

# **Pacific Ship Repair & Fabrication, Inc.**

## **Special Terms and Conditions**

For the

U.S. Coast Guard

HSCG85-11-D-P45K63 Contract

The following provisions supplement the provisions in the parties' contract.

### **PRIME CONTRACT CLAUSES – SUPPLIES OR SERVICES**

The following clauses are excerpts from Buyer's Prime Contract with the Government, and are hereby flowed down from Pacific Ship Repair & Fabrication, Inc. (PACSHIP) ("Buyer") to Seller pursuant to the requirements of Buyer's Prime Contract with the Government. In interpreting the requirements of these clauses, "Contracting Officer" should be considered to be Buyer's Purchasing Representative and "Government" should be considered to be Buyer. Seller's strict compliance with these flow-downs is material.

Some are included in full text, and others of the FAR and DFARS are hereby incorporated into this Contract by reference as if given in full text, subject to the following definitions, and subject to the particular limitations and modifications indicated. The full text of FAR and DFARS clauses may be accessed electronically at the following internet websites:

<https://www.acquisition.gov/far/>

<http://FARSITE.HILL.AF.MIL/Vfdfar1.htm>

### **DEFINITIONS**

The following terms will have the meanings indicated in the clauses and as modified below, unless the context indicates otherwise. While every effort was made to keep the capitalization consistent for the terms, the inconsistent capitalization should not affect the meaning intended for the terms, whether the terms are capitalized or appear in lower case form.

- (a) "Buyer's Purchasing Representative" means the individual set out on the face of the purchase order as "Buyer" or authorized representative, or if none, Buyer's Director of Contracts.
- (b) "Contract" means this Contract.
- (c) "Contractor" means Seller.
- (d) "Contracting Officer" means Buyer
- (e) "Delivery Order" means Purchase Order or Subcontract.
- (f) "Subcontractor" mean Seller's subcontractors.

### **FLOW-DOWNS FROM PRIME CONTRACT**

#### **SECTION A – SOLICITATION/CONTRACT FORM**

Prime Contract                      HSCG85-11-D-P45K63

## SECTION C - DESCRIPTION AND SPECIFICATION

### **C.1            DESCRIPTION OF WORK:**

The contract(s) awarded is for dockside repairs for the following Coast Guard vessels homeported in Oregon and Washington state(s):

CGC MELLON, CGC MIDGETT, CGC ACTIVE, CGC ALERT, STEADFAST, CGC CUTTYHUNK, CGC ORCAS, CGC SEA FOX, CGC SEA DEVIL, CGC ADELIE, CGC BLUESHARK, CGC OSPREY, CGC SEA LION, CGC SWORDFISH, CGC TERRAPIN, CGC WAHOO.

Delivery orders may be issued for casualty repairs of other Coast Guard cutters. All work will be performed in Seattle, Port Angeles, Everett, Bangor, Silverdale, or Bellingham, Washington, or Warrenton or Coos Bay, Oregon.

## SECTION D - PACKAGING AND MARKING

**D.1**      Packaging and Marking as indicated in the specifications.

## SECTION E - INSPECTION AND ACCEPTANCE

### **E.1            FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more of the following clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

<http://www.arnet.gov>

<http://farsite.hill.af.mil>

### **FEDERAL ACQUISITION REGULATION (48 CFR, CHAPTER 1), CLAUSES:**

| <b>CLAUSE NO.</b> | <b>CLAUSE TITLE</b>                    | <b>DATE</b> |
|-------------------|--|-------------|
| 52.246-2          | Inspection of Supplies – Fixed – Price | AUG 1996    |
| 52.246-4          | Inspection of Services – Fixed – Price | AUG 1996    |
| 52.246-16         | Responsibility for Supplies            | APR 1984    |

### **E.3.            INSPECTIONS**

Except as specified elsewhere, the U.S. Coast Guard shall rely on the Contractor to accomplish all inspection and testing needed to ensure that the work conforms to contract quality requirements.

