Dates and in the Payment Amounts established above. In the event SUBCONTRACTOR completes a Milestone prior to the associated Completion Date, CONTRACTOR is not obligated to accept the related invoice or make a payment associated with that Milestone until the stated Completion Date.

Dated 7-15-16

Exhibit “D” Scope of Work and Technical Specifications

RESERVED

This document will be negotiated based on the Technical Requirements Document issued with the RFP and the successful Offeror’s proposed technical solutions for the Crossroads System Build.

Dated 7-15-16

1.0 SCOPE OF WORK

SUBCONTRACTOR shall furnish qualified personnel, equipment, materials and facilities to perform, as detailed in this Exhibit “D”, all services necessary to *****, and required by or reasonably inferable from the Subcontract Documents. SUBCONTRACTOR shall not be relieved of performing the details of any work manifestly or customarily performed to carry out the intent of this subcontract. All work shall be performed as if fully and correctly set forth and described in the subcontract.

1.1 Work included

1.1.1 *****

1.2 Work not included

1.2.1 *****

1.3 Deliverables

1.3.1 *****

2.0 TECHNICAL REQUIREMENTS

2.1 Technical Specifications

The following specifications and technical documents are incorporated by reference herein and shall have the same force and effect as if printed in full text.

Specification or Document No.	Rev.	Date	Title
*	*	*	*

2.2 National / International Codes and Standards

The following codes and standards are incorporated by reference herein and shall have the same force and effect as if printed in full text.

Code or Standard No.	Rev.	Date	Title
*	*	*	*

Notes:

2.2.1 *****

2.3 Technical Approach

The following technical approach or methodology shall be followed in the performance of SUBCONTRACTOR’S work.

2.3.1 *****

Dated 7-15-16

2.4 Technical Performance Requirements

2.4.1 *

2.5 Other Requirements

2.5.1 *

2.6 CONTRACTOR'S Policies and Procedures

SUBCONTRACTOR shall comply with the following LANL policies and procedures, or parts thereof, applicable to any person who performs work at Los Alamos National Laboratory.

Policy or Procedure Number	Title and Date	Instructions
*	*	*

2.7 Request to Deviate from Technical Requirements

SUBCONTRACTOR shall use LANL Form 2178, Conduct of Engineering Subcontractor Deviation Disposition Request, whenever it seeks CONTRACTOR'S approval to deviate from a technical specification. The form may be found at <http://engstandards.lanl.gov/2178.doc>.

3.0 APPENDICES

D-1 Drawing and Data Requirements

*

4.0 FACILITY TRAINING, QUALIFICATION AND/OR CERTIFICATION REQUIREMENTS

Prior to commencing work on site at LANL, SUBCONTRACTOR personnel shall meet the Laboratory facility training, qualification, and/or certification requirements specified in the Training Matrix dated *, which is attached hereto (Attachment A). **Note:** This training is in addition to any training required by Exhibit F and Exhibit G.

Immediately save Exhibit before proceeding.

SAVE

EXHIBIT F
Environmental, Safety, Health Requirements for
Programmatic Equipment Installation/Maintenance/Warranty Work

425806

Subcontract Number and/or Requisition Number

The Responsible Line Manager (RLM) roles and responsibilities contained in the attachment, *Responsible Line Manager Instructions*, must be accepted and signed prior to completion of this Exhibit and **complete the [Form 3025, RLM Roles & Responsibilities Instructions](#)**.

This document establishes the applicable requirements for work related to Programmatic Equipment. Programmatic Equipment is defined as equipment used in CONTRACTOR'S facilities for the CONTRACTOR'S programs own purpose to do programmatic research and development. Examples of such equipment include microscopes, laser, and specialized analytical equipment. Work under this document includes installation; the performance of preventive or corrective maintenance; inspection; assembly operation and testing; diagnosis and repair of problems; and/or warranty work. This work can be executed following the approval of a Responsible Line Manager, who is qualified as an AdSTR.

WORK PROHIBITED: The following work is prohibited under this Subcontract:

- Work related to ancillary support equipment, such as, Uninterruptible Power Supply, facility chillers, HVAC systems, and generators,
- Work involving any welding, cutting, brazing, or grinding,
- Work involving any blind penetrations, and
- Any outdoor work.

The SUBCONTRACTOR shall ensure that their personnel who perform onsite work under this Subcontract understand that they must comply with all LANL on-site rules, regulations, policies, and procedures as set forth in this Subcontract or as instructed by CONTRACTOR.

In accordance with 10 CFR 851.21(a)(6) and 10 CFR 851 Appendix A Section 1, SUBCONTRACTOR will follow the CONTRACTOR'S work control process that includes the following items:

Prior to work, SUBCONTRACTOR shall work with the CONTRACTOR to jointly develop an Integrated Work Document (IWD) that clearly defines work tasks/steps linked to hazards and controls. SUBCONTRACTOR will identify all hazards and controls associated with the work to be performed and CONTRACTOR will identify site specific hazards and controls. The IWD will identify tasks/steps in sufficient detail to ensure that the work can be accomplished with all hazards, and controls identified through the use of an Integrated Work Document (IWD) Form 2100A, Attachment F20-1. Work tasks/steps must be linked to the hazards and controls that are relevant to the worker. The IWD must clearly identify roles and responsibilities, accountabilities, and authorities required for work management, review, and approval. SUBCONTRACTOR shall designate a "SUBCONTRACTOR Responsible

Worker" (SRW) in the IWD who will direct all SUBCONTRACTOR work identified in the IWD. SUBCONTRACTOR'S SRW must sign the IWD and participate in any briefing associated with the IWD and the CONTRACTOR must approve the IWD.

SUBCONTRACTOR will comply with the final CONTRACTOR approved IWD during the performance of the work. All relevant IWD(s) will be reviewed and discussed during the pre-job brief conducted using IWD Validation and Release Form 2102A, Attachment F20-2. The pre-job briefing must involve the actual workers and, as necessary, direct supervisors and SME(s), and occur before any work is performed by the SUBCONTRACTOR .

Any change in condition of work not addressed in an IWD requires SUBCONTRACTOR to pause work until the IWD can be modified to address such change. If immediate corrective action is not possible or the hazard falls outside the project scope, SUBCONTRACTOR must stop work in the affected area until appropriate protective measures are established.

In addition to following the CONTRACTOR'S work control process, SUBCONTRACTOR shall also comply with the following requirements.

GENERAL REQUIREMENTS: The following clauses ALWAYS apply and are made part of the Subcontract.

No. Title

- F5.0 Incident or Injury Illness Recordkeeping and Reporting Requirements
- F7.0 Employee Training
- F8.0 Pre-job Briefing
- F11.0 Emergency Preparedness Requirements
- F12.0 Personal Protective Equipment
- F17.0 Tools and Equipment

F5.0 Incident or Injury Illness Recordkeeping and Reporting Requirements

- 5.1 The SUBCONTRACTOR shall follow CONTRACTOR procedures for notification of incidents. (DOE FORM 5484-3)
http://int.lanl.gov/safety/exhibit-f/_assets/docs/form_5484_sub_injury_notification.pdf

F7.0 Employee Training

- 7.1 In accordance with 10 CFR 851.25(a), (b) and (c), SUBCONTRACTOR shall ensure that workers are properly trained and qualified to safely perform all assigned tasks. This includes training of workers in the hazards to which they may be exposed so they can perform their duties in a safe and healthful manner.
- 7.2 The SUBCONTRACTOR shall submit training curriculum and/or plans related to the work under this Subcontract to be approved by the CONTRACTOR'S cognizant safety officer(s) prior to start of work.

F8.0 Environmental, Safety and Health (ES&H) Meetings/Pre-Job Briefings

- 8.1 In accordance with 10 CFR 851 20(a)(8), CONTRACTOR will provide for regular communication with SUBCONTRACTOR'S personnel about workplace safety and health matters. SUBCONTRACTOR shall ensure all SUBCONTRACTOR'S personnel attend all mandatory ES&H meetings including pre-job briefings that will address hazards and controls for work to be performed.

F11.0 Emergency Preparedness Requirements

- 11.1 SUBCONTRACTOR personnel shall comply with CONTRACTOR'S site specific emergency response instructions.

F12.0 Personal Protective Equipment

- 12.1 SUBCONTRACTOR shall provide, use, and maintain personal protective equipment (PPE) in order to protect SUBCONTRACTOR personnel from hazards related to the work as required in 29 CFR 1910.132(a).

F17.0 Tools and Equipment

- 17.1 SUBCONTRACTOR shall ensure that all tools it provides for use in work are used in accordance with the manufacturers' recommendations, have required guards in place, and are maintained in good working order. Appropriate personal protective equipment must be worn when using any tool. 29 CFR 1910.242, 29 CFR 1926.300(b), 1926.301, 1926.302.
- 17.2 SUBCONTRACTOR will use only electrical equipment that is listed by a Nationally Recognized Testing Laboratory (NRTL), such as Underwriters Laboratory (UL) and will use it as intended per its listing. Any modifications or repairs to such listed equipment, or use of such listed equipment outside of its intended use, must be approved by the CONTRACTOR'S electrical Authority Having Jurisdiction (AHJ), e.g., an Electrical Safety Officer (ESO). Any unlisted electrical equipment (containing an electrical hazard) must be inspected and approved by the CONTRACTOR'S electrical AHJ prior to use.

SPECIAL REQUIREMENTS: The following clauses apply based on the Nature and Scope of Work.

The RLM and ES&H Representative will answer questions and provide information to the best of their knowledge based on the nature and scope of work. Where a question is answered Yes the referenced clause applies and is made part of the Subcontract. If the question is answered No the referenced clause is NOT part of the Subcontract.

F13.0 Respiratory Protection

Will this work require the use of Respiratory Protection?

- Yes (If yes, insert the following clause).
- No

F19.0 Chemical and Hazardous Materials Management

Will the work involve the use of chemicals?

- Yes (If yes, insert the following clause).
- No

F25.0 Portable Ladders

Will the work involve the use of portable ladders?

- Yes (If yes, insert the following clause).
- No

25.1 Manufactured ladders must be rated for industrial or heavy-duty work and used only as allowed by the manufacturer.

F30.0 Lockout/Tagout

Will the work involve the potential energization or start up of machines or equipment, or the release of stored energy, which could harm employees?

- Yes (If yes, insert the following clause).
- No

F35.0 Pressure Safety Including Compressed Gases

Will there be work with or on pressure systems or work that involves compressed gas?

- Yes (If yes, insert the following clause).
- No

F36.0 Electrical Safety

Will the work involve exposure to hazardous electrical energy?

- Yes (If yes, insert the following clause).
- No

F39.0 Waste Management/Disposal

Will work involve generating waste or creating waste streams?

- Yes (If yes, insert the following clause).
- No

F49.0 Radiological Requirements

Will work be conducted in a radiological area or otherwise deemed moderate radiological work [P121 Table 11-4]?

- Yes (If yes, insert the following clause).
- No

F50.0 Radioactive Sealed Sources and/or Radiation Generating Devices

Will the subcontractor bring a radioactive sealed source or radiation generating device on-site [P121 Ch. 16 and 18]?

- Yes (If yes, insert the following clause).
- No

F53.0 Will there be work in a Beryllium area?

- Yes (If yes, insert the following clause).
- No

F58.0 Laser Safety

Will the work involve the use of Class 3B and/or Class 4 laser(s)?

- Yes (If yes, insert the following clause).
- No

F60.0 Refrigerants

Will the work be on refrigerant containing equipment?

- Yes (If yes, insert the following clause).
- No

Attachments:

- Responsible Line Manager Instructions
- Attachment F30-2 Specific Written Energy Control Procedure P101-3, Lockout/Tagout for Hazardous Energy Control
- Attachment F30-4 Required Reading For Contractor-Supervised Lockout/Tagout
- Attachment F36-0 Electrical Training Documentation for SUBCONTRACTORS
- Attachment Form 2101 [IWD Part 2 - FOD Requirements & Approval for Entry](#)
- Attachment F20-1 Integrated Work Document (IWD) - Form 2100A
- Attachment F20-2 IWD Validation and Release Form 2102A, Pre-Job Brief Content

Note: If there are Site Entry Requirements or Area Hazards and Controls, *Form 2101* must be completed and included in the package prior to start of work by the RLM. Complete the form at <https://irm.lanl.gov/forms/Shared/2101.pdf>.

Required Reviews and Approvals:

Submitted By:

Randal Rheinheimer	Randal E Rheinheimer	119953	6/1/2016
Name of RLM	Signature Field	Z#	Date

LANL ES&H Representative:

Danielle Clow	Danielle Clow	174774	5/25/16
Name of ES&H Representative	Signature Field	Z#	Date

Deployed Environmental Professional
 Leonard F. Sandaval Leonard F. Sandaval 114326 6/1/2016

Responsible Line Manager Instructions

Instructions for the Responsible Line Manager (RLM) or designee for the use of the Exhibit F for Programmatic Equipment

RLM/designee:

Roles and Responsibilities

- The RLM or designee is responsible for technical and performance oversight during execution of a subcontract, including engineering, safety, quality, schedule, deliverables, submittals, and coordinated execution of the work.
- Serves as the technical liaison between the subcontractor, the requester, and the Procurement Specialist (PS).
- Manages the subcontract in coordination with the PS.
- Develop, review and contribute to the development of Exhibit D for the requirements and specific obligations of the subcontractor.
- Ensures any engaged LANL SMEs understand the full subcontract.
- Provides technical guidance (not direction) within the scope of the contract.
- Work with each exhibit owner to develop the required Exhibit F, G & H as appropriate.
- Assures that copies of the Subcontractor' manuals or procedures are obtained to use in the joint development of the Integrated Work Document if needed.
- Assures that copies of subcontractor's training programs are obtained, as needed.
- Assures that required submittals and approvals are obtained.
- Assures approval of subcontractor's training programs by the appropriate Laboratory SME (e.g. Chief Electrical Safety Officer or his designee, the Laser Safety Officer, etc.) prior to commencement of work.
- Ensure that the subcontractor's employees are briefed on all site hazards in the area the work is to be performed.
- Ensure that the subcontractor's employees read and sign the required reading (Attachment F30-4) for Lockout/Tagout.
- The RLM or designee conducts the pre-job brief and jointly approves the IWD Validation and Release Form with the Subcontractor's PIC

I acknowledge the roles & responsibilities and agree to complete the requirements specified above:

Digitally signed by Randal E Rheinheimer DN: cn=Randal E Rheinheimer, o=Department of Energy, ou=Los Alamos National Laboratory, ou=People, serialNumber=119953, email=Randal.E.Rheinheimer Date: 2016.06.01 10:25:34 -0500	119953	6/1/2016
Signature	Z#	Date

**Attachment F20-1
Integrated Work Document (IWD) - Form 2100A**

IWD#:		Activity/Task Title:		
Revision #:				
Company Name/Subcontract #:				
TA:	Building:	Room:	Additional Location Description:	
Activity Description/Overview:				
Work Tasks/Steps Identify sequence of work steps/tasks.	Hazards, Concerns, and Potential Accidents or Incidents Identify both activity and work-area hazards for each task/step.	Controls, Preventive Measures, and Bounding Conditions Specify preventive measures, controls for each hazard (e.g., lockout/tagout points, specific PPE, TIDs, alarms, safes, recycle, waste minimization)	Reference Documents List permits, operating manuals, security plans, and other reference procedures.	Training List Training and qualification requirements.
The SUBCONTRACTOR Responsible Worker (SRW) approves work based upon confidence that this IWD has been properly prepared, that the work will be performed within ES&H/S&S requirements, and will be performed in accordance with this IWD.				
Signature		Z#		Date:
Signature of LANL ES&H Rep.(if required)		I accept the responsibilities specified.		
Signature of FOD Rep		Signature of RLM or designee		
Signature of LANL ESO (if required)		Z#		Date:

Requisition No.

Subcontract No.

**Attachment F20-2
IWD Validation and Release Form 2102A
Pre-Job Brief Content**

- What are the critical steps or phases of this activity?
- How can we make a mistake at that point?
- What is the worst thing that can go wrong?
- What controls, preventive measures, and bounding conditions are needed?
- What work permits are required and how will we meet their requirements?
- What are the handoffs and coordination requirements among workers and multiple PICs?
- Are there hold-points including those that require sign-offs?
- What are the stop work responsibilities and expectations (e.g. for unanticipated conditions or hazards)?
- How would we respond to alarms and emergencies?
- Are there lessons learned from previous similar work?
- Is other information needed to perform this activity in a safe, secure, and environmentally responsible manner?
- Does everyone agree to the work tasks/steps, hazards, and controls and commit to follow them?

PRE-JOB BRIEF ATTENDANCE ROSTER

By signing below, I agree to the following:

- I understand the work, the hazards, and the controls.
- I agree to follow the work steps and implement the controls as written.
- I agree to stop work when conditions or hazards change or when I encounter unexpected conditions during the execution of work, or when work cannot be performed as written, or instructions become unclear during execution.
- I confirm that I am authorized, qualified, and, fit to perform the work.

Worker (Signature / Z # / Date) <input style="width: 90%;" type="text"/>	Worker (Signature / Z # / Date) <input style="width: 90%;" type="text"/>
Worker (Signature / Z # / Date) <input style="width: 90%;" type="text"/>	Worker (Signature / Z # / Date) <input style="width: 90%;" type="text"/>
Worker (Signature / Z # / Date) <input style="width: 90%;" type="text"/>	Worker (Signature / Z # / Date) <input style="width: 90%;" type="text"/>
Worker (Signature / Z # / Date) <input style="width: 90%;" type="text"/>	Worker (Signature / Z # / Date) <input style="width: 90%;" type="text"/>
Worker (Signature / Z # / Date) <input style="width: 90%;" type="text"/>	Worker (Signature / Z # / Date) <input style="width: 90%;" type="text"/>

WORK RELEASE

By signing below, I have verified the following:

- I have jointly conducted a walk down with workers to confirm the IWD can be performed as written, required initial conditions and other prerequisites are in-place.
- The assigned workers are authorized and are qualified to perform the work in a safe, secure, and environmentally responsible manner.
- I have conducted the pre-job briefing, and all workers have been briefed.
- I have ensured coordination as required.

