



## **CGS TERMS AND CONDITIONS FOR PURCHASE ORDERS UNDER A U.S. GOVERNMENT PRIME CONTRACT**

### **A. GENERAL PROVISIONS APPLICABLE TO ALL GOODS AND SERVICES**

**This Contract is entered into by Crowley Government Services, Inc. (“Buyer” or “CGS”) and Seller in support of U.S. Government Prime Contracts 693JF725D000019 and 693JF725D000021, with the Buyer as the Prime Contractor, not as an agent for the U.S. Government.**

The Buyer reserves the right to award purchase orders (individually a “Purchase Order”) under this Contract to the Seller on a firm-fixed-price basis offering “best value” and covering all or any part of the materials/services proposed by Seller. It is understood and agreed that these terms and conditions apply to the sale of goods/materials and/or the supply of services to Buyer, its vessels, equipment, and/or other property.

#### **1. Definitions**

**“Best Value”**, as defined in Federal Acquisition Regulation (FAR) Subpart 2.101, *Definitions*, means the expected outcome of an acquisition that, in the Government’s estimation, provides the most significant overall benefit in response to the requirement.

**“Buyer”** means Crowley Government Services Inc. (CGS), a wholly owned subsidiary of Crowley Maritime Corporation (Crowley).

**“Commercial Item”** means any product or service that is customarily used by the general public or non-governmental entities for non-governmental purposes. Commercial Items include Commercial Products and Commercial Services defined in FAR Subpart 2.1.

**“Contract”** means this Contract.

**“Flow Down clauses”** means the incorporation of certain Prime Contract requirements into this Contract. Flow Down clauses may be incorporated into this contract by reference to the Prime Contract clause without including its full text, or by incorporating the full text of the Prime Contract clause.

**“Goods and Materials”** means personal property of every type, kind, and description described explicitly in the Purchase Order and/or work specification.

**“Owner”** means the ultimate consumer or the U.S. Government, and all rights, benefits, and remedies conferred upon Buyer by this Contract shall also accrue to and be available to and are for the express benefit of Buyer and Owner.

**“Prime Contract”** means the contract between Buyer and the U.S. Government or between Buyer and its higher-tier contractor in support of a contract with the U.S. Government.

**“Personal Property”** means all equipment, materials, and supplies of the Owner or Buyer, not classified as real property.

**“Subcontract”** means any contract placed by Buyer with Seller, or by Seller and their lower-tier subcontractors under this Contract and includes a transfer of goods and materials between the parties’ affiliates or subcontractors at any tier.

**“Seller”** means subcontractor or vendor hereunder, with whom Buyer is contracting, acting as the immediate (first-tier) subcontractor to the Buyer.

**“Services”** means all design, delivery, installation, inspection, and testing specified or required to furnish the goods and/or provide the repair, improvement, and/or other Work as described explicitly in the Purchase Order and/or work specification.

**“Vessel”**. For the purpose of this Contract, “Vessel” means a ship owned by the U.S. Government and managed by the Buyer under the Prime Contract.

**“Work”** means the goods and services supplied by the Seller to the Buyer under this Contract.

## **2. Changes in Order**

Buyer shall have the right, by written notice, to order changes within the general scope of this Contract from time to time in any one or more of the following: (i) description of services; (ii) drawings, designs, or specifications; (iii) method of shipping or packing; (iv) place of inspection, acceptance, or point of delivery; (v) time of performance; and (vi) place of performance. In the event of any such changes, the prices or times of performance, or both, shall be adjusted within reasonable and appropriate limits; provided, however, that Buyer shall have no obligation to pay, and the right to refuse payment of any claim by Seller for an increase in price, or performance period required which is not received by Buyer in writing within ten (10) calendar days after the date the change is ordered. Seller shall make no change in the performance required by this Contract except such change as specified in writing and signed by an authorized Buyer representative. Failure to agree to any adjustment shall be resolved in accordance with the “Law and Jurisdiction/Dispute Resolution” section of this Contract. However, nothing contained in this section shall excuse Seller from proceeding without delay in the performance of this Contract as changed.

## **3. Acceptance of Shipments and Inspection**

All Goods and Materials and Services covered by this Contract are subject to inspection by Buyer at any time or place and may be rejected if not strictly in accordance with all terms, conditions, and provisions herein contained or attached or required by class. Payment for shipments and/or progress payments for Work in progress shall not constitute acceptance thereof, and defective shipments or performance and/or shipments not in accordance with this Contract will, at the Buyer’s option, be held for Seller’s instructions at Seller’s risk, or will be returned to Seller. The Seller will be responsible for transportation charges on returned shipments both ways. Any prior payment made by Buyer on such rejected goods or services shall be immediately refunded. At Buyer’s option, inspection and tests before delivery may be made by Buyer or Buyer’s customers at Seller’s premises or elsewhere, at reasonable times and places, and Seller will provide sufficient safe and proper facilities for such inspection or testing; but, notwithstanding such inspection and tests, or inspections and tests made prior to the issuance of this Contract, the Goods, Materials and Services covered by this Contract are subject to rejection upon final test, inspection and use upon delivery to the premises of Buyer and Owner.