Records of all inspection work by the Contractor shall be kept complete and available to the Government during the term of this contract and for such longer period as may be specified elsewhere in this contract.

The name and telephone number of the U.S. Coast Guard Inspector will be provided after the award of a contract resulting from this solicitation.

**E.4 PLACE OF ACCEPTANCE**

The place of acceptance will be made onboard the specific cutter named in the individual Delivery Order.

**SECTION F - DELIVERIES OR PERFORMANCE**

**F.1 FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more of the following clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

<http://www.arnet.gov>      <http://farsite.hill.af.mil>

**FEDERAL ACQUISITION REGULATION (48 CFR, CHAPTER 1), CLAUSES:**

| CLAUSE NO. | CLAUSE TITLE  | DATE     |
|------------|---|----------|
| 52.242-15  | Stop-Work Order   | AUG 1989 |
| 52.242-17  | Government Delay of Work                                    | APR 1984 |
| 52.247-55  | F.O.B. Point for Delivery of Government –Furnished Property | JUN 2003 |

**F.2 PERIOD OF PERFORMANCE**

- (1) The period of performance for a typical dockside requirement is 63 days or 7.5 weeks.
- (2) The period of performance will be specified in the Delivery Order.
- (3) Individual delivery orders will cite specific working hours. Typical working hours are 0730 through 2030, Monday through Friday. Any change in the work hours will be implemented by issuance of a contract modification.

**F.3 PLACE OF PERFORMANCE**

- (1) All work will be performed onboard the cutter in Oregon or Washington.

**SECTION G - CONTRACT ADMINISTRATION DATA**

**G.2 PROGRESS PAYMENTS**

A. The Contractor may invoice requesting progress payments without discount, other than any prompt payment discount offered, not more frequently than twice a month.

B. The invoice amount should reflect the percentage and dollar amount of completion established by the cutter's appropriate weekly progress report. Payments shall be derived from the accomplished percentage of completion as determined by the Contracting Officer.

C. All material and work paid for by progress payments shall thereby become the sole property of the Government, but this provision shall not relieve the Contractor from the obligation to complete the requirements of the contract.

D. The contractor shall be paid the remaining amount due upon completion and acceptance of all work under each Delivery Order.

## **SECTION H – SPECIAL CONTRACT REQUIREMENTS**

### **H.5            DELIVERY ORDERS**

(c) Modifications to delivery orders may be required. Modifications are issued pursuant to specific standard clauses contained in the basic contract. If a modification to a delivery order is required, the Contractor shall submit a detailed proposal for the changes described in the work request in accordance with the following clause:

#### MODIFICATION PROPOSALS--PRICE BREAKDOWN

(1) The Contractor shall furnish a price breakdown, itemized as required and within the time specified by the Contracting Officer, with any proposal for a contract modification.

(2) The price breakdown—

(A) Must include sufficient detail to permit an analysis of profit, and of all costs for—

- (i) Material;
- (ii) Labor;
- (iii) Equipment;
- (iv) Subcontracts; and
- (v) Overhead; and

(B) Must cover all work involved in the work request, whether the work was deleted, added, or changed.

(3) The Contractor shall provide similar price breakdowns to support any amounts claimed for subcontracts.

(4) The Contractor's proposal shall include a justification for any time extension proposed.

(5) All delivery orders are subject to the terms and conditions of this contract. In the event of conflict between a delivery order and this contract, the contract shall control.

## **H.6 PROCEDURES FOR PLACING DELIVERY ORDERS UNDER MULTIPLE AWARD CONTRACTS**

### **1. GENERAL**

a. When the Government requires work under the contract, a Request for Quote (RFQ) or Request for Proposal (RFP) will be issued as appropriate. RFQ/RFP will normally be issued electronically by email but may be placed via mail, telephone, facsimile or other electronic means.