RLM or designee (Signature / Z # / Date)

**EXHIBIT G PHYSICAL SECURITY
SECURITY REQUIREMENTS
TABLE OF CONTENTS**

<u>No.</u>	<u>Clause Title</u>	<u>Page</u>
G1.0	Definitions and Acronyms (May 2015)	2
G2.0	Security Requirements (May 2015)	2
	2.1 DEAR Clauses Incorporated By Reference	2
	2.2 DOE Directives Incorporated by Reference	2
	2.3 Goal of Zero Security Incidents	4
	2.4 Cloud Computing Services	4
G3.0	General Security (May 2015)	5
	3.1 Work site, Security Area, Badge and Data Information	5
	3.2 Integrated Safeguards and Security Management (ISSM)	5
	3.3 Safeguards, Security and Counterintelligence Awareness	6
	3.4 Security Training.....	6
	3.5 Security Stop Work.....	8
	3.6 Reporting Security Incidents.....	8
	3.7 Workplace Violence.....	8
G4.0	Physical Security (May 2015)	9
	4.1 Prohibited Articles.....	9
	4.2 Escorting	9
	4.3 Security Areas	10
	4.4 Acknowledgement / Control of Vehicles On-Site	11
	4.5 Enhanced Security Areas	11
	4.6 Security Fences and Barriers	11
G5.0	Personnel Security (May 2015)	11
	5.1 Substance Abuse	12
	5.2 Badges	15
	5.3 Clearances (i.e., access authorizations)	17
	5.4 Foreign Ownership, Control or Influence (FOCI)	19
	5.5 Human Reliability Program	20
	5.6 Foreign Visits and Assignments	21
G6.0	Information Security (May 2015)	21
	6.1 Official Use Only (OUO) and LANS Proprietary (LPI) Information	21
	6.2 Unclassified Controlled Nuclear Information (UCNI).....	22
	6.3 Classified Matter and Material	23
G7.0	Controlled Articles / Wireless Technology (May 2015)	26
	7.1 Controlled Articles	26
	7.2 Approvals Required Before Commencement of Work	27
	7.3 Rules for Using Authorized Controlled Articles in Security Areas	27
	7.4 Wireless Device Requirements.....	27
	7.5 LANL and Government-owned Wireless Devices.....	27
	7.6 Non-government Owned Controlled Articles.....	28
	7.7 Non-government Wireless Computing Devices	28
	7.8 Connecting to Presentation Systems and Using Equipment Remote Controls.....	28
G8.0	Contacts (May 2015)	29
G9.0	Required Notifications (May 2015)	29

G1.0 Definitions and Acronyms (May 2015)

Definitions and acronyms may be accessed electronically at

<http://www.lanl.gov/resources/assets/docs/Exhibit-G/exhibit-g-definitions-acronyms-green.pdf>

G2.0 Security Requirements (May 2015)

SUBCONTRACTOR shall comply with all requirements specified in this exhibit. Regardless of the performer of the work (e.g. sub-tier or third party contractor) SUBCONTRACTOR shall ensure compliance with the provisions of this exhibit. All measures taken by CONTRACTOR to correct Subcontract Workers' non-compliance shall be at SUBCONTRACTOR'S expense, and the cost thereof, including any stipulated penalties resulting from such non-compliance, shall be deducted from payments otherwise due SUBCONTRACTOR. Additionally, when requested by CONTRACTOR, SUBCONTRACTOR shall provide such information, assistance and support as necessary to facilitate CONTRACTOR'S compliance with any DOE Directives that may be applicable to the scope of work.

2.1 DEAR Clauses Incorporated By Reference

2.1.1 The Department of Energy Acquisition Regulation (DEAR) clauses which are incorporated by reference herein shall have the same force and effect as if printed in full text.

2.1.2 Full text of the referenced clauses may be accessed electronically at <http://farsite.hill.af.mil/VFDOE1.htm>

2.1.3 The following alterations apply only to FAR and DEAR clauses and do not apply to DOE or NNSA Directives. Wherever necessary to make the context of the unmodified DEAR clauses applicable to this subcontract:

- The term "Contractor" shall mean "SUBCONTRACTOR;"
- The term "Contract" shall mean this subcontract; and
- The term "DOE", "Government," "Contracting Officer" and equivalent phrases shall mean CONTRACTOR and/or CONTRACTOR'S representative, except the terms "Government" and "Contracting Officer" do not change when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or his duly authorized representative; or where specifically modified herein.

2.1.4 The following clauses apply as stated in the Instructions.

Clause Number	Title and Date	Instructions
DEAR 952.204-2	Security (May 2002)	Applies when work involves or may involve classified information, access to special nuclear materials or the provision of protective services.
DEAR 952.204-70	Classification / Declassification (Sep 1997)	Applies when work involves or may involve access to classified information.
DEAR 952.204-73	Facility Clearance (May 2002)	Applies when Subcontractor employees/workers are required to possess access authorizations.
CFR 952.247-70	Foreign Travel (Dec 2000)	Applies if foreign travel may be required in order to perform subcontract work. If applicable, authorization is required from DOE prior to traveling.
DEAR 970.5204-1	Counterintelligence (Dec 2000)	Applies when DEAR 952.204-2 Security and DEAR 952.204-70 Classification / Declassification are applicable.
DEAR 970.5223-4	Workplace Substance Abuse Programs at DOE Sites (Dec 2000)	Applies to subcontracts with sites (LANL) controlled by DOE which are operated under the authority of the Atomic Energy Act of 1954.
FAR 52.204-9	Personal Identity Verification of Contractor Personnel (Jan 2011)	Applies when Subcontractor has routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system.

2.2 DOE Directives Incorporated by Reference

When requested by CONTRACTOR, SUBCONTRACTOR shall provide such information, assistance and support as necessary to ensure CONTRACTOR'S compliance with the following DOE/NNSA Directives, as applicable to the scope of work. SUBCONTRACTOR shall comply with the requirements of the Contractor Requirement Document (CRD) attached to a Directive when required by such CRD. The Directives are prefaced with certain conditions for applicability to the subcontract. A referenced Directive does not become effective or operative under this subcontract unless and until the conditions precedent are met through the scope of work. The DOE Directives referenced herein may be found at <http://www.directives.doe.gov/> Applicable NNSA NAP documents may be provided to SUBCONTRACTOR by the Contract Administrator / Procurement Specialist (CA/PS) upon request.

Clause Number	Title	Instructions
DOE O 142.2A Attach. 2 CRD	Voluntary Offer Safeguards Agreement and Additional Protocol with the International Atomic Energy Agency	Applies to contracts which involve activities potentially subject to application of safeguards by the International Atomic Energy Agency (IAEA)
DOE M 142.2-1 Attach. 1 CRD	Manual for Implementation of the Voluntary Offer Safeguards Agreement and Additional Protocol with the IAEA.	Applies if contract involves activities associated with the IAEA Safeguards Agreement.
DOE O 142.3A Attach. 1 CRD	Unclassified Foreign Visits and Assignment	Applies if contract involves foreign national access to DOE-owned or leased sites/facilities. Applies if contract involves off-site foreign national access to DOE information or technologies that are not releasable to the public.
DOE O 206.1 Attach. 1 CRD	Department of Energy Privacy Program	Applies if contract includes activities that may include collecting, processing, storing, maintaining or accessing LANL PII information or data.
DOE O 452.4A Attach. 1 CRD	Security and Control of Nuclear Explosives and Nuclear Weapons	Applies if contract includes work in support of the Nuclear Explosive and Weapon Security and Control Program.
DOE O 452.8 Attach. 1 CRD	Control of Nuclear Weapon Data	Applies if contract work requires workers to hold a clearance and have a need to know to perform in authorized government function.
DOE O 457.1 Attach. 2 CRD	Nuclear Counterterrorism	Applies if contract involves or could potentially involve accessing or generating nuclear weapon design information.
DOE M 457.1-1 Attach. 2 CRD	Control of Improvised Nuclear Device Information	Applies if contract involves or could potentially involve accessing or generating improvised nuclear device information.
DOE O 460.2A Attach. 2 CRD	Departmental Materials Transportation & Packaging Management	Applies if contract involves transportation and packaging of hazardous or nonhazardous material.
DOE M 460.2-1A Attach. 1 CRD	Radioactive Material Transportation Practices Manual	Applies if contract involves transportation and packaging of radioactive material or radioactive waste.
DOE O 461.2 Attach. 1 CRD	Packaging and Transfer of Materials of National Security Interest	Applies if contract includes packaging and shipment off-site of materials of national security interest.
DOE M 470.4B Chg 1 Attach. 1 CRD	Safeguards and Security Program	Applies when contract requires security training and/or requires a FOCI determination for access authorizations (clearances).
DOE O 470.5 Attach. 1 CRD	Insider Threat Program	Applies when contract includes activities that involve cleared workers, classified information or matter, Special Nuclear Material, nuclear weapons or parts, or when DEAR 952.204-2 is applicable.

Clause Number	Title	Instructions
DOE O 471.1B Attach. 1 CRD	Identification and Protection of Unclassified Controlled Nuclear Information	Applies to work activities that may generate, possess, or have access to information or matter containing UCNI.
DOE O 471.3 Attach. 1 CRD	Identifying Official Use Only Information	Applies if contract involves activities where Official Use Only (OUO) information and documents will be handled, used or generated.
DOE M 471.3-1 Attach. 1 CRD	Manual for Identifying and Protecting Official Use Only Information	Applies if contract involves activities where Official Use Only (OUO) information and documents will be handled, used or generated.
DOE O 471.6 Chg 1 Attach. 1 CRD	Information Security	Applies if contract includes access to unclassified or classified information and matter controlled by statutes, regulation or NNSA policies.
DOE O 472.2 Chg 1 Attach. 2 CRD	Personnel Security	Applies if contract work requires employees to hold a clearance and/or when official duties require access to classified information or matter, or special nuclear material or data.
DOE O 473.3 Attach. 1 CRD	Protection Program Operations	Applies if contract includes responsibilities for operating, administering, and/or protecting DOE & NNSA safeguards and security interests.
DOE M 474.2 Chg 2 Attach. 1 CRD	Nuclear Material Control and Accountability	Applies if contract includes access to nuclear or special nuclear material or data.
DOE O 475.1 Attach. 2 CRD	Counterintelligence Program	Applies if contract work involves access to or use of DOE facilities, technology, personnel, unclassified sensitive information and classified matter.
DOE O 475.2B Attach. 1 CRD	Identifying Classified Information	Applies if contract work includes access to classified information, documents, or material.
DOE O 551.1D Attach. 1 CRD	Official Foreign Travel	Applies if contract work involves or could potentially involve official foreign travel.
DOE O 5639.8A	Security of Foreign Intelligence Information and Sensitive Compartmented Information Facilities	Applies if contract work requires access, receipt, storage, processing and/or handling of Foreign Intelligence Information.
NAP 14.3-B	Transmission of Restricted Data Over Secret Internet Protocol Router Network (SIPRNet)	Applies if contract involves the collection, creation, processing, transmission, storage or dissemination of classified DOE or NNSA information on SIPRNet.
NAP 23	Atomic Energy Act Control of Import and Export Activities	Applies if contract involves or could potentially involve CONTRACTOR Tier 2 specifications that reveal a specific nuclear weapon function or nuclear weapon tests and explosions.

2.3 Goal of Zero Security Incidents

SUBCONTRACTOR and any lower-tier subcontractors shall strive to eliminate all security events, incidents, and adverse impacts to national security.

2.4 Cloud Computing Services

If SUBCONTRACTOR anticipates using cloud computing services in the performance of this subcontract, additional security requirements for using those services shall apply as outlined in the "Exhibit G Cyber Security", which is a separate document.

G3.0 General Security (May 2015)

3.1 Work site, Security Area, Badge and Data Information

WORK SITE / TA:	
XX	DOE owned/leased (LANL) or LANS' owned/leased facility or property
	Subcontractor owned/leased <u>and</u> DOE Owned / Leased (LANL) facility or property
	Subcontractor owned/leased only

TYPE / CATEGORY	
XX	Subcontract
	Subcontract Master Task Order
	Subcontract Release
	Purchase Order (will not become a Subcontract)

ON-SITE WORK AREA DESIGNATION	
	General Access Area / Publically Accessible
	Property Protection Area (PPA)
XX	Limited Area (LA)
	Protection Area (PA)
	Material Access Area (MAA)
XX	SCIF, SAPF, certified Vault or Vault Type Room

BADGE TYPE / CLEARANCE LEVEL	
	LANL Generic Uncleared US Visitor badge
	LANL Generic Uncleared US Visitor Escort Required badge
	LANL Uncleared Site-specific badge
	LANL Uncleared Foreign National badge
	LANL Cleared Foreign National badge
	Uncleared DOE badge
XX	L-Cleared DOE badge
XX	Q-Cleared DOE badge
	HRP

DATA CLASSIFICATION	
XX	Classified
	UCNI
	Controlled Unclassified (OUO, LPI, PII, ECI, AT, NNPI, RSI)
	Unclassified
	Unclassified / Public Release

OPSEC PLAN	
XX	Required
	Not Required

3.2 Integrated Safeguards and Security Management (ISSM)

ISSM uses a five-step process as the system to perform work securely. ISSM provides a framework to support each worker in fulfilling their security responsibilities. The following five-step process defines a systematic approach to actions taken before, during, and after work is performed. SUBCONTRACTOR shall ensure that the ISSM five-step process (or an equivalent process) is followed by all Subcontract Workers.

- (1) Define the Scope of Work.

- (2) Analyze the Security Risk.
- (3) Develop and Implement Security Controls.
- (4) Perform Work within Security Controls.
- (5) Ensure Performance.

3.3 Safeguards, Security and Counterintelligence Awareness

3.3.1 Operations Security (OPSEC) Plan

SUBCONTRACTOR shall develop (with assistance from CONTRACTOR), implement and sustain a DOE OPSEC Plan using the template provided by the Contract Administrator / Procurement Specialist. SUBCONTRACTOR'S OPSEC Plan shall be approved by CONTRACTOR before work may begin at or for LANL. A link to the OPSEC Plan template is <http://www.lanl.gov/resources/exhibit-g.php>

3.3.2 SUBCONTRACT workers shall report all of the following situations to the Office of Counterintelligence and inform the RLM or STR/AdSTR and CA / PS.

- Professional contacts and relationships with sensitive country foreign nationals, whether they occur at one's worksite or abroad.
- All unofficial travel to any DOE sensitive country at least 30 days before departure. (*Form 1743*)
- All official travel to any DOE sensitive country at least 30 days before departure. Coordinate with LANL host to fill out the necessary paperwork.
- Any suspicious or provocative actions encountered while on travel.
- Suspicious or provocative actions or behaviors on the part of foreign nationals visiting or assigned to LANL.
- Substantive personal relationships with sensitive country foreign nationals (who are not lawful permanent residents), other than family members.
- Business transactions including financial transactions, partnerships, or other business interests or investments with citizens of sensitive countries who are not lawful permanent residents, whether they involve one-time interactions or ongoing financial relationships. (Small payments for things such as house cleaning or other such personal services or financial support provided to family members are not included).
- Any attempts by unauthorized persons to gain access to classified information. (Not limited to DOE sensitive country foreign nationals or foreign nationals; includes US and non-US citizens)

3.3.3 SUBCONTRACTOR shall be alert to and report any of the following to the RLM and STR/AdSTR:

- attempts by unauthorized persons to obtain information;
- unexplained / excessive use of copiers by workers;
- workers living beyond their means;
- unusual foreign travel patterns of workers; and
- personal problems of workers that could affect security or fitness for duty.

3.4 Security Training

3.4.1 SUBCONTRACTOR shall ensure that all Subcontract Workers:

- become familiar with the Integrated Safeguards and Security Management (ISSM) process and its implementation requirements for the work to be performed and their security responsibilities; and
- complete required safeguards, security and cyber-security training as indicated herein.

3.4.2 The training matrix below identifies security training Subcontract Workers may be required to complete before beginning work at or for LANL. An "X" before the name of the course indicates that such training is required under this subcontract.

SUBCONTRACTOR management shall review the security requirements indicated below with each worker. A signed official copy of the review and acceptance by the subcontract worker shall be kept on file with SUBCONTRACTOR. Each subcontract worker's security requirements shall be reviewed with management yearly or whenever the worker's job security duties change.

Required Course	Course Title - Required For	Frequency	Estimated Time to Complete Training
General Security			
X	General Employee Training (GET) - New Hires / Live or web	Once	8 hrs.
X	LANL Emergency Procedures and Protective Actions – All / web	12 months	10 min.
	Facility Security Officer Orientation – for a FOCI Determination / web	Once	2 hrs.
X	Annual Security Refresher (ASR) – L & Q-cleared Workers / web	12 months	1 hr.
X	Comprehensive Security Briefing - L & Q-cleared Workers / web	Once	2 hrs.
X	Export Control Fundamentals – Based on SOW / web	12 months	30 min.
X	Substance Abuse Awareness – All / web	Once	30 min.
X	Workplace Violence Awareness – All / web	Once	15 min.
Classified Matter Protection And Control			
	Classified Parts Procedures Self-Study - Classified Parts Custodians/ web	Once	30 min.
	CMPC for Custodians - Classified Matter Custodians (CMCs) & Classified Library Custodians (CLCs) / live	Once	2 days - 16 hrs.
X	Classified Matter Protection - Classified Matter Users / web	Once	2 hrs.
X	CMPC User Refresher - Classified Matter Users / web	24 months	1 hr.
	Sigma Awareness Self-study - Classified Doc Custodians / web	12 months	1 hr.
	CMPC for Custodians Quiz - CMCs & CLCs / live	Once	2 days
	CMPC CMC Refresher Training - CMCs & CLCs / web	24 months	1 hr.
Human Reliability Program			
	HRP for Managers - Supervisors / web	12 months	30 min.
	HRP Training for HRP Workers - workers / web	12 months	20 min.
Protecting Classified & Sensitive Information			
	DC Orientation Phase 1 - Derivative Classifiers (DCs) / web	Once	1 hr.
	DC Phase II - DCs / live	Once	4 hrs.
	Authorized DC Recertification - DCs / live	36 months	2 hr.
	Protecting UCNI - Users of Unclassified Controlled Nuclear Information (UCNI) / web	Once	1 hr.
	Sigma 14 Awareness - Sigma-authorized Workers / web	12 months	1 hr.
	Sigma 15 Awareness - Sigma-authorized Workers / web	12 months	1 hr.
	Sigma 20 Awareness - Sigma-authorized Workers / web	12 months	1 hr.
Nuclear Material Control And Accountability			
	LANMAS & LAMCAS User - workers doing LANMAS data entry / live	Once	8 hrs.
	MBA Custodian - MBA Custodians / live	Once	2 hrs.
	NM Custodian Refresher - MBA Custodians / web	12 months	2 hrs.
	NM Handler Awareness - NM Handlers / web	24 months	4 hrs.
	NM Physical Inventory - MBA Custodians / web	12 months	1.5 hrs.
	Tamper Indicating Devices (TID) – TID Custodian / Users / live	Once	8 hrs.
	TID Requalification - TID Custodian/Users / web	24 months	3 hrs.
Physical Security			
X	Escort Responsibilities - Escorts & Vault or Vault Type Room Users, Custodians / web	12 months	30 min.
	Lock & Key Procedure - Key Core Custodians / Alternates / web	12 months	1 hr.
	The Outsider - Vault or Vault Type Room Users (AIS Escorts) / web	Once	1 hr.
	Vault or Vault Type Room Custodian - Vault or Vault Type Room Custodians /	12 months	10 min.