## **4. Invoicing**

Due to the expiration of government funds, all invoices must be received by Buyer within three (3) months of performance to be processed for payment, and the Buyer expressly reserves the right to refuse to pay any stale or invalid invoices. Goods and/or Material invoices shall be submitted immediately, with proof of delivery to: CROWLEY GOVERNMENT SERVICES, INC., 9487 REGENCY SQUARE BLVD., JACKSONVILLE, FL 32225, ATTN: ACCOUNTS PAYABLE, via email: ap\_gov@crowley.com

Time and Material Purchase Orders. Normally, all Purchase Orders will be issued as firm fixed-price on a Best Value basis, unless authorized in advance by Buyer in writing. Time and Materials Purchase Orders will be issued with a Not to Exceed (NTE) ceiling price. Buyer will not be obligated to pay Seller any amount in excess of the ceiling price in the Purchase Order, and Seller shall not be obligated to continue performance if to do so would exceed the ceiling price set forth in the Purchase Order. Materials shall be billed at cost, without markup, unless otherwise authorized by Buyer in writing. The Seller shall submit itemized invoices detailing:

- Labor hours, labor categories, and hourly rates. Time sheets must be signed by the chief engineer or other Buyer-designated representative for hours worked.
- Materials used, including quantities, unit prices, and extended costs. Seller shall provide copies of receipts, supplier invoices, or other documentation substantiating material costs. Failure to provide adequate substantiation may result in the rejection of the Seller’s invoice.

- Written confirmation by Buyer's designated representative that the Work covered by the invoice has been completed to the Buyer's satisfaction.

The Buyer reserves the right to audit all records related to Purchase Orders, including labor logs, material receipts, and subcontractor invoices.

## **5. Payments**

Unless otherwise provided, terms of payment shall be Net 30 days from Buyer's receipt of Seller's proper invoice, provided the associated Work has been delivered or performed pursuant to Buyer's requirements and (ii) Buyer's invoicing requirements have been satisfied. Partial payments may be made on a case-by-case basis in the Buyer's sole discretion.

## **6. Permits and Approvals**

Seller shall obtain all necessary permits, bonds, testing, inspection, and approval of Seller's materials or workmanship by the proper authorities at no additional cost to the Buyer unless authorized herein.

## **7. Performance and Waivers**

Any waiver by Buyer of strict performance concerning any of the terms, conditions, or provisions of this Contract must be in writing, executed by Buyer to be effective, and such waiver shall not be deemed a waiver of Buyer's rights to insist upon strict performance of all portions of this Contract not waived, and strict performance thereafter of provisions presently waived.

## **8. Warranty**

Seller warrants clear and merchantable title to Goods and Materials free of any security interest, lien or encumbrance and agrees to indemnify Buyer against all liability for patent, copyright or other infringement on account of sale and use of the Goods and Materials. Seller further warrants that the Goods and Materials shall be of merchantable quality and as specified and be fit for the intended purpose. All implied warranties of the Uniform Commercial Code and warranties implied by usage of trade are reserved by Buyer and incorporated herein.

All Services will be performed in a good and workmanlike manner consistent with industry standards using qualified personnel who possess the necessary knowledge, skills, qualifications required for the performance of the Services.

Seller shall correct to the satisfaction of Buyer all defects in workmanship or in materials furnished by Seller hereunder, which developed within a period of one year or other longer period as may be specified by the manufacturer, after completion of the Services.

## **9. Compliance with Laws**

Seller shall comply with all applicable laws, policies, and regulations of government authorities, including Executive Order 11246, as amended, 38 USC 2012 on the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 503 of the Rehabilitation Act of 1973, as amended, and the regulations at 41 CFR Part 60-1 through 60-60, 60-250, and 60-741, matters involving the Civil Rights Act of 1964, wages, hours, materials, race, color, sex and creed of workmen, price regulations and renegotiation provision, and other matters, whether or not explicitly mentioned herein. Seller shall comply with the provisions of the Trafficking Victims Protection Act of 2000 (TVPA), 22 USC 7102, and of the Occupational Safety and Health Act of 1970, the standards and regulations issued there under, and all pertinent state occupational safety and health laws such as "Right-to-Know" Regulations. Hazard communication information such as complete Material Safety Data Sheets (MSDS) shall be supplied to Buyer for all hazardous materials. Seller further agrees to indemnify and hold Buyer harmless for any loss, damage, fine, penalty, or expense whatsoever due to Seller's failure to comply with such laws and regulations. Seller further represents and warrants that all goods provided under this order shall not contain asbestos and are in compliance with SOLAS Regulation II-1/3-5.

## **10. Conflicts of Interest**

"Conflict of Interest" (COI) means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Buyer, or the person's objectivity in performing the Work is or might be otherwise impaired, or a person has an unfair competitive advantage. "Person"

as used herein includes corporations, partnerships, joint ventures, and other business enterprises. The Seller warrants that to the best of its knowledge and belief, and except as otherwise set forth in the Contract, the Seller does not have any COI(s) as defined herein. The Seller agrees that, if after award, it discovers an actual or potential organizational conflict of interest, it shall make immediate and full disclosure in writing to the Buyer. The notification shall include a description of the actual or potential organizational conflict of interest, a description of the action which the Seller has taken or proposes to take to avoid, mitigate, or neutralize the conflict, and any other relevant information that would assist the Buyer in deciding on this matter. Notwithstanding this notification, the Seller may terminate the Contract for the convenience if determined to be in the best interest of the Buyer. Notwithstanding the above, if the Seller was aware, or should have been aware, of a COI prior to the award of this Contract or becomes, or should become, aware of a COI after award of this Contract and does not make an immediate and full disclosure in writing to the Buyer, the Buyer may terminate this Contract for default.