### **5. REQUIREMENT FOR PROPOSALS**

a. Delivery orders will be firm fixed price with a specific completion date or performance period and clearly define the services to be performed. When Options are included in the Schedule, the Delivery order will specify the number of days after award for exercising the Options. All Delivery orders are subject to the terms and conditions of this contract. In the event of conflict between a Delivery order and this contract, the contract will control, except as otherwise noted in the contract documents. The Government reserves the right to incorporate additional clauses, as appropriate, into individual Delivery orders solicitations and awards.

b. The basis for award will be stated in the RFQ/RFP. Whenever possible, award will be made without discussions. If discussions are required, each contractor will be requested to provide a final proposal revision, unless eliminated from discussions through the establishment of a competitive range. If the Contracting Officer determines that the number of proposals that would otherwise be in the competitive range exceeds the number at which an efficient competition can be conducted, the Contracting Officer may limit the number of proposals in the competitive range to the greatest number that will permit an efficient competition among the most highly rated proposals.

c. Delivery order projects will be varying in size and complexity.

d. Price: Each Request for Quote (RFQ)/Request for Proposal (RFP) proposed delivery order will indicate the detail of pricing information to be provided.

### **6. SELECTION CRITERIA**

One or more of the following criteria in addition to Price may be considered when contractors compete for award of a Delivery order:

Technical proposals, if required, may address but is not limited to one or more of the following factors:

- (a) Past performance on earlier orders under the contract, including quality, timeliness and cost control.
- (b) Special expertise/experience
- (c) Potential impact on other orders placed with the contractor
- (d) The contractor's technical understanding of the work.

(e) The Contractor's capacity to accomplish the work and other ongoing work simultaneously.

Past performance, quality, timeliness, special expertise or other factors the Contracting Officer determines are relevant to award of a particular Delivery order may be considered. Timely performance by a contractor is very important. Failure to prosecute the work diligently on a currently awarded Delivery order will be cause for the Contracting Officer not to include the contractor in the competitive fair-opportunity pool for future Delivery orders. When the contractor's delinquency has been corrected, they will be considered for competition in future Delivery Orders.

#### **H.7 ADDITIONAL WORK**

A. If the need for additional work develops, the Contractor must obtain authority orally or in writing from the Contracting Officer before proceeding with such work.

B. To the extent requested by the Contracting Officer, the Contractor shall prepare and submit written proposals for proposed change orders, which may be required to include:

(1) A complete breakdown of labor hours and costs by labor category and phase of work as identified by the Contracting Officer;

(2) A complete breakdown of material costs showing material required, source (with point of contact), part number, unit and extended cost and contractor's material handling costs.

(3) A complete breakdown of labor and material as described above for each proposed subcontractor.

#### **H.9 SECURITY REQUIREMENTS**

For each affected Coast Guard facility, the Contractor shall provide a list of all on-site personnel, including sub-contractors (including second and third-tier subcontractors) and suppliers, to the Contracting Officer. The contractor shall update this list when changes occur. Contractor personnel not listed may be denied access to the Coast Guard facility. Contractor personnel will be restricted to designated working areas. Any personnel violating this policy may lose access to the Coast Guard facility. Contractor personnel shall have photo identification at all times while working on Coast Guard facilities.

Contractor and delivery personnel may be required to present personal photo identification to gain access to a Coast Guard installation. If identification does not indicate United States citizenship, Coast Guard Security may require proof of the legal right to work in the United States. Contractor and delivery personnel also may be subjected to an immigration status and outstanding criminal warrants check.

Contractors shall provide the Contracting Officer's Technical Representative with 24 hours of advance notice of every delivery to the site (e.g., concrete, lumber, parts, etc.) and provide the company name, delivery person, and phone number of the firm(s) making deliveries. All vehicle access to government property requires vehicle registration and proof of liability insurance. Otherwise access to the Coast Guard facility may be denied.