Required Course	Course Title - Required For	Frequency	Estimated Time to Complete Training
	web		
X	Vault or Vault Type Room User - Vault or Vault Type Room Users / web	12 months	10 min.
	Vault or Vault Type Room RLM – Managers / web	12 months	10 min.
Self-Assessments			
X	S&S Self-Assessment Training - Security Subject Matter Experts / web	Once	1 hr.
Site-Specific Training			

3.5 Security Stop Work

When any Subcontract Worker observes a security related hazard or unmitigated risk, the worker has the authority and responsibility to inform any worker engaged in that work that the work be stopped.

3.6 Reporting Security Incidents

This subsection contains requirements for identifying and reporting known and potential incidents of security concern. Such incidents may involve issues associated with Personally Identifiable Information (PII), ECI, UCNI, classified matter, computer systems, nuclear materials, secure communications, personnel security occurring on-site or off-site; and physical security occurring on LANL property, Laboratory-leased property or SUBCONTRACTOR-owned property. Subcontract workers shall comply with the following requirements.

3.6.1 *Immediately* upon discovery of a potential and/or reasonably suspected incident of security concern, report such concern to the Security Incident Team (SIT) (505-665-3505) or a SPL / DSO; and inform the RLM, and STR/AdSTR. During normal business hours, notifications shall be made only in person or through secure communications (STU or STE) as required below. A non-secure telephone, non-secure fax, non-secure voice mail, or non-secure electronic mail shall not be used to report a potential incident of security concern.

3.6.1.1 The potential compromise of PII shall be reported *immediately* upon discovery to the SIT or SPL / DSO. A potential compromise of PII is considered a serious information security incident because of the possibility of significant adverse consequences to the individual whose data has been compromised.

3.6.1.2 *Immediately* report all security incidents and potential threats and vulnerabilities involving LANL data utilized by the SUBCONTRACTOR to the SIT or SPL / DSO, and then notify the appropriate ISSO or OCSR, RLM and STR/AdSTR.

3.6.1.3 After discovery of any incident involving the loss, compromise, or unauthorized disclosure of classified matter, report the incident *immediately* to the SIT or SPL / DSO, then inform the assigned OCSR, RLM and STR/AdSTR.

3.6.1.4 After discovery of any incident involving the loss, theft, diversion, or unauthorized use of nuclear material, report the incident *immediately* to Material Control & Accountability Group or the SIT or SPL / DSO.

3.6.2 Contact Requirements Outside of Normal Business Hours

For all incidents contact the ADSS duty officer through the Protective Force at 505-665-7708, *immediately* after discovery of a potential incident of security concern. The ADSS on-call duty officer (505-949-0156) may ask to meet with the SUBCONTRACTOR in person so that SUBCONTRACTOR may report such known or potential incidents of security concern, if secure communications are not available.

3.7 Workplace Violence

LANL maintains a work environment that is free from violent behavior and threats of violence.

Violent behavior and threats of violence are unacceptable conduct and are prohibited. Any subcontract worker who participates in workplace violence will be barred from the LANL worksite and their employer shall be notified. Workplace violence is behavior that involves:

- hostile or aggressive physical contact with another person;
- a statement or body gesture that threatens harm to another person; or
- a course of conduct that would cause a reasonable person to believe that they are under threat of harm.

G4.0 Physical Security (May 2015)

4.1 Prohibited Articles

Prohibited Articles are those items never permitted on DOE property (e.g. LANL), which includes leased facilities and parking lots. SUBCONTRACTOR shall ensure that prohibited articles are not brought on to DOE property. Introducing an unauthorized prohibited article onto DOE property is a reportable security incident that may result in legal action. Prohibited articles include:

- Dangerous weapons (e.g., guns and knives), explosives, or other instruments or material likely to cause substantial injury or damage to persons or property; includes pocket, hunting or other sharp knives with blades longer than 2.5 inches;
- Non-government-owned firearms;
- Alcoholic beverages, including unopened bottles or cans;
- Controlled substances such as illegal drugs and associated paraphernalia, including medical marijuana but not other prescription medicine; and
- Items prohibited by local, state or federal law.

4.2 Escorting

In addition to any facility-specific escorting requirements, SUBCONTRACTOR shall ensure that all LANL escorting requirements listed below are complied with while in a Security Area (including Property Protection Areas) whether escorting individuals or being escorted by another individual.

An Activity Security Plan (ASP) shall be developed by the LANL host when escorting in PPAs will be outside normal operating hours. SUBCONTRACTOR shall comply with all ASP requirements.

4.2.1 Uncleared foreign nationals are allowed unescorted in publicly-accessible Laboratory property only.

Uncleared foreign nationals are not permitted in Security Areas and only under extraordinary circumstances should an exception be requested. Uncleared foreign nationals may only be escorted into a security area if prior approval has been obtained from DOE/HQ and local security officials. This process takes a minimum of eight (8) weeks.

4.2.2 An Uncleared US citizen may be authorized for escorted access into a Security Area only if such individual:

- is entering an area to conduct official LANL business that can be accomplished only in a Security Area, or
- has a skill or ability that is required and cannot be provided by another person who has the required clearance (i.e., access authorization) level.

4.2.3 The following individuals shall be escorted in a Security Area:

- Uncleared US citizens;
- US citizen visitors who do not have a cleared DOE-standard badge; and
- L-cleared US citizens in a Q-Only Security Area.

4.2.4 All US citizens escorted into a Security Area shall wear one of the following:

- An Uncleared DOE standard badge;
- A LANL Generic Uncleared US Citizen Visitor Badge or;
- A LANL Generic Uncleared US Citizen ESCORT REQUIRED Visitor Badge.

4.2.5 Subcontract workers who are being escorted shall:

- Provide a valid photo ID;
- State their country of citizenship for their escort before entering a security area;
- Log in, pursuant to the manner required by the LANL owning / tenant organization, before entering a security area or a PPA controlled by an electronic badge reader;
- Physically remain with his or her escort upon entry, during the visit and upon exit of a security area.
- Comply with all requirements outlined by the escort;
- Display a valid badge at all times.

4.2.6 Subcontract Workers serving as escorts have the following responsibilities:

- Complete "Escort Responsibilities" training course prior to escorting individuals;
- Be a US Citizen and possess a valid DOE badge and clearance level for the Security Area being accessed;
- Ensure the Visitor being escorted has a valid photo ID prior to issuing any badge;
- Ensure each individual being escorted is a US citizen through their statement of such status;
- Provide Visitor with clear instructions on the rules of behavior and consequences for failure to comply, before granting access to facilities and/or information systems;
- Confirm that each Visitor displays their assigned badge whenever in a Security Area;
- Review prohibited and controlled article restrictions with each Visitor prior to escorting such visitor;
- Protect classified and unclassified controlled matter, information or discussions from unauthorized access by a Visitor;
- Log in each Visitor by whatever method is provided at the facility being accessed;
- Notify area occupants of the presence of an Uncleared Visitor;
- Maintain control of each Visitor at all times;
- Implement any facility-specific escorting requirements as required;
- Immediately notify the Requester/RLM and STR/AdSTR of any incident of security concern;
- Escort each Visitor safely to the organization's designated muster area in the case of an emergency evacuation.

4.2.7 An escort shall not escort more than five (5) individuals at any one time, unless otherwise approved by CONTRACTOR in writing.

4.2.8 In cases where an individual without proper security clearance is discovered unescorted in a Security Area, SUBCONTRACTOR shall immediately place such individual under escort by an authorized escort and report the situation to the RLM and STR/AdSTR as soon as possible.

4.3 Security Areas

SUBCONTRACTOR shall comply with all requirements for designated Security Areas. In addition, SUBCONTRACTOR shall ensure that all Subcontract Workers:

- Have the appropriate clearance (i.e., access authorization) for the Security Area or be properly escorted within the Security Area;
- Adhere to the posted requirements for entering any Security Area (clearance status, badge, access status, training, inspections, controlled articles, prohibited articles, etc.);
- Immediately report physical security and access control discrepancies to the SIT and RLM. Inform the STR/AdSTR. (e.g. breaches of fences or walls or attempts to circumvent security barriers);
- Use a valid badge to enter a Security Area and display the valid badge at all times photo side out, above the waist and in front of the body while in that area;
- Not introduce prohibited articles into Security Areas;
- Obtain authorization before introducing controlled articles into a Security Area;

- Cooperate with Protective Force personnel during badge checks;
- Cooperate with Protective Force personnel during searches of vehicles, persons, and/or hand-carried items being brought into or out of a Security Area;
- Not remove or destroy any door cores or badge readers, unless the SOW in this Subcontract specifically indicates to do so;
- Not duplicate any keys issued;
- Store and protect all keys issued;
- Do not loan an assigned key to another worker without written authorization from the LANL Key Custodian;
- Return all issued keys to the responsible organization Key Custodian when no longer required and inform the RLM and STR/AdSTR of the same;
- *Immediately* report lost or stolen keys in person to the Key Custodian who issued the keys and inform the RLM and STR/AdSTR of the same;
- Adhere to all requirements for escorting individuals who are not authorized to be in a Security Area unescorted. (See Escorting, Section 4.2);
- Do not tailgate, piggyback, or vouch, nor allow another person to do so.

4.4 Acknowledgement / Control of Vehicles On-Site

- If requested, SUBCONTRACTOR shall submit to the STR/AdSTR or RLM the make, year and license number of all vehicles that will be used on site.
- Vehicles driven by unbadged drivers delivering construction materials or other supplies will be permitted to enter unsecured areas only if they are under escort by authorized DOE or LANL badged personnel.
- All non-government owned commercial vehicles and heavy duty vehicles (the equivalent of a Ford F350 or larger) will be screened by the Protective Force at the truck inspection station near the intersection of East Jemez Road and NM 4. If the search does not disclose anything of concern, the driver will receive an appropriate pass that will allow entry into their LANL destination.

4.5 Enhanced Security Areas

Subcontract Workers authorized to enter a Sensitive Compartmented Information Facility (SCIF), a Special Access Program Facility (SAPF), a certified Vault or Vault Type Room (VTR), a Material Access Area (MAA), a Protected Area (PA), or Limited Area (LA) with Special Administrative Access Controls shall comply with all training and other security requirements as directed by the LANL host organization and identified in the training matrix. These areas have rigid physical security standards and robust access controls that shall be adhered to.

4.6 Security Fences and Barriers

- 4.6.1 SUBCONTRACTOR shall make arrangements through the RLM or STR/AdSTR to ensure that adequate access control is maintained at any temporary openings or penetrations of Security Area boundaries. Such work shall be arranged through the RLM or STR/AdSTR and inspected/approved by the Physical Security Team or Deployed Security Officer to ensure there are adequate access controls in place during the temporary opening and that at the end of the work day the temporary openings are repaired / replaced. The RLM or STR/AdSTR shall provide the CA appropriate documentation related to SUBCONTRACTOR compliance with this requirement.
- 4.6.2 At the end of each work day or sooner if required, SUBCONTRACTOR shall repair, replace or provide adequate barriers to preclude unauthorized entry into any Security Area through temporary openings, penetrations, holes dug or cuts in security fences, or through modified gates or other alterations of security perimeters. The repairs shall be inspected / approved by the Physical Security Team or Deployed Security Officer at the end of the work day to ensure the temporary openings are repaired / replaced properly.
- 4.6.3 SUBCONTRACTOR shall make arrangements through the RLM or STR/AdSTR to ensure that any planned placement and proximity of equipment and vehicles to security fences and security boundaries does not create an unintended bridge to a Security Area.

G5.0 Personnel Security (May 2015)

5.1 Substance Abuse

The unauthorized use of alcohol and/or illegal drugs or being under the influence of alcohol and/or illegal drugs is prohibited on the LANL site. LANL's substance abuse policy applies to all who perform work at or for Los Alamos National Laboratory as a subcontract worker, guest scientist, visitor, student or other type of worker as it relates to ensuring a work environment that is free from unauthorized or illegal use, possession or distribution of alcohol or controlled substances.

Drugs currently used in CONTRACTOR'S pre-badging and random testing panel include marijuana, cocaine, opiates, heroine, phencyclidine and amphetamines. A detailed drug testing panel including cutoff concentrations can be found at <http://www.lanl.gov/resources/assets/docs/Exhibit-G/drug-testing-panel-2010.pdf>

The use of medical marijuana is illegal under federal law and therefore is prohibited in accordance with these substance abuse requirements.

SUBCONTRACTOR shall ensure that Subcontract workers comply with all requirements of LANL's Substance Abuse Policy (SAP) which may be accessed electronically at <http://www.lanl.gov/resources/exhibit-g.php>.

For the purposes of this Exhibit, the term manager as used in the SAP means any or all of the following: STR/AdSTR, LANL manager or staff with oversight of this Subcontract, or on-site Subcontract personnel. Subcontractor workers found to be in violation of LANL's SAP may be restricted from working at the Laboratory.

SUBCONTRACTOR shall ensure that all lower-tier subcontractors meet the requirements of this section. Failure at any tier, of a SUBCONTRACTOR to comply with the requirements of this section, shall be grounds for the CONTRACTOR to bar the worker of a SUBCONTRACTOR at any tier from work on DOE/LANL property or on the subcontract.

5.1.1 Subcontract Workers shall:

- Be fit for duty and avoid behavior that compromises the health or safety of others or the security of the Lab;
- Notify Personnel Security, the RLM, STR/AdSTR and CA/PS immediately if cited, arrested or convicted of any drug or alcohol statute violation;
- Notify Personnel Security, the RLM, STR/AdSTR and CA/PS immediately if they are cited, arrested or convicted of any alcohol-related incident such as (e.g.) DUI, DWI, public intoxication, open container, minor in possession;
- Notify Personnel Security, the RLM, STR/AdSTR, and CA/PS immediately after any initiation of treatment for any drug or alcohol-related disorder (only required of workers with security clearances);
- Meet with Personnel Security or Occupational Medicine promptly when asked to perform a drug and/or alcohol test and fully cooperate with their instructions;
- Provide true and accurate records relating to their use of drugs and alcohol;
- Immediately report accidental ingestion of illegal drugs to Personnel Security, the RLM, and STR/AdSTR so the appropriate action can be taken.

5.1.2 Pre-badging Drug Testing

Subcontract workers who will obtain a standard (non-Visitor) badge such as a DOE Q, L, Un-cleared; Un-cleared Site-specific LANL; or Cleared/Un-cleared Foreign National badge, shall successfully pass a drug test no more than 60 days before obtaining a standard (non-Visitor) badge.

Subcontract workers who currently hold a standard badge but have not completed a pre-badge drug test, are required to complete the pre-badge drug test prior to working on a LANS subcontract for the first time.

Subcontract workers who currently hold a standard badge and transfer from one LANS subcontract to another without a break in service between subcontracts, are not required to complete a second pre-badge drug test.

Subcontract workers who hold a standard badge and experience a break in service for five (5) or more business days between LANS subcontracts are required to successfully pass a drug test no more than 60 days before re-obtaining a standard badge.

Subcontract workers shall not begin work on this subcontract until a pre-badging drug test is completed and passed, if applicable. The testing will be coordinated and paid for by SUBCONTRACTOR.

A drug testing laboratory used for any LANS required drug test shall be certified by the Department of Health and Human Services under the National Laboratory Certification Program. A current list of approved drug testing laboratories is published in the Federal Register which can be found at:

http://www.workplace.samhsa.gov/DrugTesting/Level_1_Pages/CertifiedLabs.html

SUBCONTRACTOR shall provide records of pre-badging drug screening to CONTRACTOR upon request.

5.1.3 Random Drug Testing

All Subcontract workers who are issued standard non-Visitor badges from the LANL Badge Office, which include Q, L or Un-cleared badges, are subject to random drug testing while on the LANL site.

Subcontract workers who are subject to random drug testing under another government testing program will not be included in LANL's random testing pool.

5.1.4 Reasonable Suspicion Drug and/or Alcohol Testing

5.1.4.1 When conducting reasonable suspicion testing, CONTRACTOR may test for any drug.

5.1.4.2 Drug and/or Alcohol testing will be required if:

- A Subcontract worker is reasonably suspected of being impaired by either drugs or alcohol.
- LANL Personnel Security, Occupational Medicine or LANL manager or supervisor determines that there is reasonable suspicion that the subcontract worker may have violated this procedure.
- The subcontract worker is the subject of a drug-detection dog alert and/or possesses property that has caused a drug-detection dog alert.
- A LANL manager or supervisor observes worker behavior commonly associated with alcohol or substance abuse such as unexplained chronic tiredness, tardiness, absence patterns, odor of alcohol, slurred speech, unsteady gait, etc. The manager or supervisor shall discuss the observed behavior with the worker as appropriate and make a referral to LANL Occupational Medicine for an evaluation of the worker.

5.1.4.3 Drug and/or alcohol testing may be required if:

- An incident or accident results in a serious injury or had the potential for serious injury occurs at work.
- LANL Occupational Medicine determines that unannounced, periodic testing is medically appropriate as indicated within the context of *Fitness for Duty* or *Human Reliability Program* monitoring.
- It is related to security clearances or applications for security clearances.
- When conducting occurrence testing, CONTRACTOR may test for any drug.

5.1.5 Other Testing

Drug and/or alcohol testing shall be required if:

- A non-vehicular incident or accident occurs at work that results in a serious injury or had the potential for serious injury.
- A vehicle accident that results in or had the potential for injury while driving any government-owned vehicle (including motorized equipment) on or off Laboratory property; or while driving any private vehicle (including rental

vehicles) within the boundaries of a Laboratory Technical Area (other than downtown Los Alamos). [Note: Personnel Security will determine whether to require testing under these circumstances]

- It is necessary when related to security clearances or applications for security clearances.

5.1.6 Testing Conduct

CONTRACTOR'S Personnel Security organization has oversight of all drug and alcohol testing on-site at LANL for random, reasonable suspicion and other testing. All drug collections and alcohol testing are conducted in accordance with 49 CFR Part 40 and 10 CFR Part 707. All testing (except pre-badging drug testing) will be conducted and paid for by the CONTRACTOR.