## **11. Non-Disclosure**

Except as necessary to perform its obligations under this Contract, the Seller agrees that it shall not release, disclose, or use in any way that would permit or result in disclosure to any party outside the Buyer or the Owner any information generated or derived during or because of performance of this Contract. This prohibition shall expire after a period of three years after completion of performance of this Contract

## **12. Incorporation of FAR, TAR and MARAD Flow Down Clauses**

The Federal Acquisition Regulation and U.S. Department of Transportation Acquisition Regulation (TAR) clauses referenced below are incorporated herein, by reference and are applicable, including any notes following the clause citation, during the performance of this Contract. Seller shall include in each lower-tier subcontract the appropriate FAR and TAR Flow Down clauses included in this Contract. In each clause so incorporated, substitute "Buyer" for "Government" and "Contracting Agency" and "Buyer's Procurement Representative" for "Contracting Officer" and "Contractor" means Seller throughout. If the date or substance of any of the clauses listed below is different than the date or substance of the clause incorporated in the Prime Contract, the date or substance of the clause incorporated by said Prime Contract shall apply instead. If any FAR or agency supplement clauses do not apply to a specific Purchase Order, such clauses are considered to be self-deleting.

<b>Clause No.</b>	<b>Title</b>
52.203-6	Restrictions on Subcontractor Sales to the Government (Jun 2020)
52.203-7	Anti-Kickback Procedures (Jun 2020)
52.203-12	Limitation on Payments to Influence Certain Federal Transactions (Jun 2020)
52.203-13	Contractor Code of Business Ethics and Conduct (Nov 2021)
52.203-16	Preventing Personal Conflicts of Interest (Jun 2020)
52.203-17	Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights (Jun 2020)
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Jan 2017)
52.204-2	Security Requirement (Mar 2021)
52.204-9	Personal Identity Verification of Contractor Personnel (Jan 2011)
52.204-21	Basic Safeguarding of Covered Contractor Information Systems (Nov 2021)
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (Nov 2021)
52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (Nov 2021)
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Suspended, or Proposed for Debarment (Nov 2021)
52.215-2	Audit and Records - Negotiation (Jun 2020)
52.219-8	Utilization of Small Business Concerns (Feb 2024)
52.222-4	Contract Work Hours and Safety Standards - Overtime Compensation (May 2018)
52.222-37	Employment Reports on Veterans (Jun 2020)

52.222-40	Notification of Employee Rights Under the National Labor Relations Act (Dec 2010)
52.222-41	Service Contract Labor Standards (Aug 2018) (Contractor shall use DOL Wage Determination 1998-0298 Rev 25)
52.222.50	Combating Trafficking in Persons (Nov 2021)
52.222-54	Employment Eligibility Verification (May 2022)
52.222-55	Minimum Wages For Contractor Workers Under Executive Order 14026 (Jan 2022)
52.222-62	Paid Sick Leave Under Executive Order 13706 (Jan 2022)
52.223-6	Drug-Free Workplace (May 2001)
52.223-7	Notice of Radioactive Materials (Jan 1997)
52.224-2	Privacy Act (Apr 1984)
52.225-1	Buy American – Supplies (Nov 2021)
52.225-8	Duty Free Entry (Oct 2010)
52.225-13	Restrictions on Certain Foreign Purchases (Feb 2021)
52.227-1	Authorization and Consent (Jun 2020)
52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement (Jun 2020)
52.227-14	Rights in Data-General (May 2014)
52.228-5	Insurance-Work on a Government Installation (Jan 1997)
52.244-6	Subcontracts for Commercial Products and Commercial Services (Deviation Feb 2025)
52.245-1	Government Property (Sep 2021)
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels (Nov 2021) – Alternate I (APR 2003)
1252.204-70	Contractor Personnel Security and Agency Access (Nov 2022)
1252.209-70	Organizational and Consultant Conflicts of Interest (Nov 2022)
1252.223-71	Accident and Fire Reporting (Nov 2022) (Contractor shall assure compliance by subcontractors at all tiers with the requirements of this clause)
1252.237-10	Qualifications of Contractor Employees (Nov 2022) (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)

**12.1 Subcontracts for Commercial Products and Commercial Services (DEVIATION FEB 2025)** The Contractor shall insert the following clauses in subcontracts for commercial products or commercial services:

Clause No.	Title
52.203-13	Contractor Code of Business Ethics and Conduct. (Nov 2021)
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (Jun 2010) (Section 1553 of Pub. L. 111-5), if the subcontract is funded under the Recovery Act
52.203-17	Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights. (Jun 2020)
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (Jan 2017)
52.204-21	Basic Safeguarding of Covered Contractor Information Systems (Nov 2021)
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (Nov 2021)
52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (Nov 2021)
52.204-27	Prohibition on a ByteDance Covered Application (Jun 2023)
52.204-30	Federal Acquisition Supply Chain Security Act Orders—Prohibition (Dec 2023) ( Pub. L. 115-390, title II). Alternate I (Dec 2023) of 52.204-30