## **H.11 WELDING CERTIFICATIONS AND QUALIFICATIONS**

This contract may contain welding line items as either Definitive or Optional Items. With his/her proposal the Contractor shall provide the necessary welding certifications and qualifications as required by the specification for the applicable work item(s), and MLCA/SFLC Standard Specification 0740\_STD. Subsequent to contract award, the Government will require the contractor to submit applicable certifications and qualifications for any welding to be performed on any proposed change request.

### **SECTION I – CONTRACT CLAUSES**

#### **I.1 FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at Websites listed below:

<http://www.arnet.gov>,

<http://farsite.hill.af.mil>

| <b>FAR CLAUSE</b> | <b>CLAUSE TITLE</b>   | <b>Date</b> |
|-------------------|---|-------------|
| 52.202-1          | Definitions   | JUN 2004    |
| 52.203-3          | Gratuities  | APR 1984    |
| 52.203-5          | Covenant Against Contingent Fees  | APR 1984    |
| 52.203-6          | Restriction on Subcontractor Sales to the Government  | SEP 2006    |
| 52.203-7          | Anti-Kickback Procedures  | OCT 2010    |
| 52.203-8          | Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity  | JAN 1997    |
| 52.203-10         | Price or Fee Adjustment For Illegal or Improper Activity  | JAN 1997    |
| 52.203-12         | Limitation on Payments to Influence Certain Federal Transactions  | OCT 2010    |
| 52.203-13         | Contractor Code of Business Ethics & Conduct  | APR 2010    |
| 52.203-14         | Display of Hotline Poster(s)  | DEC 2007    |
| 52.204-4          | Printed/Copied Double-Sided on Recycled Paper   | MAY 2011    |
| 52.204-7          | Central Contractor Registration   | APR 2008    |
| 52.204-9          | Personnel Identity Verification of Contractor Personnel   | JAN 2011    |
| 52.2014-10        | Reporting Executive Compensation and First-Tier Subcontract Awards  | JUL 2010    |
| 52.209-6          | Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment | DEC 2010    |
| 52.210-1          | Market research   | APR 2011    |
| 52.211-5          | Material Requirements   | AUG 2000    |
| 52.211-15         | Defense Priority and Allocation Requirements  | SEP 1990    |
| 52.215-2          | Audits and Records – Negotiation  | OCT 2010    |
| 52.215-10         | Order of Precedence – Uniform Contract Format   | OCT 1997    |
| 52.215-14         | Integrity of Unit Prices  | OCT 2010    |
| 52.219-6          | Notice of Total Small Business Set-Aside  | JUN 2003    |
| 52.219-8          | Utilization of Small Business Concerns  | JAN 2011    |
| 52.219-14         | Limitations on Subcontracting   | DEC 1996    |