5.1.7 Confirmed Positive Drug and/or Alcohol Test

The Requester or STR/AdSTR and LANL manager shall take the following actions if a Subcontract worker has a confirmed positive drug test:

- Immediately stop the worker from performing any additional work on site;
- Immediately notify Subcontract worker's management that the worker's badge is being pulled;
- Ask the worker to report back to his/her employer because his/her assignment is being terminated when a drug test is confirmed positive;
- Ask the worker to call a relative or friend to take him/her home when an alcohol test is confirmed positive;
- Confiscate the worker's badge and return it to Personnel Security;
- Consult with OM-MS to determine whether the worker should have a medical evaluation prior to driving;
- If alcohol related, instruct worker to report to OM-MS the next work day, prior to performing any work duties, for a Fitness for Duty evaluation unless the assignment is terminated.
- Coordinate with the CA/PS to ensure proper notifications are made regarding test results and any changes to the subcontract worker's assignment.

5.1.8 Failure to Show or Refusal of Drug and/or Alcohol Test

- If a worker fails to show up for a test after being contacted, such failure shall be treated in the same manner as a confirmed positive.
- If the worker refuses to be tested, such refusal shall be reported and treated as a confirmed positive.
- Failure to cooperate and submit to a drug/alcohol test shall be grounds for the CONTRACTOR to bar the worker from the LANL site and work on the subcontract.

5.1.9 Drug Detection Dogs may be used:

- On all Laboratory property (DOE-owned, leased or rented property for LANL) including, but not limited to parking lots.
- In and around worker's privately-owned vehicles parked on Laboratory property.
- In and around work areas.
- In and around desks, lockers and other containers assigned to workers.

5.1.9.1 If illegal drugs are found on a subcontract worker's person by using drug-detection dogs, the Requester or STR/AdSTR and LANL manager shall take action as outlined in Subsection 5.1.6.

5.1.9.2 If illegal drugs are not found, but the drug-detection dogs alert to the scent of illegal drugs in private property owned by a worker or in a work area, desk, locker or other container assigned to a certain employee and no illegal drugs are actually found, the LANL Physical Security Team shall notify the subcontract worker's LANL manager of a drug-detection dog alert. Additional action may be taken if behavior is observed by the LANL manager that may pose an immediate

threat to the health and safety of the worker or others or a potential threat to security.

5.1.10 Off-site Behavior

The unlawful manufacture, distribution, dispensing, possession, use, transfer or sale of controlled substances is prohibited regardless of whether this occurs at the workplace, on Laboratory business, or on an individual's private time or property. These and other violations of this substance abuse policy are considered connected to work with or at LANL and may result in the termination of a Subcontractor worker's permission to work on DOE / LANL property or on the subcontract, regardless of whether or not the misconduct occurs during work hours or on Laboratory premises.

5.2 Badges

SUBCONTRACTOR shall ensure compliance with the badge requirements outlined in the following subsections. Any individual performing work under this subcontract shall obtain a DOE or LANL badge. (Subcontract workers, Guests and Affiliates)

All badges issued by the LANL Badge Office are accountable. Therefore, SUBCONTRACTOR shall ensure that every badge issued under this subcontract is returned to the LANL Badge Office. SUBCONTRACTOR shall also timely report any lost or stolen badges to the LANL Badge Office. Failure to return DOE security and site-specific (LANL) badges will result in denial of future badging services to the badge holder.

5.2.1 General Badging Requirements

5.2.1.1 A Subcontract Worker who is submitted for a standard DOE-Cleared or Uncleared badge or a LANL-Only Site-specific badge shall provide proof of U.S. citizenship to the LANL Badge Office at the time of badging. The foregoing applies regardless of the length of time that a Subcontract Worker will be on site.

5.2.1.2 Proof of citizenship includes an original photo identification card, such as a current and valid state driver's license and an original of one of the following five documents:

- For a worker born in the U.S., a birth certificate filed for record shortly after birth and certified with the registrar's signature is required. A delayed birth certificate (one created when a record was filed more than one year after the date of birth) is acceptable if it shows that the report of birth was supported by acceptable secondary evidence of birth. All documents submitted as evidence shall be original or certified.
- For a worker claiming citizenship by naturalization, a certificate of naturalization showing the individual's name is required.
- For a worker claiming citizenship acquired by birth abroad to a US citizen, one of the following (showing the worker's name) is required: Certificate of Citizenship issued by the Immigration and Naturalization Service; Consular Report of Birth Abroad of a Citizen of the United States of America (Form FS240); or Certificate of Birth (Form FS 545 or DS 1350).
- A US passport, current or expired; an expired passport is an acceptable proof of citizenship for badging purposes only.
- A record of Military Processing-Armed Forces of the US (DD Form 1966) provided it reflects that the worker is a US citizen.

5.2.1.3 A Subcontract Worker who is a US citizen, does not currently hold a DOE badge and meets applicable requirements, shall be issued a DOE Uncleared badge or LANL-Only Site-specific badge.

5.2.1.4 A Subcontract Worker who is either a Cleared or an Uncleared foreign national shall be badged in accordance with current DOE and LANL policies. The worker shall wear a photo badge whenever on DOE property (i.e. LANL) or LANL-leased premises.

5.2.1.5 Individuals who falsely certify their citizenship will be removed from the Laboratory and will be denied future access to LANL. This will be reported to the appropriate LANL organizations for investigation and other external organizations

as necessary.

5.2.2 Obtaining a Badge

5.2.2.1 Worker (US Citizen) Requirements

- A worker shall obtain either a DOE or a LANL badge before performing any work at LANL.
- A worker shall present identification as required by the Badge Office before being issued a badge.

5.2.2.2 Official Visitor (US Citizen) Requirements

- An Official Visitor shall obtain a badge in accordance with this document;
- An Official Visitor shall wear a badge issued by the LANL Badge Office whenever on Laboratory Property;
- Uncleared Official Visitors will be required to sign a "*Statement of U.S. Citizenship*" form at the LANL Badge Office affirming their U.S. citizenship;
- Uncleared Official Visitors shall receive a briefing that covers safety and security requirements relevant to the work they will be performing;
- Uncleared Official Visitors who falsely certify their citizenship will be removed from the Laboratory and will be denied future access to LANL. This breach will also be reported to the appropriate LANL organizations.

5.2.2.3 Cleared Foreign National (Worker or Official Visitor) Requirements

A cleared foreign national, in conjunction with his or her Laboratory Host, shall contact the LANL Personnel Security Office to receive a cleared foreign national badge.

5.2.2.4 Uncleared Foreign National (Worker or Official Visitor) Requirements

An Uncleared foreign national, in conjunction with his or her Laboratory Host, shall contact the Foreign Visits & Assignment Team before performing work or other activities at LANL; and contact the LANL Personnel Security Office to receive an Uncleared foreign national badge.

5.2.3 Subcontract Workers shall:

- Complete training required by Personnel Security before receiving a badge (see Section 3.4.2 for training details);
- Wear the badge, photo-side out, above the waist, on the front side of the body, at all times while on DOE-owned property (i.e., LANL) or on CONTRACTOR leased or rented premises;
- Remove the badge and protect it from public view when leaving DOE-owned property or CONTRACTOR leased or rented premises;
- Present the badge whenever requested by Protective Force personnel, LANL host, or the Personnel Security Group;
- Not allow other individuals to use their badge under any circumstances;
- Minimize the number of instances of temporary badge issuance and replacement of lost badges;
- Ensure the badge is never photocopied;
- Return an issued badge to the Badge Office (via the RLM or STR/AdSTR as appropriate) following termination of employment, badge expiration, end of assignment, or completion of a visit. Subcontract Workers are not permitted to retain badges for any reason.
- Failure to return DOE security and LANL site-specific badges will result in denial of future badging services to the badge holder.

5.2.4 Badge Expiration Dates

- ### 5.2.4.1 Badges may be issued for the term of the subcontract. However, a SUBCONTRACTOR shall only request a badge for the period of time in which a

Subcontract Worker will be utilized on this subcontract.

5.2.4.2 SUBCONTRACTOR shall abide by the following end date requirements:

- When a Subcontract Worker is working multiple subcontracts all outside of Security Areas, the earliest end date among the subcontracts will be the badge end date.
- When a Subcontract Worker holds a clearance (i.e., access authorization) under multiple subcontracts, the badge end date is based on the subcontract that is designated as the “primary” subcontract.
- When a Subcontract Worker holding a clearance (i.e., access authorization) is performing work under multiple subcontracts held by a Subcontractor that has received a favorable FOCI determination, the earliest end-date among those subcontracts is used. A new badge will need to be requested if there is any work to be performed that extends beyond the earliest end-date within a Security Area.

5.2.4.3 If a subcontract is going to be extended, SUBCONTRACTOR shall renew a Subcontract Worker’s badge within 30 days prior to its expiration.

5.2.5 Lost or Stolen Badge(s)

5.2.5.1 Lost or stolen badges shall be reported to the Badge Office within 24 hours or the next business day after discovery of the loss, whichever is soonest. The RLM or STR/AdSTR shall also be notified. The individual badge holder shall go to the LANL Badge Office and complete a written affidavit (Form 1672) *Notification of Permanent Inactivation of Badge* in order to obtain a replacement badge.

5.2.5.2 In addition to 5.2.5.1, if a badge is stolen, the individual badge holder shall report the theft to the Security Incident Team (SIT) and inform the STR/AdSTR or CA/PS by the next business day of discovery of the loss.

5.3 Clearances (i.e., access authorizations)

SUBCONTRACTOR shall follow all clearance requirements outlined below and shall not permit any individual to have access to classified information; except when access to classified information is determined by proper clearance and the need-to-know.

The requirements for securing eligible personnel and proper personnel security clearances (i.e., access authorizations) for work within “L” and “Q” clearance areas and for complying with other security regulations and procedures shall not be considered cause for an extension of time for performance of the subcontract work or for extra payments under the subcontract. However, the cost of processing DOE “Q” or “L” access authorizations will be borne by the Government.

5.3.1 Requesting an Initial Clearance

SUBCONTRACTOR shall ensure that Subcontract Workers:

- Provide information required to request a clearance, including, but not limited to, proof of citizenship, Personal Identification Verification (PIV) documents, fingerprints, residence, work, education, military history, and personal references, as well as specific information regarding any legal, financial, mental health or loyalty issues;
- Have had a complete a background investigation and testing for illegal drugs;
- Verify the Subcontract Worker’s record is active in the system, correct and complete through the RLM or STR/AdSTR, including employer and subcontract number and that the worker is working on a FOCI approved contract;
- Complete a *Clearance Request/Recertification/Suitability Form* (DOE F 472.1C) signed by a LANL RLM.
- Complete an online (e-QIP) *Questionnaire for National Security Positions QNSP* (SF 86) and attendant clearance documents when requested by the Personnel Security Office.
- Meet with Clearance Processing Security Specialist and/or provide written responses to additional requests for information from Clearance Processing.

5.3.2 Clearance Processing Critical Reporting Elements

SUBCONTRACTOR shall ensure that subcontract workers holding a cleared DOE-standard badge, report any of the following events to Clearance Processing, the RLM and STR/AdSTR within **one (1)** working day of the occurrence unless otherwise stated:

- All arrests, criminal charges (including charges that are dismissed) or detentions by Federal, state, or other law enforcement authorities for violations of the law (other than traffic violations for which only a fine of \$300 or less was imposed), within or outside of the US, unless the traffic violations were drug or alcohol related;
- Personal or business-related filing for bankruptcy;
- Garnishment of wages;
- Legal action effected for name change;
- Change in citizenship;
- Employment by, representation of, or other business-related association with a foreign or foreign-owned interest or foreign national;
- Any hospitalization for mental illness; treatment of drug abuse; or treatment for alcohol abuse;
- Approach or contact by any individual seeking unauthorized access to classified information or matter or SNM. If such an approach or contact is made while on foreign travel, workers should notify a Department of State official at the local US Embassy or Consulate;
- Termination of employment - also notify the RLM and STR/AdSTR;
- Change in duties resulting in a clearance no longer being required;
- Leave of absence or extended leave not requiring access to classified information or matter, or SNM for 90 consecutive working days;
- Leave for foreign travel, employment, assignment, education, or residence for more than three months, not involving official US Government business even if employment continues with the subcontractor.

5.3.3 Security Termination Requirements for Departing Subcontract Workers

Cleared Subcontract workers who are terminating work under a LANS Subcontract at the Laboratory for any reason shall meet all the federal and local requirements for departing workers.

Subcontract workers shall complete all clearance-related departure requirements. Some termination procedures are mandated by federal law. Failing to comply with the requirements can hinder or prevent a worker's future efforts to obtain a security clearance or badging services at LANL. Failure of a Cleared worker to follow proper termination procedures is also reported to NNSA/DOE by LANL Personnel Security.

Clearance-related requirements for departing Subcontract workers include the following:

- **Termination Briefing** - the Subcontract worker shall attend a termination briefing conducted by LANL Personnel Security or SUBCONTRACTOR management; and submit a completed *LANS LLC Safeguards and Security Clearance Termination Briefing Form* to Personnel Security.
- **Security Termination Statement** - the Subcontract worker shall sign and submit a *Security Termination Statement* DOE Form 5631.29 to LANL Personnel Security.
- **Surrender DOE Access Credentials** - the Subcontract Worker shall surrender his or her security badge to the LANL Badge Office, while coordinating with the RLM and STR/AdSTR.

For each event listed below, the required action shall be carried out within **two (2)** working days of the Event described in the first column of the table.

Event	Do Termination Briefing & Form, and Submit DOE Form 5631.29	Return These Badges
Subcontract Worker's employment terminated	Individual Subcontract Worker	Subcontract Worker's badge, whether Cleared or Uncleared,

Event	Do Termination Briefing & Form, and Submit DOE Form 5631.29	Return These Badges
		including expired
Subcontract Worker transferred from subcontract	Individual Subcontract Worker	Subcontract Worker's badge, whether Cleared or Uncleared, including expired
Clearance no longer required	All Subcontract Workers	All Cleared "L" or "Q" badges, including expired
Subcontractor's FOCI approval withdrawn or terminated	All Subcontract Workers	All Cleared "L" or "Q" badges, including expired
Subcontract completed or terminated	All Subcontract Workers	All badges, whether Cleared or Uncleared, including expired

- SUBCONTRACTOR shall ensure that any Subcontract Worker who holds a clearance and is no longer working on this subcontract, follows the security clearance termination process outlined above.
- SUBCONTRACTOR shall notify Personnel Security, the RLM, STR/AdSTR and CA/PS of any Event that changes the status of a worker's need for a badge.

5.3.4 Clearance Renewals or Reinvestigations

SUBCONTRACTOR shall ensure that a Subcontract Worker whose clearance is being renewed or reinvestigated:

- Completes the reinvestigation e-QIP package every 5 years for Q clearance holders or every 10 years for L clearance holders.
- Completes the LANL Annual Security Refresher Training before the effective date of the training expiring and access is therefore denied.

5.4 Foreign Ownership, Control or Influence (FOCI)

FOCI determinations are required for a SUBCONTRACTOR, its owners, and lower-tier subcontractors, if a subcontract requires Q or L-cleared access authorizations. Before a Subcontract Worker may be Q or L-cleared, his/her company shall undergo a FOCI certification. A separate FOCI determination is required for a prime subcontractor and any lower-tier subcontractor.

SUBCONTRACTOR'S Key Management Personnel shall have an active clearance or a clearance request in process before a favorable FOCI determination can be returned. As a part of the FOCI determination process, SUBCONTRACTOR'S Facility Security Officer (FSO) and any additional workers with security responsibilities shall complete the self-study course indicated under Section 3.4.2.

SUBCONTRACTOR shall submit their FOCI packages / information online at this website: <https://foci.anl.gov/>. A favorable FOCI determination shall be rendered prior to LANL granting a facility clearance requiring access authorizations. Questions related to FOCI should be addressed through the RLM or STR/AdSTR to the Personnel Security POC.

5.4.1 SUBCONTRACTOR shall ensure that the following notifications are immediately provided to the Personnel Security POC and the RLM or STR/AdSTR.

- Written notification of a change in the extent and nature of FOCI that affects the information in the FOCI determination;
- Immediately provide written notification and supporting documentation relevant to changes that would affect the information in a subcontractor's or any tier parents' most recent DOE FOCI submission(s).

5.4.2 SUBCONTRACTOR shall complete and submit a new FOCI package at least every five years or at the request of CONTRACTOR, to the Personnel Security POC.

5.4.3 SUBCONTRACTOR shall certify annually to the Personnel Security POC and inform the RLM or STR/AdSTR and the CA/PS that:

- No significant changes have occurred in the extent and nature of FOCI that would affect the answers to the questions provided in its FOCI representations;

- No changes have occurred in the organization's ownership;
- No changes have occurred in the organization's officers, directors, and executive personnel.

5.4.4 CONTRACTOR may terminate this subcontract for default if SUBCONTRACTOR either fails to meet obligations imposed by this section, or creates a FOCI situation in order to avoid performance or a termination for default. CONTRACTOR may terminate this subcontract for convenience if SUBCONTRACTOR becomes subject to FOCI and for reasons other than avoidance of performance of the subcontract, cannot, or chooses not to avoid or mitigate the FOCI problem.

5.5 Human Reliability Program

SUBCONTRACTOR shall comply with all requirements of the Human Reliability Program (HRP) if they have workers who take part in the program.

5.5.1 SUBCONTRACTOR shall ensure that Subcontract Workers who are HRP certified shall:

- Hold an active "Q" DOE security clearance;
- Submit to testing for illegal drugs;
- Submit to testing for alcohol abuse;
- Submit to random polygraph examinations;
- Complete medical and psychological evaluations which require a polygraph examination;
- Complete Part 2 of the QNSP annually;
- Complete initial and annual HRP training (see Section 3.4.2 for details)

5.5.2 SUBCONTRACTOR shall ensure that Subcontract Workers shall be enrolled in HRP if their work responsibilities involve:

- Access to Category I SNM or transportation or protection of Category I quantities of SNM;
- Nuclear explosive duties or responsibility for working with, protecting, or transporting nuclear explosives, nuclear devices or selected components;
- Access to information concerning vulnerabilities in protective systems when transporting nuclear explosives, nuclear devices, selected components or Category I quantities of SNM; or
- The potential to significantly impact national security or cause unacceptable damage to national security.

5.5.3 Removal from HRP

5.5.3.1 A RLM who has a reasonable belief that an HRP-certified Subcontract Worker is not reliable, based on either a safety or security concern, shall immediately remove the Subcontract Worker from HRP duties pending a formal determination of the individual's reliability.