52.219-8	Utilization of Small Business Concerns (Feb 2024) (15 U.S.C.637(d)(2) and (3)), if the subcontract offers further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds the applicable threshold specified in FAR 19.702(a) on the date of subcontract award, the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.
52.222-37	Employment Reports on Veterans (Jun 2020)
52.222-40	Notification of Employee Rights Under the National Labor Relations Act (Dec 2010)
52.222-50	Combating Trafficking in Persons (Nov 2021)
52.222-55	Minimum Wages For Contractor Workers Under Executive Order 14026 (Jan 2022)
52.222-62	Paid Sick Leave Under Executive Order 13706 (Jan 2022)
52.224-3	Privacy Training (Jan 2017) (5 U.S.C. 552a) if flow down is required in accordance with 52.224-3(f). Alternate I (Jan 2017) of 52.224-3, if flow down is required in accordance with 52.224-3(f) and the agency specifies that only its agency-provided training is acceptable)
52.225-26	Contractors Performing Private Security Functions Outside the United States (Oct 2016) (Section 862, as amended, of the National Defense Authorization Act for Fiscal Year 2008; 10 U.S.C. Subtitle A, Part V, Subpart G Note)
52.232-40	Providing Accelerated Payments to Small Business Subcontractors (Mar 2023), if flow down is required in accordance with paragraph (c) of FAR clause 52.232-40
52.240-1	Prohibition on Unmanned Aircraft Systems Manufactured or Assembled by American Security Drone Act-Covered Foreign Entities (Nov 2024) (Sections 1821-1826, Pub. L. 118-31, 41 U.S.C. 3901 note prec.)
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels. (Nov 2021)– Alternate I (Apr 2003)

### **13. Certifications and Representations**

Seller makes specific certifications and representations that are material representations of fact upon which Buyer will rely in making awards to Seller. By submitting its written offer, providing oral offers/quotations at the Buyer's request, or accepting any contract, Seller certifies to the representations and certifications set forth herein. These certifications and representations shall apply whenever these terms and conditions are incorporated by reference in any order, agreement, other contractual document or any quotation, request for quotation (oral or written), request for proposal or solicitation (oral or written), issued by Buyer; Seller shall immediately notify Buyer of any change of status with regard to these certifications and representations.

### **14. Time**

Time is hereby declared to be as of the essence of this Contract.

### **15. Drawings**

Seller shall furnish for the approval of Buyer all shop drawings as Buyer may require, and all workmanship and materials shall strictly follow the approved drawings. All plans, specifications, and drawings provided by Buyer to Seller in connection with this Contract or provided by Seller, especially for performance hereunder, shall be the property of Buyer and may not be used at any time by Seller for any other purpose.

### **16. Assignment and/or Subcontracting**

Seller shall not assign or subcontract any portion of its obligations under this Contract nor assign or otherwise transfer any monies due or to become due hereunder without first obtaining the written consent of Buyer. In any event, Seller shall remain fully responsible for the performance of its subcontractors or assigns.

### **17. Advertising**

Seller shall not, without first obtaining the written consent of the Buyer, in any manner advertise or publish in any media the fact that Seller has either contracted to furnish or has sold to Buyer the Goods, Materials or Services herein mentioned.

## **18. Indemnity**

Seller shall indemnify, defend, and hold harmless Buyer and its officers, directors, employees, agents, and affiliates (collectively, the “Indemnitees”) from and against any and all claims, damages, liabilities, losses, costs, and expenses (including reasonable attorneys’ fees) arising out of or relating to:

- (a) any negligent act or omission, willful misconduct, or breach of this Contract by Seller or any of its employees, agents, subcontractors, or representatives;
- (b) any bodily injury (including death) or damage to real or tangible personal property caused by Seller or any of its employees, agents, subcontractors, or representatives in connection with the performance of the Services under this Contract; or
- (c) failure to comply with applicable federal, state, or local laws or regulations by Seller or any of its employees, agents, subcontractors, or representatives.

Seller shall further indemnify, defend, and hold harmless the Indemnitees from and against any third-party claims for liabilities, damages, and expenses arising out of or related to any defect in materials, workmanship, or design of any products, deliverables, or services provided by Seller under this Contract, including but not limited to claims for product liability, strict liability, or failure to warn.

## **19. Stop Work**

Buyer may, by written order to Seller, direct Seller to stop all or part of the Work for up to 90 days, or such longer period of time as the parties may agree (“Stop Work Period”). The Seller shall immediately stop work and take all reasonable steps to minimize the incurrence of costs allocable to the Work during the Stop Work Period. Buyer shall either terminate in accordance with the Termination section or continue the Work by written notice to Seller. In the event of a continuation, an equitable adjustment in accordance with the provisions of the “Changes in Order” clause shall be made to the price, delivery schedule, or other provision(s) affected by the Work stoppage.

## **20. Termination**

Buyer may terminate this Contract, in whole or in part, at any time and for any reason whatever, by written notice, stating the extent and effective date of such termination. Upon receipt of notice, Seller will, as and to the extent directed by Buyer, stop Work under this Contract and the placement of further orders or subcontracts hereunder, terminate Work under orders and subcontracts outstanding hereunder, and take any necessary action to protect property in Seller’s possession in which Buyer or Owner has or may acquire any interest. Buyer’s sole liability to Seller in case of termination shall be reimbursement of Seller’s expenses incurred up to and including the date and time of termination. Similarly, due to Government activation requirements, the Buyer may have to postpone or interrupt service or delivery, in which event the terms of this clause and the Stop Work section will apply.