|           |   |           |
|-----------|---|-----------|
| 52.219-28 | Post award Small Business Program Representation                              | APR 2009  |
| 52.222-19 | Child Labor – Cooperation with Authorities and Remedies                       | JUL 2010  |
| 52.222-20 | Walsh-Healy Public Contracts Act  | OCT 2010  |
| 52.222-21 | Prohibition of Segregated Facilities  | FEB 1999  |
| 52.222-26 | Equal Opportunity   | MAR 2007  |
| 52.222-35 | Equal Opportunity for Veterans  | SEPT 2010 |
| 52.222-36 | Affirmative Action for Workers with Disabilities                              | OCT 2010  |
| 52.222-37 | Employment Reports Veterans   | SEPT 2010 |
| 52.222-40 | Notification of Employee Rights Under the National Labor Relations Act        | DEC 2010  |
| 52.222-50 | Combating Trafficking in Persons  | FEB 2009  |
| 52.222-54 | Employment Eligibility Verification   | JAN 2009  |
| 52.223-3  | Hazardous Material Identification and Material Safety Data, ALT. 1 (JUL 1995) | JAN 1997  |
| 52.223-5  | Pollution Prevention and Right-To-Know Information                            | MAY 2011  |
| 52.223-6  | Drug Free Workplace   | MAY 2001  |
| 52.223-18 | Contractor Policy to Ban Text Messaging While Driving                         | SEPT 2010 |
| 52.225-1  | Buy American Act–Balance of Payments Program – Supplies                       | FEB 2009  |
| 52.225-8  | Duty-Free Entry   | OCT 2010  |
| 52.225-13 | Restrictions on Certain Foreign Purchases                                     | FEB 2006  |
| 52.227-1  | Authorization and Consent   | DEC 2007  |
| 52.227-2  | Notice and Assistance Regarding Patent and Copyright Infringement             | DEC 2007  |
| 52.227-3  | Patent Indemnity  | APR 1984  |
| 52.229-3  | Federal, State, and Local Taxes   | APR 2003  |
| 52.232-1  | Payments  | APR 1984  |
| 52.232-8  | Discounts for Prompt Payment  | FEB 2002  |
| 52.232-11 | Extras  | APR 1984  |
| 52.232-17 | Interest  | OCT 2010  |
| 52.232-18 | Availability of Funds   | APR 1984  |
| 52.232-19 | Availability of Funds for the Next Fiscal year                                | APR 1984  |
| 52.232-23 | Assignment of Claims  | JAN 1986  |
| 52.232-25 | Prompt Payment  | OCT 2008  |
| 52.232-33 | Payment by Electronic Funds Transfer – Central Contractor Registration        | OCT 2003  |
| 52.233-1  | Disputes, ALT. 1 (DEC 1991)   | JUL 2002  |
| 52.233-3  | Protest After Award   | AUG 1996  |
| 52.233-4  | Applicable Law for Breach of Contract Claim                                   | OCT 2004  |
| 52.242-2  | Production Progress Reports   | APR 1991  |
| 52.242-13 | Bankruptcy  | JUL 1995  |
| 52.243–1  | Changes – Fixed Price, ALT. II (APR 1984)                                     | AUG 1987  |
| 52.244-6  | Subcontracts for Commercial Items   | DEC 2010  |
| 52.245-9  | Use and Charges   | AUG 2010  |
| 52.248-1  | Value Engineering   | OCT 2010  |
| 52.249-2  | Termination for Convenience of the Government (Fixed-Price)                   | MAY 2004  |
| 52.249-8  | Default (Fixed Price- Supply & Service)                                       | APR 1984  |
| 52.253-1  | Computer Generated Forms  | JAN 1991  |

**DEPARTMENT OF HOMELAND SECURITY ACQUISITION REGULATION (48 CFR Chapter 30) CLAUSES:**

|              |   |          |
|--------------|---|----------|
| 3052.211-71  | Index for Specifications  | DEC 2003 |
| 3052.217-90  | Delivery and Shifting of Vessel                                       | DEC 2003 |
| 3052.217-91  | Performance   | DEC 2003 |
| 3052.217-92  | Inspections & Manner of Doing Work                                    | DEC 2003 |
| 3052.217-93  | Subcontracts  | DEC 2003 |
| 3052.217-95  | Liability and Insurance   | DEC 2003 |
| 3052.217-96  | Title   | DEC 2003 |
| 3052.217-97  | Discharge of Liens  | DEC 2003 |
| 3052.217-98  | Delays  | DEC 2003 |
| 3052.217-99  | Department of Labor Safety and Health Regulations for Ship Repair     | DEC 2003 |
| 3052.217-100 | Guarantee (60 DAYS)   | JUN 2006 |
| 3052.222-70  | Strikes or Picketing Affecting Timely Completion of the Contract Work | DEC 2003 |
| 3052.222.71  | Strikes or Picketing Affecting Access to a DHS Facility               | DEC 2003 |
| 3052.223-90  | Accident and Fire Reporting   | DEC 2003 |
| 3052.228-70  | Insurance   | DEC 2003 |
| 3052.242-70  | Dissemination of Contract Information                                 | DEC 2003 |
| 3052.242-72  | Contracting Officer's Technical Representative                        | DEC 2003 |
| 3052.245-70  | Government Property Reports   | JUN 2006 |

**I.7 FAR 52.223-11 OZONE-DEPLETING SUBSTANCES (MAY 2001)**

(a) *Definition.* "Ozone-depleting substance," as used in this clause, means any substance the Environmental Protection Agency designates in 40 CFR Part 82 as--

- (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or
- (2) Class II, including, but not limited to hydrochlorofluorocarbons.