5.5.3.2 Subcontract Workers may be placed on a temporary removal for a safety or security concern by a supervisor / manager, LANL oversight manager or the HRP management official.

A safety concern means any condition, practice, or violation that causes a substantial probability of physical harm, property loss, and/or environmental impact.

A security concern means the presence of information regarding an individual applying for or holding an HRP position that may be considered derogatory. Such information may include, but is not limited to:

- Observable phenomena, such as direct observation of the use or possession of illegal drugs or alcohol; detection of alcohol odor on the breath;
- The physical symptoms of being under the influence of drugs or alcohol;
- A pattern of abnormal conduct or erratic behavior;
- Indications of deceitful or delinquent behavior;

- Irresponsibility in performing assigned duties;
- Failure to comply with work directives, hostility or aggression toward fellow workers or authority;
- Uncontrolled anger, violation of safety or security procedures, repeated absenteeism; or
- Irresponsibility in performing assigned duties.

5.5.3.3 An HRP-certified individual who is removed completely or placed on temporary removal is prohibited from entering any Material Access Areas and shall immediately stop performing HRP duties.

5.6 Foreign Visits and Assignments

5.6.1 On-Site work

All foreign national Subcontract workers are required to have approval to work on-site from the LANL Foreign Visits and Assignments office PRIOR to their arrival at the Laboratory. Foreign national Subcontract workers shall be issued a security badge before performing work at LANL. They will be required to present a valid passport and visa documentation before a badge will be fabricated and issued. The individual who is hosting a foreign national on-site shall be a CONTRACTOR employee and a US citizen.

5.6.2 Off-site work

Approval for a foreign national to work off-site on a LANL project is not required if the following conditions are met: 1) all work is conducted entirely off-site and 2) the research results from this Subcontract are open, non-sensitive and will be published in open literature intended for public release. If either of the above criteria is not met, approval for a foreign national to work on a LANL project off-site must be obtained prior to commencing work on this Subcontract as outlined in Section 5.6.1.

G6.0 Information Security (May 2015)

Subcontract workers shall not disclose LANL data collected, created, processed, transmitted, stored or disseminated by SUBCONTRACTOR in performance of this subcontract, unless each case of such disclosure is specifically approved by the LANL Data Owner and the CA/PS.

Subcontract workers shall ensure LANL data utilized in the performance of this subcontract is not used for any other purpose that has not been specifically approved by the LANL Data Owner.

6.1 Official Use Only (OUO) and LANS Proprietary (LPI) Information

OUO and LPI information is unclassified with the potential to damage government, commercial or private interests if disseminated to persons who do not have a need-to-know the information. LPI includes any information relating to the business, operations and programs of LANL not generally known by persons not employed at LANL.

Personal Identifiable Information (PII) is a type of OUO. PII is any information collected or maintained by DOE or CONTRACTOR about an individual, including but not limited to education, medical history, financial transactions and employment history; and information that can be used to distinguish an individual's identity.

SUBCONTRACTOR shall protect OUO and LPI information from unauthorized dissemination (e.g. to persons who do not require the information to perform work under this subcontract) and shall follow all requirements for OUO and LPI documents specified below.

6.1.1 Access

No security clearance is required for access to OUO or LPI. Access to OUO and LPI information shall only be provided to those persons who have a need to know.

If OUO information is Export Control Information (ECI) access is restricted to US persons, defined as citizens and Lawful Permanent Residents. Access to ECI (including parts, tools, material and equipment fabricated from ECI specifications and drawings) by non-Permanent Resident Alien foreign nationals is prohibited.

If OUO information is Applied Technology (AT) it is subject to access restrictions

established by the DOE Program Office. The associated LANL program manager can determine access authorizations for Laboratory workers.

6.1.2 Storing

OUO and LPI information shall be stored in a locked room or locked receptacle (e.g. desk, file cabinet, safe). OUO and LPI information stored on a computer shall meet all LANL password, authentication, encryption, or file access control requirements to protect the files from unauthorized access.

6.1.3 Reproduction

All copies of LANL OUO and LPI (including 3-D print prototypes) must be protected, accessed, stored, marked, transmitted and destroyed in the same manner as the originals.

6.1.4 Transmitting

E-mail messages that contain OUO or LPI information should indicate OUO or LPI in the first line, before the body of the text. OUO or LPI disseminated over networks outside of LANL should be encrypted with NIST-validated encryption software (e.g., Entrust®).

PII information that is disseminated over networks outside of LANL shall be encrypted with NIST-validated encryption software

In the case of hard copies being sent outside of LANL OUO or LPI shall be placed in a sealed, opaque envelope marked with the recipient's name, a return address and the words "To Be Opened by Addressee Only". For interoffice mail within LANL, OUO or LPI shall be placed in a sealed, opaque envelope with the recipient's address and the words "To be Opened by Addressee Only" on the front of the envelope.

6.1.5 Destroying

Users are not required to destroy electronic media that contains OUO or LPI. However, disks should be overwritten using approved software before they are thrown away. Hard copy OUO or LPI documentation shall be destroyed by using an approved shredder (strips no more than ¼ inch wide).

6.1.6 Export Controlled Information Restrictions

The work to be performed under this subcontract includes LANL technical data; the export of which is restricted by the Arms Export Control Act (22 U.S.C. §2751, et seq.), the Atomic Energy Act of 1954, as amended (42 U.S.C. §2011) or the Export Administration Act of 1979, as amended (50 U.S.C. §2401, et seq.). Violations of these laws may result in severe administrative, civil, or criminal penalties. Further dissemination must be pre-approved by Los Alamos National Laboratory.

6.2 Unclassified Controlled Nuclear Information (UCNI)

UCNI is certain unclassified but sensitive government information whereby unauthorized dissemination is prohibited. UCNI is intended to be viewed only by those individuals with a need-to-know. SUBCONTRACTOR shall protect such information from unauthorized dissemination and shall follow all requirements for UCNI documents specified below.

6.2.1 Access

No security clearance is required for access to UCNI; however, access is permitted only to those authorized for routine or special access and those who have a need-to-know. UCNI stored on a computer shall be restricted (passwords, authentication, file access control encryption and offline storage) to only those who have a need-to-know.

6.2.2 Storing

When using UCNI, physical control shall be maintained over the material to prevent unauthorized access to the information. When not in use, UCNI matter shall be stored in a locked room or receptacle (e.g. desk, file cabinet, bookcase or safe). The locked receptacle shall have controls that limit access to only approved workers. UCNI stored on a computer shall meet all LANL password, authentication, encryption or file access control requirements.

6.2.3 Transmitting

Ensure that UCNI is marked correctly prior to transmitting it over any media. Only a qualified Reviewing Official can identify and mark UCNI. Contact the Classification Group through the RLM or STR/AdSTR for assistance.

When transmitting over telecommunication circuits (including telephone, fax, radio, e-mail or Internet) encryption algorithms that comply with all applicable Federal laws, regulations, and standards for the protection of UCNI shall be used.

Transmission over open phone lines is prohibited. A Secure Terminal Equipment (STE) line is required. All cellular devices, including LANL-issued smart phones such as Blackberries must be turned off completely when in proximity to UCNI discussions.

UCNI documents shall be transmitted using a fax machine that employs encryption. When transmitted via fax or e-mail outside LANL, UCNI shall be encrypted with NIST-validated encryption software. E-mails with UCNI attachments are considered transmittal documents and shall be marked and encrypted as such.

If mailing outside of LANL, an opaque envelope shall be used and the outer packaging shall not indicate that the content within is UCNI. For interoffice mail, an interoffice envelope shall be used and mailed through standard interoffice mail, but do not indicate that the content is UCNI. When using e-mail, UCNI shall be encrypted with NIST-validated encryption software such as Entrust®.

6.2.4 Destroying

Users are not required to destroy electronic media that contain UCNI. Disks should be overwritten using approved software before they are discarded. Hard copy UCNI documents are to be destroyed by shredding in an approved shredder (cross-cut particles no larger than ¼ inch wide and 2 inches long). SUBCONTRACTOR shall coordinate with the Classified Matter Protection and Control Team through the RLM or STR/AdSTR to properly destroy UCNI information.

6.2.5 Noncompliance Consequences

SUBCONTRACTOR'S failure to comply with the requirements pertaining to UCNI may result in the imposition of a civil and/or criminal penalty for each violation.

6.3 Classified Matter and Material

Disclosure of any classified information relating to the work or services hereunder to any person not entitled to receive it, or failure to safeguard any classified information, may subject the SUBCONTRACTOR, its agents, employees or lower-tier subcontractors to criminal liability under the laws of the United States (i.e., Atomic Energy Act of 1954, as amended, 42 U.S.C 2001 et seq.; 18 U.S.C. 793 and 794; and Executive Order 12958).

6.3.1 General Responsibilities

6.3.1.1 SUBCONTRACTOR shall ensure compliance with all requirements for accessing, storing, generating, marking, reproducing, receiving, transmitting, and accounting for classified matter documents and materials.

6.3.1.2 SUBCONTRACTOR shall employ need-to-know controls, safeguard all classified information and protect against sabotage, espionage, loss or theft of the classified documents and material in SUBCONTRACTOR'S possession in connection with the performance of work under this subcontract.

6.3.1.3 Except as otherwise expressly provided in this subcontract, SUBCONTRACTOR shall, upon completion or termination of this subcontract, transmit to CONTRACTOR all classified matter in the possession of all Subcontract Workers.

6.3.2 Classified Matter Responsibilities

Subcontract Workers shall:

- Complete required CMPC training, before receiving access to classified matter;
- Protect classified matter from unauthorized physical, visual or aural access;

- Ensure classified matter in use shall be constantly attended by, or under the control of, a person possessing the proper access authorization and need-to-know.
- Conduct classified discussions and classified work only in Security Areas;
- Conduct classified discussions or classified work that involves Top Secret (TS) information only in a Security Area specifically approved for TS;
- Discuss, release, or transmit Classified Matter only to those individuals possessing the required clearance and need-to-know;
- Ensure that Classified Matter is attended or stored in an approved security container;
- Ensure when classified information is discussed, ensure that the classification level and category and any applicable caveats are stated before the discussion begins.
- Immediately report any issues concerning missing classified matter, emergency situations, controlling or transmitting classified matter to the SIT, DSO or SPL and LANL RLM.

6.3.3 Determining Need-to-Know

Any Subcontract Worker who has been granted access to classified matter shall determine another worker’s clearance and need-to-know before granting access to that matter. Need-to-know shall be established by:

- determining what matter will be accessed; and
- determining whether the recipient requires access to this matter to perform his / her official duties through current relationships, tasks, duties and assignments or confirmation by a LANL RLM.

6.3.4 Clearance requirements for access to classified matter:

Category & Level of Classified Matter	Q Cleared	L Cleared
Confidential National Security Information	Permitted	Permitted
Confidential Formerly Restricted Data	Permitted	Permitted
Confidential Restricted Data	Permitted	Permitted
Secret National Security Information	Permitted	Permitted
Secret Formerly Restricted Data	Permitted	Permitted
Secret Restricted Data	Permitted	Excluded
Top Secret National Security Information	Permitted	Excluded
Top Secret Formerly Restricted Data	Permitted	Excluded
Top Secret Restricted Data	Permitted	Excluded
Sigmas 14 & 15 granted by UCSC or alternate		

6.3.5 Training Requirements for Classified Matter Users

All Subcontract Workers who access, generate, handle, store or process classified matter shall take the following training: (See Section 3.4.2 for details)

Course Title	Frequency
Classified Matter Protection	Once
CMPC User Refresher Training	24 months

Specific training is required for any Subcontract worker who will be working with Sigma 14, 15 or 20 classified matter. These workers shall take the following training as it applies to their job duties within the scope of work: (See Section 3.4.2 for details)

Course Title	Frequency
Sigma 14 Awareness	12 months
Sigma 15 Awareness	12 months
Sigma 20 Awareness	12 months

6.3.6 Marking Classified Matter

Properly marking classified matter is complicated and situation specific. If a Subcontract Worker is going to be working with classified documents, the RLM or STR/AdSTR shall arrange for the Subcontract Worker to take the appropriate training in this area.

6.3.7 Storing Classified Matter

When storing Classified Matter, Subcontract Workers shall:

- Store classified matter that is not in use in an approved security container.
- Return all classified matter to the LANL RLM or other authorized personnel if a Subcontract Worker will be on leave for more than 90 days, no longer needs to use the classified matter, or terminates employment.
- Protect Classified Matter that is pending Derivative Classifier review at the highest potential or possible classification level and category.
- Ensure combinations on containers on LANL property are changed as required.
- Secure security containers before leaving such containers unattended.
- Perform end-of-day checks to ensure proper storage of Classified Matter.

6.3.8 Requirements for Storage of Classified Matter

6.3.8.1 Secret and Confidential matter shall be stored in: a locked GSA-approved safe within a Security Area; or in a certified Vault or Vault Type Room within a Security Area.

6.3.8.2 Top Secret (TS) matter shall be stored in: a locked GSA-approved safe in a Security Area with supplemental controls approved by the Physical Security Team; or in a certified Vault or Vault Type Room approved for TS by the Physical Security Team.

6.3.9 Receiving or Transmitting Classified Matter

6.3.9.1 Classified mail shall be delivered to a primary or alternate CMC at the designated classified mail stop with the inner envelope unopened. All incoming classified mail shall be examined for evidence of tampering, incorrect addressing, improper marking, improper transmission and incorrect packaging.

6.3.9.2 Prior to sending classified matter, Subcontract workers shall verify the intended recipient's clearance or access authorization, any required program or special access approvals, need-to-know for the matter being transmitted, and approved classified mail address. Workers shall ensure the classified matter is marked in accordance with LANL procedures (CMPC Handbook).

6.3.10 Destroying Classified Matter

6.3.10.1 Subcontract Workers shall destroy unneeded (e.g. multiple copies) or obsolete classified matter and classified was as soon as practical. Classified matter covered by any current moratoriums or court orders shall not be destroyed. Record copies of documents, whether electronic or paper-based shall only be destroyed in accordance with established Laboratory records retention requirements and procedures.

6.3.10.2 Classified matter shall be destroyed using only approved destruction equipment located within a Limited Area or higher. Classified matter shall be destroyed beyond recognition to prevent reconstruction. Acceptable methods for destroying classified matter include shredding, pulping, melting, mutilation, chemical decomposition, or pulverizing.

6.3.11 Classified Scanning

6.3.11.1 SUBCONTRACTOR shall comply with enhanced security requirements for document scanning activities to prevent compromising classified information. Scanners include secure copiers connected to secure networks, secure copiers connected to secure desktop systems, secure scanners connected to automated information systems, and secure multi-function scanners.

6.3.11.2 System Accreditation

All classified equipment shall be accredited before processing classified

information. The LANL Cyber Security Office shall approve the use of all non-government owned equipment prior to processing classified information.

6.3.11.3 Operator Training

Secure scanner operators shall complete all required training including:

- Annual Security Refresher Training
- Classified Matter Protection
- Computer Security Annual Refresher
- Classified Computer Security Briefing
- Sigma 15 training, if applicable
- Read Section 3.4 "Reproducing Classified Matter" and Attachment A "Rules of Use and Operating Instructions" in the Classified Matter Protection and Control Handbook, P204-2.

G7.0 Controlled Articles / Wireless Technology (May 2015)

LANL's level of control on wireless computing devices and on other controlled articles depends on the type of device, who owns it (Government or non-Government), where it will be located and how it will be used.

7.1 Controlled Articles

Controlled Articles are stand-alone devices that can store, read, write, record or transmit data. Certain controlled articles can read and/or write nonvolatile information and plug into a computer. They are not stand-alone devices like other types of controlled articles.

Controlled articles are not permitted in Security Areas without prior authorization. SUBCONTRACTOR shall ensure that controlled articles are not brought into a Security Area without prior written approval from the Cyber Information Security Office with concurrence by the RLM or STR/AdSTR. Additional LANL site-specific requirements may exist and shall be followed as appropriate.

Controlled articles include:

- Cell phones, smart phones, cordless phones, Blackberry devices, two-way pagers, two-way radios;
- Recording equipment (audio, video, optical, or data);
- Copiers or scanners with hard drives;
- Radio frequency (RF) transmitting equipment (including ankle monitoring devices), Infrared (IR) or other wireless transmission capabilities;
- Electronic equipment with a data exchange port capable of being connected to automatic information system equipment;
- Portable computers, including but not limited to: laptops, tablet computers, personal digital assistant (PDAs), palm-top computers, Blackberry devices, Notebooks, iPhones or iPads;
- Portable electronic reading, web-browsing and data collection devices with WiFi or USB connectivity, including but not limited to: Kindles, iPads, Nextbook Tablets, Nook eReaders, Sony Digital Readers or iPods;
- Any device with a capability to connect to computers or use wireless communications;
- Cameras - video, still, digital, film, tablet computers or in cell phones. If the use of cameras - either inside or outside of a Security Area is deemed mission essential - then use of cameras shall be authorized via coordination with the STR/AdSTR, the RLM and the Physical Security Team prior to the use of such cameras. (*Form 1897PA*) A Subcontract worker using a non-government owned camera on Laboratory property shall possess a valid DOE/LANL badge.
- CD / DVD write drives
- External hard drives
- Flash memory (i.e. PC cards, SD memory cards)

- USB memory devices (i.e. thumb drives, memory sticks, jump drives)

7.2 Approvals Required Before Commencement of Work

- 7.2.1 Prior to the introduction of any controlled articles into a Limited Area or connected to a LANL-owned system, approval shall be obtained from the Cyber Information Security Office. The RLM or STR/AdSTR shall also be informed.
- 7.2.2 Prior to any wireless operation on wireless projects (unclassified or classified) approval shall be obtained from LANL's Cyber Information Security Office. The RLM or STR/AdSTR shall also be informed. Violations of this requirement may constitute a security infraction, and may result in administrative actions up to and including exclusion of a Subcontract Worker from LANL and/or from working on this subcontract.
- 7.2.3 Subcontractors using wireless technology, including construction sites, need to obtain certification and approval from the Cyber Information Security Office prior to engaging wireless technology. A LANL "Wireless System Security Plan" may also be required.

7.3 Rules for Using Authorized Controlled Articles in Security Areas

Authorized controlled articles with audio recording or data transmitting capabilities in Security Areas shall be turned off (for UCNI), batteries removed (for classified) or placed in an approved Radio Frequency container whenever:

- A classified or UCNI discussion or phone call is taking place within audible range;
- Classified or UCNI computer processing is taking place in the immediate area of the device;
- Classified or UCNI faxing is taking place within the immediate area of the device; and
- Classified or UCNI copying is taking place on a digital copier in the immediate area of the device.