## **21. Default**

Buyer reserves the right to cancel this Contract in its entirety, or in part, on account of defects in materials, workmanship, or quality, or if the Seller fails to comply with or perform any of the terms and conditions, provisions, promises or warranties of this Contract, or any Government requirements or regulations, to include violations of U.S. policy. Seller shall also be liable for all damages and costs of Buyer resulting from such default or violations, regardless of any action taken or not taken by Buyer to cancel this Contract entirely or in part.

## **22. Limitation of Liability**

IN NO EVENT SHALL BUYER BE RESPONSIBLE FOR INDIRECT OR SPECIAL DAMAGES INCLUDING WITHOUT LIMITATION EXTRA EXPENSE, LOSS OF USE OF PROPERTY, DELAY OR DAMAGES CONSEQUENTIAL UPON LOSS OF USE, WHETHER RESULTING FROM NEGLIGENCE, STRICT LIABILITY OR BREACH OR OTHERWISE, EVEN IF THE POSSIBILITY OF SUCH DAMAGES IS FORESEEABLE.

## **23. Taxes**

Unless otherwise expressly provided on the face of this Contract, all taxes, duties, tolls, fees, import charges, or other governmental exactions shall be deemed included in the quoted price, and Buyer shall have no liability to pay Seller any amount in excess of the said price specified herein.

## **24. Extension of Benefits**

All exceptions, exemptions, defenses, immunities, limitations of liability, privileges, and conditions granted or provided by this Contract to the benefit of Buyer shall also apply to and be for the benefit of Owner and all corporations parent of, subsidiary to, affiliated with or under the same management as Buyer, as well as all directors, employees, and agents of said entities.

## **25. Security Requirements**

All Seller personnel and Seller's lower-tier subcontractor personnel must hold a Federal Transportation Workers Identification Credential (TWIC) card for unescorted access to ports or vessels. Buyer is not and shall not be responsible for delays or denied access due to the Seller's failure to comply with this requirement. Personnel who do not have a TWIC card will face delays or be denied access beyond the Buyer's control and responsibility. The Seller will bear any such security delays or expenses. The following link will provide information on how to obtain a TWIC card: <https://www.tsa.gov/for-industry/twic>.

Buyer vessel security plan requirements, as approved by the U.S. Coast Guard, necessitate that non-TWIC holders will be escorted by TWIC-holding individuals at a ratio of one (holding) to five (non-holding). TWIC holders accomplishing escort duties will be supervisory management or lead trade representatives of contracted vendor organizations.

Seller will be required to submit specific personal information for employees attending vessels to be screened/vetted to meet the Government background check requirements prior to access to the Vessel(s).

## **26. Priority Rating**

If a priority rating and program identification symbol (e.g. DO-A3) is included in a Purchase Order, the Purchase Order is a "rated order" certified for national defense, emergency preparedness, and energy program use. Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

## **27. Order of Precedence**

Any inconsistencies in this Contract shall be resolved in accordance with the following descending order of precedence:

- (1) face of the Purchase Order, release document or schedule, (which shall include continuation sheets), as applicable, to include any special provisions;
- (2) this Contract
- (4) statement of work; and
- (5) specifications or drawings.

## **28. Law and Jurisdiction/Dispute Resolution**

a. This Contract shall be governed by and construed in accordance with Title 9 of the United States Code and general maritime law of the United States (and to the extent inapplicable, interstitially, by the laws of the State of New York, without regard to its choice of law and conflict of laws rules), except that any provision in this Contract that is (i) incorporated in full text or by reference from the FAR; or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements the FAR; or (iii) that is substantially based on any such agency regulation or FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, boards of contract appeals, and quasi-judicial agencies of the Federal Government. The Contracts Disputes Act shall have no application to this Contract, and nothing in this Contract grants Seller a direct claim or cause of action against the U.S. Government.

b. Buyer and Seller agree to timely notify each other of any claim, counterclaim, demand, cause of action, Dispute, or any other controversy arising out of or in any way relating to this Contract or the subject matter of this Contract (each a "Dispute"), and to negotiate in good faith to resolve any such Dispute.

c. All Disputes which are not disposed of by mutual agreement in accordance with subparagraph (b) above within six (6) months may be decided by recourse to mediation, arbitration, or an action at law, in equity or in admiralty in accordance with subparagraphs (d) and (e) below. Until the final resolution of any such Dispute, Seller shall diligently proceed with the performance of this Contract if so directed by Buyer.

d. To the extent any claim or dispute arises between Buyer and the Owner that relates to Seller's performance under this Contract, Seller agrees to cooperate with Buyer in the prosecution or defense of such dispute. Upon Buyer's reasonable request, Seller shall provide relevant documentation and assistance in connection with such proceedings. If Seller wishes to pursue a claim that relates to the Owner's actions, such claim shall be submitted through Buyer. Buyer may, at its sole discretion and to the extent permitted by the Prime Contract and applicable law, choose to sponsor such claim. If Buyer elects to do so, Seller shall bear all related costs and shall indemnify and hold Buyer harmless from any liability arising from such claim.