(b) The Contractor shall label products which contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E, as follows:

*Warning*

*Contains (or manufactured with, if applicable) \* \_\_\_\_\_, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.*

\*The Contractor shall insert the name of the substance(s).

**I.8 HSAR 3052.204-71 CONTRACTOR EMPLOYEE ACCESS (JUN 2006)**

(a) *Sensitive Information,* as used in this Chapter, means any information, the loss, misuse, disclosure, or unauthorized access to or modification of which could adversely affect the national or homeland security interest, or the conduct of Federal programs, or the privacy to which individuals are entitled under section 552a of title 5, United States Code (the Privacy Act), but which has not been

specifically authorized under criteria established by an Executive Order or an Act of Congress to be kept secret in the interest of national defense, homeland security or foreign policy. This definition includes the following categories of information:

(1) Protected Critical Infrastructure Information (PCII) as set out in the Critical Infrastructure Information Act of 2002 (Title II, Subtitle B, of the Homeland Security Act, Public Law 107-296, 196 Stat. 2135), as amended, the implementing regulations thereto (Title 6, Code of Federal Regulations, Part 29) as amended, the applicable PCII Procedures Manual, as amended, and any supplementary guidance officially communicated by an authorized official of the Department of Homeland Security (including the PCII Program Manager or his/her designee);

(2) Sensitive Security Information (SSI), as defined in Title 49, Code of Federal Regulations, Part 1520, as amended, "Policies and Procedures of Safeguarding and Control of S SI," as amended, and any supplementary guidance officially communicated by an authorized official of the Department of Homeland Security (including the Assistant Secretary for the Transportation Security Administration or his/her designee);

(3) Information designated as "For Official Use Only," which is unclassified information of a sensitive nature and the unauthorized disclosure of which could adversely impact a person's privacy or welfare, the conduct of Federal programs, or other programs or operations essential to the national or homeland security interest; and

(4) Any information that is designated "sensitive" or subject to other controls, safeguards or protections in accordance with subsequently adopted homeland security information handling procedures.

(b) "Information Technology Resources" include, but are not limited to, computer equipment, networking equipment, telecommunications equipment, cabling, network drives, computer drives, network software, computer software, software programs, intranet sites, and internet sites.

(c) Contractor employees working on this contract must complete such forms as may be necessary for security or other reasons, including the conduct of background investigations to determine suitability. Completed forms shall be submitted as directed by the Contracting Officer. Upon the Contracting Officer's request, the Contractor's employees shall be fingerprinted, or subject to other investigations as required. All contractor employees requiring recurring access to Government facilities or access to sensitive information or IT resources are required to have a favorably adjudicated background investigation prior to commencing work on this contract unless this requirement is waived under Departmental procedures.

(d) The Contracting Officer may require the contractor to prohibit individuals from working on the contract if the government deems their initial or continued employment contrary to the public interest for any reason, including, but not limited to, carelessness, insubordination, incompetence, or security concerns.

(e) Work under this contract may involve access to sensitive information. Therefore, the Contractor shall not disclose, orally or in writing, any sensitive information to any person unless authorized in writing by the Contracting Officer. For those contractor employees authorized access to sensitive

information, the contractor shall ensure that these persons receive training concerning the protection and disclosure of sensitive information both during and after contract performance.

(f) The Contractor shall include the substance of this clause in all subcontracts at any tier where the subcontractor may have access to Government facilities, sensitive information, or resources.

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