It is the responsibility of subcontract workers to be cognizant of classified or UCNI activities that may be occurring in adjacent work areas. Workers shall confirm that no classified or UCNI activities area taking place in the immediate vicinity prior to using the authorized controlled article.

7.4 Wireless Device Requirements

- 7.4.1 The use of devices with wireless connectivity such as computing, cellular and printing devices with "Bluetooth" technology, or wireless networking protocol is prohibited anywhere at LANL, including all LANL property and leased space except for certain defined areas. Wireless devices cannot be connected to LANL computing assets or networks. Such capabilities shall be disabled unless the activity has been approved by the LANL Cyber Information Security Office. It is the user's responsibility to know what devices they possess, the capabilities of those devices and to ensure that wireless capabilities have been disabled.
- 7.4.2 The use of wireless networking, Bluetooth and cell phone technologies is allowed in public areas of the Bradbury Science Museum, the Otowi Cafeteria and public access areas outside buildings such as roadways, sidewalks and parking lots.
- 7.4.3 The use of wireless networking is not restricted in non-LANL occupied areas of LANL-leased properties such as Canyon Complex, White Rock Training Center, the Research Park and Central Park Square.
- 7.4.4 These wireless device requirements do not apply to the wireless computing capability used by Subcontractor delivery and shipping workers in the LANL receiving area outside of a building.
- 7.4.5 Active wireless devices that have prior approval to be in a PPA and/or Limited Area shall be labeled (company sticker, owner's name) to identify Subcontractor ownership.

7.5 LANL and Government-owned Wireless Devices

- 7.5.1 Government-owned cell or satellite phones shall be disabled when inside a Limited Area or higher Security Areas.
- 7.5.2 All LANL and government-issued cellular devices including smart phones such as Blackberries shall be turned off completely when in proximity to UCNI activity. Batteries must be removed when in proximity to classified activity.

- 7.5.3 Only LANL-issued Blackberry devices, applications and accessories may be carried in Limited Areas. No Blackberry devices are allowed in Vault Type Rooms, SCIFs or SAPFs.
- 7.5.4 Government-owned computing controlled articles (e.g. laptops, palmtop computers and PDAs) shall follow access control requirements such as username and password.
- 7.5.5 Government-owned computing controlled articles shall use anti-virus software to detect malicious activity where the capability exists.
- 7.5.6 Government-owned unclassified controlled articles are not permitted to connect to any LANL computer or network or store LANL sensitive data without approval from LANL management. (*Form 1865*)
- 7.6 Non-government Owned Controlled Articles
 - 7.6.1 Non-government owned controlled articles are prohibited in Limited Areas and higher security areas.
 - 7.6.2 All non-government owned cellular devices including smart phones such as Blackberries shall be turned off completely when in proximity to UCNi activity. Batteries must be removed when in proximity to classified activity.
 - 7.6.3 Non-government owned controlled articles may not be connected to any LANL-owned information system or network (classified or unclassified) without written approval and may not be used to store any sensitive or classified government information without written approval. (*Form 1897*)
 - 7.6.4 Non-government owned controlled articles shall not store or process government controlled unclassified information; unless formal approval has been granted and full disc encryption is utilized.
 - 7.6.5 When privately-owned vehicles are allowed to enter a Limited Area, controlled articles that are attached to the vehicle (i.e. built-in cell phones, On Star and CB radios) shall be turned off if capable and left in the vehicle. Additional restrictions may apply in some areas and Subcontract workers shall follow local controls.
- 7.7 Non-government Wireless Computing Devices
 - 7.7.1 LANL management approval may be required before bringing a non-government computing device (e.g. laptop, Tablet computer, iPhones, iPad) to a Property Protection Area based on local security requirements. (*Form 1897*)
 - 7.7.2 LANL Cyber Information Security Office approval is required if computing devices will be in a Security Area or connected to the LANL network. (*Form 1897*)
 - 7.7.3 LANL management approval is required before connecting a non-government computing device to a LANL network. (*Form 1897*)
 - 7.7.4 Non-government owned wireless computing devices shall be authorized prior to connecting to any LANL wireless computing resource.
- 7.8 Connecting to Presentation Systems and Using Equipment Remote Controls
 - 7.8.1 Non-government owned controlled articles may be connected to stand-alone presentation equipment and stand-alone systems in PPAs provided:
 - 7.8.1.1 The information system has virus detection software active, automatically scanning for malicious code and using the most current definition file and,
 - 7.8.1.2 The information system shall not contain any sensitive information that the controlled article owner does not have authorization to access.
 - 7.8.2 LANL prohibits Radio Frequency (RF) keyboards everywhere.
 - 7.8.3 LANL allows RF and Infrared (IR) remote controls on unclassified presentation equipment (audio, video, etc.) in unclassified workspace without restrictions.
 - 7.8.4 LANL does not allow RF and IR remote controls on classified computers.
 - 7.8.5 IR and RF remote controls are permitted to control projectors.

G8.0 Contacts (May 2015)

Name	Telephone	Email
ADSS After-hours On-call Officer cell phone	505-699-4094	
ADSS After-hours On-call Duty Officer pager	505-949-0156	
Badge Office	505-667-6901	badge@lanl.gov
Chief Information Office (CIO)	505-606-2263	
Chief Information Office on-call pager	505-664-6282	
Classification Group	505-667-5011	
Classified Matter Protection & Control	505-665-1802	cmpe@lanl.gov
Clearance Processing	505-667-7253	clearance@lanl.gov
Counterintelligence Program	505-665-6090	
(Cyber) Information Security Help Desk	505-665-1795	cybersecurity@lanl.gov
Emergency Management & Response	505-667-6211	
Fire, Bomb Threat, etc.	911	
Foreign Ownership Control & Influence	505-665-1624	
Foreign Visits and Assignments	505-665-1572	
Fraud, Waste and Abuse	505-665-6159	
Immigration Services	505-667-8650	
Info Security Operations Center (ISOC) Coordinator Pager	505-949-4762	
Lock Shop	505-667-4911	
Material Control & Accountability Group	505-667-5886	
Network Operations Center (NOC)	505-667-7423	noc@lanl.gov
Personnel Security	505-665-6565	
Physical Security Team	505-667-2510	
Protective Force	505-667-4437	
Protective Force After Hours Reporting (Central Alarm Station)	505-665-7708	
Protective Force After Hours Shift Commander	505-665-1279	
Safety Help Desk	505-665-7233	
Security Help Desk	505-665-2002	security@lanl.gov
Security Incident Team (SIT)	505-665-3505	
Wireless Point of Contact		wirelesssecurity@lanl.gov

G9.0 Required Notifications (May 2015)

SUBCONTRACTOR shall notify the Requester, STR/AdSTR and the Contract Administrator /Procurement Specialist immediately, whenever a change in the scope of the work to be performed has been identified or requested. The Requester or STR/AdSTR shall then notify the appropriate security expert so that any security modifications can be made to the approved Exhibit G in response to the change in the scope of work.

**EXHIBIT G CYBER SECURITY
SECURITY REQUIREMENTS
TABLE OF CONTENTS**

<u>No.</u>	<u>Clause Title</u>	<u>Page</u>
G1.0	Definitions and Acronyms (May 2015)	2
G2.0	Security Requirements (July 2015)	2
2.1	Scope of Exhibit G.....	2
2.2	DEAR Clauses Incorporated By Reference	2
2.3	DOE Directives Incorporated by Reference	3
2.4	Goal of Zero Security Incidents.....	4
2.5	Cyber Information Security Definition of On-site / Off-site	4
G3.0	General Security (July 2015)	4
3.1	Work site, Security Area, Badge and Data Information	4
3.2	Cyber Information Security Training for Work Performed On-site	5
3.3	Reporting Security Incidents.....	6
G4.0	Foreign National Access to LANL Information / Data (July 2015)	6
G5.0	Information Security (May 2015)	6
5.1	Controlled Unclassified Information (CUI) & LANS Proprietary Information (LPI)	6
5.2	Unclassified Controlled Nuclear Information (UCNI)	7
G6.0	U.S. Export Control Requirements (July 2015)	8
G7.0	Cyber Information Security (July 2015)	8
7.1	LANL Data Owner Responsibilities	8
7.2	Subcontract Worker Responsibilities	8
7.3	On-site LANL System access and General LANL Data Access Requirements	9
7.4	Off-site Access to LANL Systems	10
7.5	Off-site Storage of LANL Controlled Unclassified Information on Subcontractor's Systems	11
7.6	Processing and/or Storage of LANS/LANL Data on Subcontractor managed systems	11
7.8	Consequences of Noncompliance	12
G8.0	Contacts (July 2015)	12

G1.0 Definitions and Acronyms (May 2015)

Definitions and acronyms may be accessed electronically at <http://www.lanl.gov/resources/assets/docs/Exhibit-G/exhibit-g-definitions-acronyms-green.pdf>

G2.0 Security Requirements (July 2015)

All LANL data created or provided under this subcontract is and shall remain the property of CONTRACTOR or the United States Government; and shall in no way become attached to the services under this subcontract; nor shall SUBCONTRACTOR have any right to the data.

SUBCONTRACTOR has an affirmative duty to immediately notify the Contract Administrator in writing if performance of the SOW contradicts any statements below. In addition, if there is contradiction during the performance of the SOW, CONTRACTOR reserves the right to impose additional security requirements on SUBCONTRACTOR as deemed necessary and appropriate.

2.1 Scope of this Exhibit G

This Exhibit G only pertains to the storage and processing of LANL data on information systems and networks. This Exhibit G defines the requirements for information security only, and does not address security requirements pertaining to personnel or physical security. For any Statements of Work that includes any personnel or physical security topics (such as but limited to obtaining security clearances, badges, physical access to the LANL site, storage of LANL paper documents, etc.) an additional Physical Security Exhibit G will be needed (<http://int.lanl.gov/security/ExG.shtml>). Please refer to the assigned Deployed Security Officer (DSO: <http://int.lanl.gov/security/deployed.shtml>) for assistance.

SUBCONTRACTOR shall comply with all requirements specified in this exhibit. Regardless of the performer of the work (e.g. sub-tier or third party contractor) SUBCONTRACTOR shall ensure compliance with the provisions of this exhibit. All measures taken by CONTRACTOR to correct Subcontract Workers' non-compliance shall be at SUBCONTRACTOR'S expense, and the cost thereof, including any stipulated penalties resulting from such non-compliance, shall be deducted from payments otherwise due SUBCONTRACTOR. Additionally, when requested by CONTRACTOR, SUBCONTRACTOR shall provide such information, assistance and support as necessary to facilitate CONTRACTOR'S compliance with any DOE Directives that may be applicable to the scope of work.

2.2 DEAR Clauses Incorporated By Reference

2.2.1 The Department of Energy Acquisition Regulation (DEAR) clauses which are incorporated by reference herein shall have the same force and effect as if printed in full text.

2.2.2 Full text of the referenced clauses may be accessed electronically at <http://farsite.hill.af.mil/VFDOE1.htm>

2.2.3 The following alterations apply only to FAR and DEAR clauses and do not apply to DOE or NNSA Directives. Wherever necessary to make the context of the unmodified DEAR clauses applicable to this subcontract:

- The term "Contractor" shall mean "SUBCONTRACTOR;"
- The term "Contract" shall mean this subcontract; and
- The term "DOE", "Government," "Contracting Officer" and equivalent phrases shall mean CONTRACTOR and/or CONTRACTOR'S representative, except the terms "Government" and "Contracting Officer" do not change when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or his duly authorized representative; or where specifically modified herein.

2.2.4 The following clauses apply as stated in the Instructions.

Clause Number	Title and Date	Instructions
DEAR 952.204-77	Computer Security (Aug 2006)	Applies when Subcontractor has access to computers owned, leased or operated on behalf of the DOE.

Clause Number	Title and Date	Instructions
FAR 52.204-9	Personal Identity Verification of Contractor Personnel (Jan 2011)	Applies when Subcontractor has routine physical access to a Federally-controlled facility and/or routine access to a Federally-controlled information system.

2.3 DOE Directives Incorporated by Reference

When requested by CONTRACTOR, SUBCONTRACTOR shall provide such information, assistance and support as necessary to ensure CONTRACTOR'S compliance with the following DOE/NNSA Directives, as applicable to the scope of work. SUBCONTRACTOR shall comply with the requirements of the Contractor Requirement Document (CRD) attached to a Directive when required by such CRD. The Directives are prefaced with certain conditions for applicability to the subcontract. A referenced Directive does not become effective or operative under this subcontract unless and until the conditions precedent are met through the scope of work. The DOE Directives referenced herein may be found at <http://www.directives.doe.gov/> Applicable NNSA Administrative Procedure (NAP) documents may be provided to SUBCONTRACTOR by the Contract Administrator / Procurement Specialist (CA/PS) upon request.

Clause Number	Title	Instructions
NAP 14.1C, Chpt. VII	NNSA Baseline Cyber Security Program, Chapter VII Incident Management	Applies if contract work involves information systems used on behalf of DOE/NNSA to collect, process, store, display, create, disseminate or transmit national security or unclassified DOE / government information.
NAP 14.1D	Baseline Cyber Security	Applies if contract involves National Security Systems that collect, process, store, display, create, disseminate, or transmit information.
DOE O 205.1B Chg 3	Department of Energy Cyber Security Program	Applies if contract includes access to DOE unclassified or classified information and information systems used or operated by CONTRACTOR.
DOE O 206.1 Attach. 1 CRD	Department of Energy Privacy Program	Applies if contract includes activities that may include collecting, processing, storing, maintaining or accessing LANL PII information or data.

2.4 Goal of Zero Security Incidents

SUBCONTRACTOR and any lower-tier subcontractors shall strive to eliminate all security events, incidents, and adverse impacts to national security.

2.5 Cyber Information Security Definition of On-site / Off-site

On-site: work performed or located at the LANL Work Site

Off-site: work performed away from the LANL Work Site

G3.0 General Security (July 2015)

3.1 Work site, Security Area, Badge and Data Information

WORK SITE / TA: 03	
X	DOE owned/leased (LANL) or LANS' owned/leased facility or property
	Subcontractor owned/leased and DOE Owned / Leased (LANL) facility or property
	Subcontractor owned/leased only

TYPE / CATEGORY	
X	Subcontract
	Subcontract Master Task Order
	Subcontract Release
	Purchase Order (will not become a Subcontract)

ON-SITE WORK AREA DESIGNATION (If applicable)	
	General Access Area / Publically Accessible
	Property Protection Area (PPA)
X	Limited Area (LA)
	Protection Area (PA)
	Material Access Area (MAA)
X	SCIF, SAPF, certified Vault or Vault Type Room

BADGE TYPE / CLEARANCE LEVEL (If Applicable)	
	LANL Generic Uncleared US Visitor badge
	LANL Generic Uncleared US Visitor Escort Required badge

BADGE TYPE / CLEARANCE LEVEL (If Applicable)	
	LANL Uncleared Site-specific badge
	LANL Uncleared Foreign National badge
	LANL Cleared Foreign National badge
	Uncleared DOE badge
X	L-Cleared DOE badge
X	Q-Cleared DOE badge
	HRP

DATA CLASSIFICATION (Check all that apply)	
X	Unclassified / Public Release / Designated Unclassified Subject Area (DUSA/Technology and Software Publicly Available (TSPA)
X	Unclassified
	LANS Proprietary Information (LPI)
	Personally Identifiable Information (PII)
	Unclassified Controlled Nuclear Information (UCNI)
X	Export Controlled Information (ECI)
	Applied Technology (AT)
	Naval Nuclear Propulsion Information (NNPI)
	Reactor Safeguards Information (RSI)
	Other Official Use Only not listed above (OUO)
X	Classified

SUBCONTRACTOR CYBER SECURITY PLAN (Determined by LANL ISSM or Delegate)	
	Required
X	Not Required

3.2 Cyber Information Security Training for Work Performed On-site

- 3.2.1 Subcontract workers who will have access to a LANL computer, network or system shall complete the Initial Computer Security Briefing as soon as access is granted to LANL information system resources. All Subcontract workers who are on-site shall also complete Annual Security Refresher training. New users may have access to training systems in the Badge Office in the Otowi Building or at the White Rock Training Center. Most computer training is on-line and open to the public <https://extrain.lanl.gov/>
- 3.2.2 All Subcontract workers required to take the Initial Information Security Briefing will also be required to complete the Annual Information Security Refresher each year (47075) Annual Information Security Refresher (AISR). All other required Cyber Information Security training identified in the table below shall be completed prior to computer access and prior to performing the assigned function that the training prepares the Subcontract Worker to perform.

Required Course	Course Title - Required For	Frequency	Estimated Time to Complete Training
	Cyber Information Security – Only for on-site access or access to LANL information systems		
X	Initial Information Security Briefing - All Computer Users / web	Once	1 hr.
X	Annual Information Security Refresher – all Computer users / web	12 months	30 min.
X	Classified Computer Security - Classified Computer Users /web	Once	4 hrs.

3.3 Reporting Security Incidents

- 3.3.1 This section contains requirements for identifying and reporting confirmed or reasonably suspected incidents of security concern. Such incidents may involve issues associated with Personally Identifiable Information (PII), classified matter, computer systems, nuclear materials, secure communications, personnel security, and physical security occurring on LANL property, Laboratory-leased property or SUBCONTRACTOR-owned property. Subcontract workers shall comply with the following requirements
- 3.3.2 Immediately upon discovery of a confirmed or reasonably compromise of PII, potential threats and vulnerabilities involving LANL data utilized by the SUBCONTRACTOR, and any incident involving the loss compromise or unauthorized disclosure of classified matter shall be reported *immediately* upon discovery to the SIT (505-665-3505) during regular business hours and outside normal business hours contact the ADMASER duty officer through the Protective Force at 505-665-7708

G4.0 Foreign National Access to LANL Information / Data (July 2015)

CONTRACTOR reserves the right to limit or disallow Foreign Nationals access to data deemed sensitive based upon classification and export control guidelines.

Approval for a foreign national to work off-site on a LANL project is not required if all of the following conditions are met: 1) all work is conducted entirely off-site; 2) work involves ONLY information that is open, non-sensitive and routinely published in the public domain.

If any of the above criteria are not met, approval for a foreign national to work on a LANL project off-site must be obtained from the LANL Foreign Visits and Assignments office PRIOR to commencing work on the Subcontract. The individual who is hosting a foreign national shall be a CONTRACTOR employee and a US citizen.