e. Any other Disputes shall be resolved by binding arbitration. A Dispute must be resolved through arbitration regardless of whether the Dispute involves claims that this Contract is non-arbitrable, unlawful, unenforceable, void, or voidable or involves claims under statutory, civil, or common law. The validity, construction, and interpretation of this Agreement to arbitrate and all other procedural aspects of the arbitral tribunal shall decide the arbitration conducted pursuant hereto. The arbitration shall be conducted under the arbitration rules (the "Rules") of the American Arbitration Association (the "AAA") and administered by the AAA. Three neutral arbitrators shall conduct the arbitration. The claimant shall appoint an arbitrator with its demand for arbitration, and the respondent shall appoint an arbitrator with its answering statement. The two-party-appointed arbitrators shall appoint a third arbitrator to chair the arbitration. If the party-appointed arbitrators cannot agree upon a third arbitrator within 15 days of the appointment of the second arbitrator, or if a party does not appoint an arbitrator, then the remaining arbitrator(s) shall be appointed per the Rules. The arbitration shall be held in New York, New York, and conducted in English. The award shall be final and binding and may be enforced by any court of competent jurisdiction. The parties agree that service of process may be accomplished in any enforcement action by using the notice provisions of this Contract or any other means authorized by law. The parties agree that the award may be enforced in any jurisdiction where the party against whom the award is sought to be enforced has assets that may be available to satisfy the award, and they waive any objections they may have to personal jurisdiction, venue, or inconvenient forum for any action brought in those jurisdictions. The arbitral tribunal is authorized to award the costs of the arbitration, including reasonable costs and attorneys' fees, to the prevailing party. The award shall include pre-judgment interest at the discretion of the arbitrators, and interest shall accrue until the date the award is paid in full. If a court enters judgment on an award, thereafter, interest shall accrue at the statutory rate applicable to judgments entered by such court. Any arbitral award issued pursuant hereto may be enforced pursuant to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards of June 10, 1958, or, if that Convention is not applicable, then pursuant to the Inter-American Convention on International Commercial Arbitration. Notwithstanding the foregoing, should one party fail or refuse to Arbitrate, the other shall have the right to file suit in the United States District Court of the Southern District of New York, located in Manhattan, to seek legal redress.

f. Notwithstanding anything to the contrary contained herein, in no event shall the Owner be bound to the results of arbitration, judicial determination, or voluntary settlement between the prime contractor and subcontractor.

**29. Liens or Claims:**

Seller shall keep the property free and clear of all liens, security interests, encumbrances and claims of every nature, including statutory and maritime liens in favor of workman, materialmen, subcontractors, or others arising by, through or under Seller. Seller shall discharge all such liens and other claims at once. Seller hereby waives all liens, whether possessory or otherwise, in its favor which would otherwise attach to the property or connect to or cause a lien against the Government.

Neither Seller nor any of its subcontractors shall be entitled to a maritime lien upon the Vessel. The Seller agrees that nothing in or contemplated by this Contract creates or shall be construed to create any right to assert a maritime lien on the Vessel or to bring an action under the Public Vessels Act, 46 U.S.C. §§ 31101 - 31113, or the Suits in Admiralty Act, 46 USC §§ 30901 - 30918.

Seller further agrees that this Contract between Buyer and Seller creates no privity between itself and Owner and that it relies solely on the Buyer's credit for payment hereunder. Seller agrees that it is not authorized by either Buyer or Owner to enter into contracts on behalf of the Government or the Vessel, nor is the Seller entrusted with the management of the Vessel or authorization to pledge the credit of the Vessel. Accordingly, Seller shall indemnify and hold harmless the Government, its agencies and instrumentalities, and Buyer against all suits, actions, claims,

costs, or demands against the Government, its agencies and instrumentalities, and Buyer, for which the Vessel and its Owner may be subject under this Contract.

Seller agrees to include and require inclusion of this clause, suitably modified to identify the parties, in all subcontracts at any tier for Goods, Materials or Services. Buyer shall cause all its subcontractors to execute similar waivers.

**30. Force Majeure:**

Buyer shall not be liable for default or delay caused by any occurrence beyond its control including, but not limited to, acts of God, war, naval or military intervention, intervention of naval or military executives or other agencies of Government, terrorism, acts of terrorism, blockade, sabotage, vandalism, insurrection, storms, floods, earthquakes, fires, strikes, delays of common carriers, and requisitioning of the Vessel by any government or agency thereof (including Turbo or other activations). In the event the Seller is delayed in, or prevented from completing the Work, or any portion thereof, by reason of any of the foregoing occurrences, the Buyer shall have no liability for any expenses or loss incurred by the Seller by reason thereof.

**31. Cost-plus-a-percentage-of-cost contracting:**

Note that FAR 16.102(c) prohibits the cost-plus-a-percentage-of- cost contracting system for any contract supporting government contracts.

**32. Entire Agreement:**

This Contract and any attachments hereto or referred to specifically herein constitute the entire agreement between the parties concerning the subject matter hereof. Seller's acceptance of a Purchase Order is limited to the terms and conditions hereof. Any written confirmation, or any oral understanding upon which this Contract may be based, containing proposals or terms additional to or different from those set forth herein are not binding on Buyer unless expressly agreed to in writing.

**B. ADDITIONAL PROVISIONS APPLICABLE ONLY TO GOODS AND MATERIALS:**

The following terms and conditions shall apply to contracts for the supply or provision of Goods or Materials hereunder:

**Crating, Cartage, Storage:** No charges will be accepted by the Buyer for crating, boxing, cartage, storage or like services, unless specifically agreed to in writing prior to shipment of the Goods or Materials hereunder.