Contact information for Foreign Visits& Assignments (FV&A) for on-site access foreignvisits@lanl.gov

G5.0 Information Security (May 2015)

5.1 Controlled Unclassified Information (CUI) & LANS Proprietary Information (LPI)

CUI and LPI information is unclassified with the potential to damage government, commercial or private interests if disseminated to persons who do not have a need-to-know the information to perform their jobs or other DOE-authorized activities. SUBCONTRACTOR shall protect such information from unauthorized dissemination and shall follow all requirements for CUI and LPI documents specified below.

5.1.1 Access

No security clearance is required for access to CUI or LPI.

If CUI information is Export Control Information (ECI) access is restricted to US persons, defined as citizens and Lawful Permanent Residents.

If CUI information is Applied Technology (AT) it is subject to access restrictions established by the DOE Program Office. The associated LANL program manager can determine access authorizations for Laboratory workers.

5.1.2 Storing

CUI and LPI information shall be stored in a locked room or locked receptacle (e.g. desk, file cabinet, safe). CUI and LPI information stored on a computer shall have passwords, authentication, encryption or file access controls in place for protection.

5.1.3 Transmitting

E-mail messages that contain CUI or LPI information should indicate CUI or LPI in the first line, before the body of the text. CUI or LPI disseminated over networks outside of LANL should be encrypted with NIST-validated encryption software. LANL will evaluate encryption products and approve.

In the case of hard copies being sent outside of LANL, CUI or LPI shall be placed in a sealed, opaque envelope marked with the recipient's name, a return address and the words "To Be Opened by Addressee Only". For interoffice mail within LANL, CUI or LPI

shall be placed in a sealed, opaque envelope with the recipient's address and the words "To be Opened by Addressee Only" on the front of the envelope.

5.1.4 Destroying

Vendors are not required to destroy electronic media that contains CUI or LPI. However, disks should be overwritten using approved software before they are thrown away. Hard copy CUI or LPI documentation shall be destroyed by using a cross-cut shredder into nothing larger than ¼-inch x 2-inches.

5.2 Unclassified Controlled Nuclear Information (UCNI)

UCNI is certain unclassified but sensitive government information whereby unauthorized dissemination is prohibited. UCNI is intended to be viewed only by those individuals with a need-to-know the specific UCNI to perform their official duties or LANS-authorized activities. SUBCONTRACTOR shall protect such information from unauthorized dissemination and shall follow all requirements for UCNI documents specified below.

5.2.1 Access

No security clearance is required for access to UCNI; however, access is permitted only to those authorized for routine or special access and those who have a need-to-know. UCNI stored on a computer shall be restricted (passwords, authentication, file access control or encryption and offline storage) to only those who have a need-to-know.

5.2.2 Storing

When using UCNI, physical control shall be maintained over the material to prevent unauthorized access to the information. When not in use, UCNI matter shall be stored in a locked room or receptacle (e.g. desk, file cabinet, bookcase or safe). The locked receptacle shall have controls that limit access to only approved workers. UCNI stored on a computer shall meet all LANL password, authentication, or encryption and file access control requirements.

5.2.3 Transmitting

Ensure that UCNI is marked correctly prior to transmitting it over any media. Only a qualified Reviewing Official can identify and mark UCNI. Contact the Classification Group through the RLM or STR/AdSTR for assistance.

When transmitting over telecommunication circuits (including telephone, fax, radio, e-mail or Internet) encryption methods that comply with FIPS 140-2-validated encryption algorithms or NIST validated encryption software must be used for the protection of UCNI. See <http://csrc.nist.gov/publications/fips/fips140-2/fips1402.pdf> and <http://csrc.nist.gov/groups/STM/cmvp/documents/140-1/140val-all.htm> for encryption specifics.

Transmission over open phone lines is prohibited. A Secure Terminal Equipment (STE) line is required.

UCNI documents shall be transmitted using a fax machine that employs encryption. When transmitted via fax or e-mail outside LANL, UCNI shall be encrypted with NIST-validated encryption software. E-mails with UCNI attachments are considered transmittal documents and shall be marked and encrypted as such.

When mailing outside of LANL, an opaque envelope shall be used and the outer packaging shall not indicate that the content within is UCNI. For interoffice mail, an interoffice envelope shall be used and mailed through standard interoffice mail, but do not indicate that the content is UCNI. When using e-mail, UCNI shall be encrypted with FIPS 140-2-validated encryption algorithms or NIST validated encryption software such as Entrust®. See <http://csrc.nist.gov/publications/fips/fips140-2/fips1402.pdf> and <http://csrc.nist.gov/groups/STM/cmvp/documents/140-1/140val-all.htm> for encryption specifics.

5.2.4 Destroying

Users are not required to destroy electronic media that contain UCNI. Disks should be overwritten using approved software (<http://mireth.com/shredit/>) before they are discarded. Hard copy UCNI documents are to be destroyed by shredding in an approved shredder.

SUBCONTRACTOR shall coordinate with the Classified Matter Protection and Control Team through the RLM or STR/AdSTR to properly destroy UCNI information.

5.2.5 Consequence of Noncompliance

SUBCONTRACTOR'S failure to comply with the requirements pertaining to UCNI may result in the imposition of a civil and/or criminal penalty for each violation.

G6.0 U.S. Export Control Requirements (July 2015)

SUBCONTRACTOR shall comply with all U.S. export control laws and regulations, including the provisions of the Export Administration Act of 1979 and the U.S. Export Administration Regulations (15 C.F.R. 730-774) promulgated thereunder, the U.S. Department of Energy's export regulations (10 C.F.R. Part 810), the Arms Export Control Act, the International Traffic in Arms Regulations, and the sanctions and laws administered by the U.S. Treasury Department, Office of Foreign Assets Control (OFAC).

SUBCONTRACTOR acknowledges that these statutes and regulations impose restrictions on the import and export to foreign countries and foreign nationals of certain categories of items and data and that licenses from the U.S. Department of Energy, U.S. Department of Commerce, U.S. State Department and/or OFAC may be required before such items or data can be disclosed, and that such licenses may impose further restrictions on use of and further disclosure of such data.

SUBCONTRACTOR further acknowledges that the information which CONTRACTOR may disclose to SUBCONTRACTOR pursuant to the Subcontract may be subject to these statutes and regulations.

G7.0 Cyber Information Security (July 2015)

These requirements apply to any information system or network that SUBCONTRACTOR may use to collect, create, process, transmit, store or disseminate information for CONTRACTOR. Unless specifically waived, CONTRACTOR retains ownership of the data that SUBCONTRACTOR may utilize in performance of this subcontract. Regardless of the performer of the work, SUBCONTRACTOR shall ensure compliance with the provisions of this section.

7.1 LANL Data Owner Responsibilities

7.1.1 Informing the SUBCONTRACTOR

The LANL Data Owner(s) will inform the SUBCONTRACTOR of the sensitivity and classification of data that may be utilized in performance of this subcontract.

7.2.1 Specifying Protection Requirements

The LANL Cyber Information Security Office will specify information protection requirements detailed in the Information System Security Plan (ISSP) appropriate to the sensitivity/classification of all data SUBCONTRACTOR may utilize in performance of this subcontract.

7.2 Subcontract Worker Responsibilities

7.2.1 Data Sensitivity Determination

Subcontract workers shall ensure that the LANL Data Owner has specified the data sensitivity and/or classification of all data that will be collected, created, processed, transmitted, stored or disseminated by SUBCONTRACTOR. SUBCONTRACTOR shall ensure its workers are knowledgeable of the data classification associated with this subcontract.

7.2.2 Approvals

Subcontract workers shall obtain specific approval from the LANL Office of the Chief Information Officer (OCIO) prior to connecting any equipment owned or acquired by SUBCONTRACTOR to any LANL network, with the coordination of the STR/Ad/STR.

7.2.3 Accountability

Subcontract workers shall be accountable for their actions on an information system.

7.2.4 Acknowledge Responsibilities

Subcontract workers shall acknowledge their responsibilities for protecting information systems and electronic information and for complying with any system-specific rules of use. Acknowledgement will be captured during the Initial Information Security Briefing.

7.2.5 Ensure Control of Media

- Subcontract workers shall ensure that system media and system output are properly classified, marked, controlled and stored.
- 7.2.6 Follow the Rules and Regulations
Subcontract workers shall follow rules and regulations governing the secure operation and authorized use of information systems detailed in this Exhibit G Security Requirements.
- 7.2.7 Periodic Assessments
Subcontract workers shall submit at the discretion of the LANL OCIO to a periodic assessment to be performed by the LANL Data Owner as to the effectiveness of the information protection mechanisms identified that are implemented by SUBCONTRACTOR.
- 7.2.8 Non-Disclosure
Subcontract workers shall not disclose LANL data collected, created, processed, transmitted, stored, or disseminated by SUBCONTRACTOR in performance of this subcontract, unless each case of such disclosure is specifically approved by the LANL Data Owner and the CA/PS.
- 7.2.9 Media Control and Destruction
- 7.2.9.1 Subcontract workers shall contact the LANL OCSR or ISSO and STR/AdSTR when information storage media (such as hard drives, removable storage media or non-volatile memory devices) is no longer needed or required for this subcontract.
- The decision whether to clear, sanitize and destroy the unclassified storage media shall be made by the LANL OCSR or ISSO;
 - Coordinate with the LANL OCSR or ISSO for the destruction of non-classified CDs, DVDs, or flash drives etc., and the handling, marking and destruction of classified CDs, DVDs or flash drives etc.;
 - All classified media shall be brought into accountability and destroyed.
- 7.2.9.2 Subcontract workers shall ensure LANL data utilized in the performance of this subcontract is not used for any other purpose that has not been specifically approved by the LANL Data Owner, including testing of new systems or applications or demonstrations of software or systems for the purpose of marketing the SUBCONTRACTOR'S skills or services to customers other than LANL.
- 7.2.10 Non-Government Owned Classified Systems
Subcontract workers shall ensure any subcontractor activity that involves processing LANL classified information using a non-government owned information system be documented and approved by the LANL OCIO before access is granted.
- 7.3 On-site LANL System access and General LANL Data Access Requirements
As a minimum, SUBCONTRACTOR shall comply with the following requirements regarding all levels of LANL data (classified and unclassified) and PII:
- 7.3.1 System Certification for Controlled Unclassified Information.
If SUBCONTRACTOR will be processing LANL Controlled Unclassified Information (PII, UCI, UCNI, or other sensitive unclassified data) on SUBCONTRACTOR'S systems, a Subcontractor Cyber Security Plan is required.
- 7.3.2 Non-Disclosure Agreement
If SUBCONTRACTOR will have access to LANL sensitive unclassified and/or classified information and data, SUBCONTRACTOR may be required to sign a *Non-Disclosure Agreement*, before access to data or information is granted by CONTRACTOR.
- 7.3.3 Access Control Protections
Ensure that authentication mechanisms, including passwords, issued for the control of their access to information on information systems are not shared, are protected at the same level of protection applied to the information to which they permit access, and that any compromise or suspected compromise of an authenticator is reported to the appropriate ISSO or OCSR and STR/AdSTR.

- 7.3.4 Visual Protections
 - Protect terminals from unauthorized access as described in the appropriate Information System Security Plan (ISSP).
- 7.3.5 Personnel Background Screening
 - Subcontract workers, who will be granted access to LANL systems during the performance of this subcontract, will be required to undergo a LANL background security screening.
- 7.3.6 Authentication Requirements on Subcontractor's Systems
 - Utilize robust, preferably two-factor authentication when granting users access to the data SUBCONTRACTOR may utilize in performance of this subcontract.
- 7.3.7 Data Encryption
 - Utilize encryption, when specified by the LANL Cyber Information Security Office, performed by a product listed in the NIST Federal Information Processing Standard (FIPS) 140-2 validated products list (<http://csrc.nist.gov/cryptval/>).
- 7.3.8 Use of Least Privilege Principle
 - Grant user access to LANL data using the least privilege principle; which ensures that Subcontract Workers are granted only the access privileges absolutely necessary to accomplish the work specified by this subcontract.
- 7.3.9 Access to Classified Information
 - Ensure access to classified information is granted only to persons with the appropriate access authorization (clearance) and need-to-know in the performance of their duties under this subcontract. SUBCONTRACTOR's access to the data is granted in terms of the Information System Security Plan (ISSP)
- 7.3.10 Access to Unclassified Information
 - Ensure access to unclassified information is granted only to persons who have a need-to-know for the information in the performance of their duties under this subcontract;
- 7.4 Off-site Access to LANL Systems
 - 7.4.1 Remote users who do not process Controlled Unclassified Information may access LANL systems by fulfilling the following requirements.
 - 7.4.1.1 Access to LANL systems from Off-site
 - To obtain access to LANL systems from off-site, SUBCONTRACTOR shall:
 - Be approved to receive a CRYPTOCARD [Foreign Nationals must have approval from LANL Foreign Visits & Assignments before requesting a CRYPTOCARD]
 - 7.4.1.2 Remote User Requirements
 - SUBCONTRACT workers shall ensure the following operational controls are implemented:
 - Close the browser, cache and delete cookies before leaving the remote system;
 - Ensure files from off-site systems have been examined for malicious content (e.g. anti-virus or anti-spyware) before introduction to a LANL information system;
 - Ensure virus definition file on off-site computer is the most recent version;
 - Ensure any sensitive information that was transmitted to the remote system is protected per FIPS 140.2 by encrypted means;
 - Classified information shall not be processed during remote access sessions and is prohibited on any computer that is not approved for classified processing.

- 7.4.2 Violating remote access requirements outlined above may result in the loss of access to on-site, as well as off-site computing. Other actions may be taken up to and including removal of the Subcontract work from this subcontract.
- 7.5 Off-site Storage of LANL Controlled Unclassified Information on Subcontractor's Systems
- 7.5.1 Approval Requirements
SUBCONTRACTOR shall have approval from the LANL OCIO when storing and processing LANL sensitive and mandatory protected information on SUBCONTRACTOR'S systems.
- 7.5.2 Certification of Protection Measures
LANL Cyber Information Security will confirm that the system's protection measures have been correctly implemented in accordance with LANL's information security planning process.
- 7.6 Processing and/or Storage of LANS/LANL Data on Subcontractor managed systems
- 7.6.1 If SUBCONTRACTOR manages IT systems that store or process LANL data on-site or off-site, subcontractor shall comply with requirements outlined in the following subsections. Off-site storage or processing of Federal and LANS data are defined in NIST SP 800/145 as any connection that involves delivering host services over the Internet.
- 7.6.2 Qualification and Validation
SUBCONTRACTORS shall comply with the following regulations and requirements:
- National Institute of Science Technology (NIST 800-53) found at <http://csrc.nist.gov/publications/PubsSPs.html> or FedRAMP certification (<http://www.fedramp.gov>) are the preferred methodology of establishing and confirming security controls.
 - If the Subcontractor does not adhere to NIST/FedRAMP standards, an industry recognized equivalency protection methodology may be used. Examples of equivalencies include but are not limited to SSAE-16, HIPAA, EU Safe Harbor, ISO 27017, etc.
 - Equivalencies should clearly address how the subcontractor protects the system and LANL data for the OWASP Top 10 Security Risks (https://www.owasp.org/index.php/Category:OWASP_Top_Ten_Project) Matrices of cloud controls and certifications/standards can be found on the Cloud Security Alliance's Cloud Controls Matrix (<https://cloudsecurityalliance.org/>) and on the Cloud Standards Customer Council's Cloud Security Standards (<http://cloud-council.org/>).
 - The LANL ISSM must approve equivalent protection methodology.
 - LANL may require artifacts verifying that the SUBCONTRACTOR adheres to the security methodologies.
 - Examples of these artifacts include but are not limited to FedRAMP certification, SOC-1,2,3 reports, official letters from third-party security auditors, etc.
 - Artifacts will be required for the processing or storage of any Controlled Unclassified Information (CUI) or Classified information or any other system characterized by LANL as a Moderate Information System using standards established in Federal Information Processing Standard (FIPS) Publication 199 found at <http://csrc.nist.gov/publications/PubsFIPS.html>

For questions, contact cybersecurity@lanl.gov.

Compliance with these requirements shall be verified by the LANL OCIO.

7.6.3 Certification and Accreditation

SUBCONTRACTOR shall be accredited before processing classified and unclassified information on their systems. The LANL OCIO shall approve the use of non-government owned information systems prior to processing LANL information.

SUBCONTRACTOR shall develop, with the assistance of the LANL Information Cyber Security Office, the following plans. These plans must be approved by LANL Cyber Information Security prior to subcontract award.

If SUBCONTRACTOR is already federally authorized or industry tested and authorized for unclassified data, additional certification or accreditation may not be required.

Supporting documentation will still be required. Templates will be provided by the LANL OCIO.

- Security Assessment Report System Security Plan or equivalent
- IT System Configuration Plan
- IT System Contingency Planning with Business Impact Analysis
- Plans of Action and Milestones
- Continuous Monitoring Plan
- Results of Penetration Testing
- Privacy Impact Assessment (PIA) (if LANL/LANS PII is going to be stored)
- Interconnection Agreements/Service Level Agreements/Memorandum of Agreements
- FedRAMP Test Procedures and Results
- FedRAMP Control Tailoring Workbook
- Control of Implementation Summary Table

SUBCONTRACTOR shall provide results of annual security control test results to the LANL Information Cyber Security Office. The annual security control test shall include:

- Copies of annual assessment reports
- Copies of Business Impact Analysis and IT Contingency Plan; annual test reports
- Copies of annual vulnerability assessments

A list of the control tests required can be found at http://www.lanl.gov/resources/_assets/docs/Exhibit-G/nist-800-53.pdf.

7.8 Consequences of Noncompliance

Failure of SUBCONTRACTOR to comply with the requirements of this Exhibit G Cyber Security may result in the imposition of a criminal and/or civil penalty. Activities on LANL systems are monitored and recorded and subject to audit. Use of LANL systems and data is expressed consent to such monitoring and recording. Any unauthorized access or use of LANL systems and data is prohibited and could subject the SUBCONTRACTOR to criminal and civil penalties.

G8.0 Contacts (July 2015)

Name	Telephone	Email
OCIO/Cyber Security Office	505-665-1795	
Foreign Visits and Assignments	505-665-1572	
Immigration Services	505-667-8650	
Security Incident Team (SIT)	505-665-3505	
Protective Force After Hours Reporting (Central Alarm Station)	505-665-7708	

EXHIBIT "H" QUALITY ASSURANCE REQUIREMENTS

TABLE OF CONTENTS

<u>QC</u>	<u>Title</u>	<u>Page</u>
QC-01B	QUALITY ASSURANCE PROGRAM REQUIREMENTS FOR ONSITE SUBCONTRACTS (Sept 2014).....	2
QC-02	DESIGN/CHANGE CONTROL FOR SUBCONTRACTOR PROVIDED DESIGN (May 2008) .	2
QC-03	QUALIFICATION AND CERTIFICATION OF PERSONNEL AND STAFF (Sept 2014)	2
QC-06	CERTIFICATE OF CONFORMANCE (Mar 2016).....	2
QC-07	MANUFACTURING, INSPECTION, MAINTENANCE, REPAIR, AND/OR TEST PROCEDURES (Sept 2014)	2
QC-08	INSPECTION, EXAMINATION, AND TEST REPORTS (Mar 2016).....	2
QC-17	MANUALS / INSTRUCTIONS (Jun 2011).....	3
QC-22	CONTRACTOR'S RIGHT OF ACCESS TO SUBCONTRACTOR'S FACILITY (Visit) (Jun 2011).....	3
QC-23	CONTRACTOR'S RIGHT OF ACCESS TO SUBCONTRACTOR'S FACILITY (Resident) (May 2008).....	3
QC-24	DESIGN REVIEW PRIOR TO PRODUCTION (Sept 2011).....	3
QC-25	NONCONFORMANCE REPORTING (Mar 2016).....	3
QC-26	CORRECTIVE ACTION REPORTS (Jun 2011).....	4
QC-27	SUSPECT/COUNTERFEIT ITEMS (S/CI) (Sept 2014).....	4
QC-29	HANDLING, RECEIVING, STORAGE, SHIPPING, AND PACKAGING (Mar 2016)	5
QC-34	DOCUMENTS AND RECORDS (May 2012)	5
QC-36	SOFTWARE QUALITY ASSURANCE (SQA) (Sept 2014)	5
QC-37	OTHER	5

Dated 5/27/16

**QC-01B QUALITY ASSURANCE PROGRAM REQUIREMENTS FOR ONSITE SUBCONTRACTS
(Sept 2014)**

All work activities, including the purchase and inspection of any provided items intended for permanent installation (or spares), items ultimately intended for off-site shipment such as waste containers etc., or calibrated portable Measuring & Test Equipment (M&TE) being used in testing/calibration of permanently installed equipment, will be governed by the following sub-clauses that are marked with an "X":

- The LANL Quality Assurance (QA) Program governs the subject work. All applicable items must be procured by LANL through the LANL procurement process and be receipt inspected by LANL QPA Division with an associated Inspection Plan (i.e. Form 1952) prepared by LANL project personnel, unless an approved LANL Compensatory Action Plan and/or Commercial Grade Dedication (CGD) package allows otherwise.

QC-02 DESIGN/CHANGE CONTROL FOR SUBCONTRACTOR PROVIDED DESIGN (May 2008)

SUBCONTRACTOR shall provide a design that is defined, controlled, and verified. Applicable design inputs shall be appropriately specified on a timely basis and correctly translated into design documents. Design interfaces shall be identified and controlled. Persons other than those who designed the item shall verify design adequacy and accuracy. Design changes shall be governed by controlled measures commensurate with those applied to the original design.

QC-03 QUALIFICATION AND CERTIFICATION OF PERSONNEL AND STAFF (Sept 2014)

SUBCONTRACTOR'S personnel and staff shall have the indoctrination, training, experience, qualifications and certifications necessary for the work to be performed as required by industry standards, as well as any additional requirements specified in this subcontract. Qualification and certification records shall be available for review by CONTRACTOR upon request.

QC-06 CERTIFICATE OF CONFORMANCE (Mar 2016)

SUBCONTRACTOR shall provide a Certificate of Conformance (C of C) for all items or services procured through this subcontract. Each C of C shall be from SUBCONTRACTOR and/or Manufacturer, shall identify CONTRACTOR'S subcontract number, and state that the item or service described thereon conforms in all respects with subcontract requirements, which may include any applicable specifications, drawings, marking requirements, part/model/serial number identification, or codes/standards that the item is certified to. Where applicable, the C of C shall identify the material by CONTRACTOR'S part/control number consistent with part number information in subcontract documents and/or CONTRACTOR'S specifications. Each C of C shall further identify any approved changes, waivers, or deviations to the item requirements and identify any requirements that have not been met, with a corresponding means/recommendation for resolving the nonconformances. Each C of C shall be signed or otherwise authenticated by an authorized person responsible for this function as described in SUBCONTRACTOR'S quality assurance program (or other representative of SUBCONTRACTOR and/or manufacturer if SUBCONTRACTOR is not required to have a quality assurance program). SUBCONTRACTOR personnel must assure that certificates of conformance are verified for compliance with the technical and quality requirements stated in the subcontract.

QC-07 MANUFACTURING, INSPECTION, MAINTENANCE, REPAIR, AND/OR TEST PROCEDURES (Sept 2014)

SUBCONTRACTOR shall upon CONTRACTOR'S request, submit to CONTRACTOR for review prior to manufacturing, inspection, maintenance, repair and/or testing, written procedures, checklists, and/or travelers detailing the activity that will be performed to verify that the items being supplied or worked on conform to the requirements of this subcontract.

QC-08 INSPECTION, EXAMINATION, AND TEST REPORTS (Mar 2016)

SUBCONTRACTOR shall provide to CONTRACTOR, with or prior to each shipment, or as the result of on-site testing/inspection, all reports of inspections and/or tests performed on the items

Dated 5/27/16

procured/inspected/tested. The reports shall be traceable to the subcontract number, item part/model number, item serial number (where applicable), and/or system description (when items are tested/inspected as part of an overall integrated system).

QC-17 MANUALS / INSTRUCTIONS (Jun 2011)

SUBCONTRACTOR shall submit manuals/instructions or other documents that identify the items provided and include as applicable, drawings/sketches, part/model numbers (including recommended spare and replacement parts and data required for ordering), storage guidelines, safety precautions, installation/test instructions, and operating and maintenance instructions. The manual/instructions shall be written in clear, concise language readily understandable by a technician or craftsman, and shall conform to the industry standards that prevail for the preparation of such documents.

QC-22 CONTRACTOR'S RIGHT OF ACCESS TO SUBCONTRACTOR'S FACILITY (Visit) (Jun 2011)

CONTRACTOR reserves the right to send its representatives to visit SUBCONTRACTOR'S facilities, on a non-resident basis, for surveillance and survey/audit purposes, to assure/verify SUBCONTRACTOR'S conformance to the technical requirements of this subcontract, including test and inspection requirements, and all applicable quality assurance requirements. Such personnel shall be allowed full access to: (1) witness all operations/tests involved in the performance of this subcontract; and (2) survey/audit all records pertaining to the subcontract. Reasonable advance notice (minimum 24 hours), in writing, will be provided to SUBCONTRACTOR prior to any such visits. SUBCONTRACTOR shall flow down this requirement for CONTRACTOR'S right of access to all lower-tier subcontractors and suppliers.

QC-23 CONTRACTOR'S RIGHT OF ACCESS TO SUBCONTRACTOR'S FACILITY (Resident) (May 2008)

CONTRACTOR, at its discretion, may assign and station resident representatives at SUBCONTRACTOR'S facility to provide program coordination. These representatives will assist in expediting actions between CONTRACTOR and SUBCONTRACTOR, maintain program surveillance, and evaluate program progress. The resident representatives shall have access to all areas and all information directly related to the scope of their responsibilities hereunder. SUBCONTRACTOR agrees to provide appropriate office space, office supplies, secretarial services, and communication facilities for such representatives at no additional cost to CONTRACTOR.

QC-24 DESIGN REVIEW PRIOR TO PRODUCTION (Sept 2011)

Unless waived in writing by CONTRACTOR, before release of the design documents, SUBCONTRACTOR shall provide for one or more design reviews by CONTRACTOR and shall obtain written approval/authorization from CONTRACTOR to finalize design and/or begin production/fabrication/construction. To facilitate the design review, SUBCONTRACTOR shall notify CONTRACTOR of its readiness for a design review conference at least five (5) working days before the date on which the conference is scheduled. The notification shall include the proposed conference agenda and one reproducible copy of each document that constitutes the design or helps to demonstrate that the design meets CONTRACTOR'S requirements.

QC-25 NONCONFORMANCE REPORTING (Mar 2016)

SUBCONTRACTOR shall evaluate and notify CONTRACTOR of each nonconformance against items and services that do not meet procurement document requirements within three (3) working days of discovery. This includes, but is not limited to, nonconformance with documentation requirements and technical or material requirements, including situations where an item may be restored so as to function unimpaired, but it does not meet the original subcontract/design requirement. Notice of a nonconformance shall consist of a written description of the nonconformance and when available, an assessment of the cause and the proposed disposition/corrective action, including technical justifications for any proposed Use-As-Is or Repair dispositions. In cases where the SUBCONTRACTOR proposes a Use-As-Is or Repair disposition, the disposition of the nonconformance will be approved by

Dated 5/27/16

CONTRACTOR with corresponding disposition implementation verified. Such Use-As-Is or Repair nonconformance documentation will be supplied by SUBCONTRACTOR to CONTRACTOR and *all* records of nonconformance shall be maintained by the SUBCONTRACTOR. SUBCONTRACTOR shall allow for the return of any materials determined by CONTRACTOR to be nonconforming as a result of CONTRACTOR'S receipt inspection.

QC-26 CORRECTIVE ACTION REPORTS (Jun 2011)

SUBCONTRACTOR shall provide a written acknowledgement within five (5) working days of receipt of a request for corrective action from CONTRACTOR. SUBCONTRACTOR shall respond in writing within 30 days, with actual corrective actions taken or planned. Prior to implementation, such actions will be evaluated and approved by CONTRACTOR to ensure corrective actions have been/will be effectively implemented.

QC-27 SUSPECT/COUNTERFEIT ITEMS (S/CI) (Sept 2014)

- (a) A suspect item is one in which there is an indication by visual inspection, testing, or other information that it may not conform to established Government or industry-accepted specifications or national consensus standards. A counterfeit item is a suspect item that is a copy or substitute, without legal right or authority to do so, or one whose material, performance, or characteristics are knowingly misrepresented by the vendor, supplier, distributor, or manufacturer.
- (b) SUBCONTRACTOR warrants that all items, including their subassemblies, components, and parts, tendered to CONTRACTOR shall be genuine (i.e., not counterfeit), new and unused, and conform to the requirements of this subcontract, without substitution unless otherwise provided for within this subcontract or approved in writing by CONTRACTOR prior to delivery.
 - (1) SUBCONTRACTOR shall ensure (as applicable) that malicious software (and hardware) is prevented from entering into their supply chain for items/services to be provided to CONTRACTOR.
- (c) SUBCONTRACTOR further warrants that all components, parts, materials, and supplies incorporated into CONTRACTOR'S facilities or equipment by SUBCONTRACTOR, during performance of work at LANL, shall be genuine, new and unused, and original-equipment-manufacturer items, without substitution unless otherwise provided for within this subcontract or approved by CONTRACTOR in writing as suitable for the intended purpose prior to use.
 - (1) If SUBCONTRACTOR discovers any S/CI items or S/CI conditions of concern for items in use or in the process of being installed at LANL, SUBCONTRACTOR shall temporarily segregate/control the items and immediately notify CONTRACTOR. CONTRACTOR will make subsequent notifications in accordance with CONTRACTOR'S S/CI procedures and provide SUBCONTRACTOR direction as to S/CI disposition.
- (d) As part of the foregoing warranties, SUBCONTRACTOR also certifies that all labels and/or trademarks or logos affixed, or designed to be affixed; to items supplied or delivered to CONTRACTOR, and to certifications, affirmations, information, or documentation related to the authenticity and quality of items supplied or delivered to CONTRACTOR under this subcontract, are genuine.
- (e) Falsification of information or documentation may constitute criminal conduct; accordingly, SUBCONTRACTOR grants CONTRACTOR the right to temporarily segregate items, and related paperwork, that are suspected to be S/CI, pending a determination by National Nuclear Security Administration (NNSA) or Department of Energy (DOE) officials whether the segregated items should be impounded as evidence.
 - (1) In the event NNSA/DOE directs CONTRACTOR to impound the segregated items, no liability shall be asserted or enforceable against CONTRACTOR, NNSA, or DOE

Dated 5/27/16

because of the impoundment, all such liability being expressly waived by SUBCONTRACTOR or any person claiming any right or interest under this subcontract in the impounded items.

- (2) CONTRACTOR shall incur no liability for failure to return impounded items to SUBCONTRACTOR and does not assume any liability for loss or damage to the items impounded or temporarily segregated pursuant to this clause regardless of the circumstances under which said loss or damage may have occurred, and whether the impounded or temporarily segregated items are in CONTRACTOR'S possession or under its control.
- (f) Nothing in this clause shall limit CONTRACTOR'S right to reject S/CI, and related paperwork, as nonconforming, to deny payment for such items, to return such items to SUBCONTRACTOR once NNSA/DOE has released the items, or to assert other remedies provided under this subcontract or by law.

QC-29 HANDLING, RECEIVING, STORAGE, SHIPPING, AND PACKAGING (Mar 2016)

SUBCONTRACTOR shall control the handling, receiving, storage, cleaning, packaging, shipping, and preservation of items to prevent damage or loss and to minimize deterioration. Such activities shall include as applicable, the appropriate controls for items categorized as Level A, B, C, or D per ASME NQA-1 2008/2009a, Part II, Subpart 2.2. This includes items being provided by SUBCONTRACTOR to CONTRACTOR as well as any items being provided by CONTRACTOR to SUBCONTRACTOR. Handling, storage, and shipping of items shall be conducted in accordance with established work and inspection instructions, drawings, specifications, shipment instructions, or other pertinent documents or procedures specified for use in conducting the activity. Items shall be packaged according to size, manufacturer, dimensional and manufacturer lot or heat number. Packages shall be closed and labeled in a manner that identifies the item, dimensions and weight (where applicable), SUBCONTRACTOR'S and/or manufacturer's name, and CONTRACTOR'S subcontract number. Non-conforming packages may be returned to SUBCONTRACTOR at SUBCONTRACTOR'S expense.

QC-34 DOCUMENTS AND RECORDS (May 2012)

Any documents and records required to be submitted by SUBCONTRACTOR to CONTRACTOR are identified in this subcontract, including any dates/times for submittal. SUBCONTRACTOR shall retain records resulting from subcontract performance for seven (7) years from final payment, unless otherwise specified by applicable law. Disposition of Subcontractor maintained records after the specified retention times are at the discretion of the SUBCONTRACTOR.

QC-36 SOFTWARE QUALITY ASSURANCE (SQA) (Sept 2014)

SUBCONTRACTOR shall take all necessary precautions to ensure that malicious software is prevented from entering into their supply chain for items/services to be provided to CONTRACTOR. SUBCONTRACTOR shall maintain records for all computer software which will identify and state the software engineering activities used to manage the software life cycle activities (based upon a consensus SQA standard; e.g. ASME NQA-1, ISO/IEC/IEEE 12207 or equivalent Contractor specific standard) required for the purchased software items/products or services, and these records shall be made available for CONTRACTOR'S review upon request. The software life cycle activities will be identified, testable, and controlled, including: requirements, design, user implementation, acceptance testing, verification, validation, problem reporting, corrective action, software configuration management, and in-use testing processes used for the software item/products or services to be purchased.

QC-37 OTHER

SUBCONTRACTOR will have a Quality Assurance (QA) Program that meets the 10 Quality Criteria of DOE Order 414.1D (an ISO 9001 certified program will meet this intent; see the following summary of the 10 Quality Criteria). A current copy of ISO 9001 Certification (or other documentation indicating

Dated 5/27/16

implementation of a QA Program meeting DOE Order 414.1D requirements) will be provided to Contractor prior to award/start of work. Quality clause QC-01B of this Exhibit H only applies to the Subcontractor for on-site installation and/or testing work at LANL.

The Quality Assurance Program (QAP) must address to the extent necessary, the following management, performance, and assessment criteria (ref. DOE Order 414.1D):

- (a) Management/Criterion 1 - Program.** (1) Establish an organizational structure, functional responsibilities, levels of authority, and interfaces for those managing, performing, and assessing the work. (2) Establish management processes, including planning, scheduling, and providing resources for the work.
- (b) Management/Criterion 2 - Personnel Training and Qualification.** (1) Train and qualify personnel to be capable of performing their assigned work. (2) Provide continuing training to personnel to maintain their job proficiency.
- (c) Management/Criterion 3 - Quality Improvement.** (1) Establish and implement processes to detect and prevent quality problems. (2) Identify, control, and correct items, services, and processes that do not meet established requirements. (3) Identify the causes of problems and include prevention of recurrence as a part of corrective action planning. (4) Review item characteristics, process implementation, and other quality-related information to identify items, services, and processes needing improvement.
- (d) Management/Criterion 4 - Documents and Records.** (1) Prepare, review, approve, issue, use, and revise documents to prescribe processes, specify requirements, or establish design. (2) Specify, prepare, review, approve, and maintain records.
- (e) Performance/Criterion 5 - Work Processes.** (1) Perform work consistent with technical standards, administrative controls, and other hazard controls adopted to meet regulatory or contract requirements, using approved instructions, procedures, or other appropriate means. (2) Identify and control items to ensure proper use. (3) Maintain items to prevent damage, loss, or deterioration. (4) Calibrate and maintain equipment used for process monitoring or data collection.
- (f) Performance/Criterion 6 - Design.** (1) Design items and processes using sound engineering/scientific principles and appropriate standards. (2) Incorporate applicable requirements and design bases in design work and design changes. (3) Identify and control design interfaces. (4) Verify or validate the adequacy of design products using individuals or groups other than those who performed the work. (5) Verify/validate work before approval and implementation of the design.
- (g) Performance/Criterion 7 - Procurement.** (1) Procure items and services that meet established requirements and perform as specified. (2) Evaluate and select prospective suppliers on the basis of specified criteria. (3) Establish and implement processes to ensure that approved suppliers continue to provide acceptable items and services.
- (h) Performance/Criterion 8 - Inspection and Acceptance Testing.** (1) Inspect and test specified items, services, and processes using established acceptance and performance criteria. (2) Calibrate and maintain equipment used for inspections and tests.
- (i) Assessment/Criterion 9 - Management Assessment.** (1) Ensure that managers assess their management processes and identify and correct problems that hinder the organization from achieving its objectives.
- (j) Assessment/Criterion 10 - Independent Assessment.** (1) Plan and conduct independent assessments to measure item and service quality, to measure the adequacy of work performance and to promote improvement. (2) Establish sufficient authority and freedom from line management for independent assessment teams. (3) Ensure persons who perform independent assessments are technically qualified and knowledgeable in the areas to be assessed.