**Substitute and Counterfeit Goods and Materials:** Seller represents that it shall not furnish to Buyer any Goods and Materials that (i) are an unauthorized copy or substitute of an original equipment manufacturer ("OEM") or original component manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but are represented as OEM authentic or as new; (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes; or (vi) are otherwise counterfeit or suspected counterfeit. Such counterfeit or suspected counterfeit Goods and Materials shall be deemed non-conforming, and Seller shall disclose the source of the counterfeit or suspect counterfeit Goods and Materials to Buyer.

**Title:** Title and risk of loss to the Goods and Materials shall pass to Buyer upon Buyer's acceptance of delivery at the Vessel or place specified. Shipping tickets and/or packing slips must show in detail any Goods or Materials shipped and must accompany all deliveries, which must be signed for by the Vessel's Master, Chief Engineer or Port Engineer.

**Transportation Costs:** Seller warrants that any transportation costs included in the price will not exceed actual transportation costs paid by Seller. If this Contract calls for payment of any transportation costs by Buyer, Buyer shall in no event be liable or accountable for any amount in excess of the actual costs of transportation. Seller shall be responsible for and shall pay any excess transportation costs arising from Seller's failure to follow shipping instructions furnished by Buyer.

### C. ADDITIONAL PROVISIONS APPLICABLE ONLY TO SERVICES:

The following terms and conditions shall apply to the provision of Services hereunder.

**Insurance.** Seller, at its sole cost and expense (including the cost of all deductibles), shall procure and maintain in force during the term of this Contract the following insurance coverages which shall apply independently of indemnity obligations contained within this Contract to protect Government property and the Buyer when performing Services onboard any U.S. Government-owned vessel or on Buyer's premises under this Agreement.

1. Workers Compensation insurance or local equivalent as required by law for all employees, agents and subcontractors of Seller and Employer's Liability insurance in an amount not less than \$1,000,000 each accident. Such insurance shall provide coverage in the location in which the Work is performed and the location in which the Seller is domiciled. If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers Compensation Act (including the Defense Base Act (DBA) and Outer Continental Shelf Lands Act), the Jones Act, Admiralty Act, Death on the High Seas Act and/or other statutes applicable to maritime employees, Seller agrees to maintain insurance for such injuries or illnesses, and to provide evidence of such insurance as applicable.
2. Commercial General Liability insurance, on a per occurrence basis, endorsed to cover premises, operations, sudden and accidental pollution, products/completed operations, personal injury and contractual liability, with watercraft exclusions deleted and "in rem" coverage as may be applicable at a minimum limit of \$1,000,000 any one accident or occurrence.
3. Automobile Liability insurance, covering Seller's owned, rented, leased, non- owned and hired vehicles; Limits of liability not less than \$1,000,000 any one occurrence.
4. Excess Liability insurance, providing excess liability coverage above the primary liability coverages noted above with a minimum limit of \$25,000,000.
5. As applicable:
  - a) If consulting services are being performed under this Contract: Professional Liability/ Errors & Omissions Liability insurance with limits not less than \$1,000,000 any one occurrence.
  - b) With respect to the delivery of fuel or other hazardous products, or waste disposal operations performed by Seller: Pollution insurance or Environmental Impairment insurance with limits of liability not less than \$5,000,000 per occurrence, and any other public liability or environmental impairment coverage required by Federal, State or local regulatory authorities.
  - c) Ship Repairers Legal Liability with limits not less than \$5,000,000 per vessel, per occurrence, for loss or damage to vessels, their cargo, and other property in their care, custody, or control while undergoing repairs.
6. Should Work under this Contract include use of Seller's vessels:
  - a) Protection & Indemnity insurance to be evidenced through a full entry with an international P&I Club, including collision liability, tower's liability, and liability for seepage, pollution, containment and cleanup, with extensions for marine contractual liability, removal of wreck, etc., subject to a minimum limit of liability of \$5,000,000 any one accident or occurrence. Alternatively, if a full entry in an international P&I Club is not available or applicable, maritime liability coverage should be evidenced on an SP-23 form or equivalent including collision liability, tower's liability and third-party statutory liability for seepage, pollution, containment and cleanup, with extensions for marine contractual liability, wreck/debris removal, subject to a minimum limit of liability of \$5,000,000.
  - b) Hull & Machinery insurance including collision liability with sistership clause unamended, with limits of liability at least equal to the full value of all vessels used in connection with performance of the

Work required under this Agreement, and with navigational limitations adequate for the Seller to perform the specified Work. Where vessels engage in towing operations, said insurance shall include full tower's liability with sistership clause un – amended.

7. If the performance of the Work requires the use of any aircraft that are owned, leased, rented or chartered by Seller or any of its subcontractors;
8. Aircraft liability insurance (including standard coverage for War and other perils), covering all owned and non-owned aircraft, including but not limited to fixed-wing aircraft, helicopters, and drones, under this Agreement for Bodily Injury (including Passengers) and Property Damage, subject to a minimum Combined Single Limit of Liability each occurrence of \$5,000,000 or \$5,000,000 per passenger seat, whichever is greater, and as may be applicable;
9. Aircraft Hull insurance equal to the value of any aircraft used and endorsed to provide a Waiver of Subrogation in favor of Crowley.

All the above insurances except Workman's Compensation shall name the Buyer, Government of the United States of America and the Maritime Administration along with any company or entity, parent of, subsidiary to or affiliate of the Buyer as an assured. All Policies shall be endorsed to waive all rights of subrogation against the Government of the United States of America and the Maritime Administration, along with any company or entity, parent of, subsidiary to or affiliate of the Buyer. Such policies shall contain a statement that there is no recourse against both the Government of the United States of America/MARAD and the Buyer for payment of the premium or P&I Club calls. All such insurance will contain the cancellation provision as found in the new ACORD certificates (edition date 2016/03): "SHOULD ANY OF THE ABOVE-DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS." The Buyer shall obtain and review proof of insurance coverage (i.e., certificate of insurance or policy). The ACO may request that the Buyer send the subcontractor insurance to the MARAD Office of Marine Insurance for review.

In no event shall the amount or scope of insurance described herein place any limitation on the liability assumed by Seller, and should Seller maintain insurance limits higher than the limits listed above, Buyer shall benefit from those higher limits. Seller shall require their subcontractors performing hereunder to maintain insurance of the types and amounts required of Seller. Policies of Seller shall be primary to any insurance carried by or available to Buyer and any "other insurance" clauses under Seller's policies shall be amended accordingly. Should Seller fail to procure or maintain any of these insurance coverages, or by any act or omission vitiate or invalidate any of the aforesaid insurance coverages, Seller shall pay to Buyer all losses and indemnify Buyer against all claims and demands which would otherwise have been covered by such insurance. Irrespective of the requirements as to insurance to be carried by Seller or their subcontractors as provided herein, insolvency, bankruptcy, or failure of any insurance company to pay all claims accruing shall not be held to relieve Seller of any of its obligations.

Such insurance shall be written with Insurers carrying no less than a "A" rating from A.M. Best. Commencement of operations without receipt of the required Certificates of Insurance shall not constitute a waiver of the obligation of the Seller to maintain the required insurance coverages. Provide Buyer with Certificates of Insurance (at the following address):

Should Seller fail to procure or maintain any of the aforesaid insurance coverages, or by any act or omission, vitiate or invalidate any of the aforesaid insurance coverages, Seller shall indemnify Buyer, the United States of America and the other beneficiaries of said insurance to the extent they or any of them suffers or incurs loss, damage, liability or expense in consequence of such failure, act or omission.

It is expressly understood that the Seller shall notify Buyers Risk Management Department immediately of all accidents and any accident involving the Vessel, advising names of parties involved, location of accident, witnesses, and confirmation of prompt reporting to the responsible insurance agent of the Seller, as identified on the Seller's certificate of insurance.

Attn: Risk Management Department  
9487 Regency Square Boulevard, Jacksonville, FL 32225  
Email: [vendor.insurance@crowley.com](mailto:vendor.insurance@crowley.com)

**Manner and Materials:** Seller shall perform any and all services for the Buyer and to the property in a workmanlike manner and in compliance with Buyer's standing orders and Buyer's Contractor Safety document at the location designated by Buyer in accordance with the specifications of Buyer and/or Class. All plans, drawings, materials, machinery, equipment, outfitting, and workmanship involved in the performance of the Services shall be supplied by the Seller and shall be of a quality conforming to the best commercial practice for property of this type. If there should be any conflict between the provisions of any of the aforesaid documents and the specification, the specification will prevail.

If Services require performance exclusively by technicians certified by the OEM, such Services shall be performed solely by the Seller, employees of the OEM, or a designee pre-approved by the OEM. All such personnel must have received OEM training and certification specific to the Products being installed. The Supplier shall ensure that documentation of such certification is available upon request by the Buyer.

**Care of the Property:** During the term of this Contract, Seller shall protect the property from any and all damage. At all times while the property is on Seller's premises, Seller shall assume all risk of damage to or loss of the property (or of any machinery, equipment, materials, and outfitting obtained or intended for the property) from any cause whatsoever except acts of God or the sole negligence of Buyer.

**Travel:** Travel expenses shall be included in all proposals/quotations/change orders and shall be fully supported by receipts when invoicing for payment. Seller shall be reimbursed only for necessary, reasonable, and actual travel expenses for transportation, lodging, meals and incidental expenses. Air travel shall be reimbursed for coach class only.

Travel costs shall not exceed the maximum per diem rates listed on the following website(s):

- CONUS: [Per Diem Rates | GSA](#);
- OCONUS (Alaska, Hawaii, and U.S. territories and possessions): [Joint Travel Regulations | Defense Travel Management Office \(dod.mil\)](#)
- OCONUS (All other foreign locations): [https://allowances.state.gov/web920/per\\_diem.asp](https://allowances.state.gov/web920/per_diem.asp)?

Reimbursable costs for the first and last travel days are limited to 75% of costs. In accordance with the Joint Travel Regulations, reimbursable expenses for the first and last days of official travel are limited to 75% of the applicable per diem rate. Additionally, travel-related costs are not subject to any markups. Travel-related costs are not eligible for any markups.

**Independent Contractor:** Seller shall determine the manner and method of performing the Services and shall operate as an independent contractor and not as an agent or employee of Buyer or Owner.

**Nature of Work:** The nature and location of the Services and all conditions which may affect its completion have been carefully inspected and considered by Seller, who assumes all risk of loss and unanticipated expense, however, caused and whether or not foreseeable.

**Safety, Health, and Environmental:** Seller shall refer to and comply with the Contractor Safety and Environmental Requirements incorporated and made a part hereof.

*Updated: November 2025*