

CGS PURCHASE/WORK ORDER TERMS AND CONDITIONS FOR MARAD-OWNED VESSELS**A. GENERAL PROVISIONS APPLICABLE TO ALL GOODS AND SERVICES.**

Crowley Government Services, Inc. ("Buyer" or "CGS") reserves the right to award a Purchase Order to Seller, on a firm-fixed-price basis offering "best value" and covering all or any part of the materials/services mentioned in the Purchase Order. Buyer has the right to reject any and all quotations or to waive any irregularities therein. Buyer and Seller understand and agreed that the terms and conditions of this Contract are applicable to both the sale of goods/materials and/or the supply of services by Seller (as a contractor) to Buyer under any Purchase Order issued under this Contract. Seller warrants that no apparent organizational conflict of interest or improper affiliations exist between it and its subcontractors. Payment terms are 30 days, upon receipt of valid invoice.

GOVERNMENT SUBCONTRACT: If this Contract is entered into by Buyer and Seller in support of U.S. Government prime contracts DTMA98D160019, DTMA98D16003, or DTMA98D16016, then Seller is on notice that Buyer is the prime contractor and not agent for the U.S. Government. If this Contract is entered into by Buyer and Seller under Department of Transportation, Maritime Administration General Agency Agreement DTMA1H10001, then Seller is on notice that Buyer is acting as Agent for and on behalf of the U.S. Government.

1. Definitions:

1. "Best Value" Per FAR 2.101 means the expected outcome of an acquisition that, in the Government's estimation, provides the greatest overall benefit in response to the Government's requirement.
2. "Buyer" means Crowley Government Services, Inc. (CGS)..
3. "Commercial Item" means a commercial item as defined in FAR 2.101.
4. "Contract" means this Contract.
5. "Contractor" means Seller as used in this Contract, acting as the immediate (first-tier) subcontractor to Buyer.
6. "Flow Down clause" means a clause as set forth in FAR 52.252.2. In each clause incorporated by reference into this Contract, substitute "Buyer", for "Government" and "Contracting Agency", and "Buyer's Procurement Representative" for "Contracting Officer". Furthermore, the word "Contractor" as used in a Flow Down clause means Seller throughout such clause.
7. "Goods/Materials" means personal property of every type, kind and description, as specifically described in the Purchase Order and/or work specification.
8. "Owner" means the ultimate consumer or U.S. Government. Furthermore, all rights, benefits and remedies conferred upon Buyer by this Contract shall also accrue to and be available for the express benefit of Buyer and Owner.
9. "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.
10. "Seller" means sub-contractor or vendor hereunder.
11. "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 specifically described in the Purchase Order and/or work specification.
12. "Subcontract" means any contract placed by Buyer with Seller or their lower-tier subcontractors under this Contract and includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the parties or between subcontractors at any tier.
13. "Vessel" means a merchant vessel owned or operated by or for the United States as set forth in *Suits in Admiralty Act* (SIAA), 46 USC 30901, *et seq.* its machinery and appurtenances and any property, equipment and/or other items of Owner or Buyer for which Seller is to provide goods or services.

2. Entire Agreement: This Contract and any attachments hereto or referred to specifically herein constitute the entire agreement between the parties with respect to the subject matter hereof. Seller's acceptance of any 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.

3. Changes in Order: Buyer shall have the right to order changes from time to time in the performance required of Seller and Seller shall without delay shall conform to any such change order. 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 shall have the right to refuse payment of any claim by Seller for increase in price, or time of performance required which is not received by Buyer in writing within ten (10) calendar days after the date the change is ordered. No change shall be made by Seller in the performance required by this Contract except such change as specified in writing and signed by an authorized representative of Buyer.

4. Acceptance of Shipments and Inspection: All goods 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 Buyer's option, be held for Seller's instructions at Seller's risk, or will be returned to Seller. 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, and the rejected goods or services shall not be replaced or re-performed without a new Contract from

Buyer. 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 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. Buyer's count shall be accepted as final on all shipments whether or not accompanied by a packing list.

5. Permits and Approvals: All necessary permits, bonds, testing, inspection and approval of materials or workmanship by the proper authorities is to be provided and arranged by Seller at no additional cost to Buyer unless authorized herein.

6. Performance and Waivers: Any waiver by Buyer of strict performance with regard to 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.

7. 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 US 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.

8. Compliance with Laws: Seller shall comply with all applicable laws, policy and regulations of government authorities, including among other things, 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 specifically mentioned herein. Seller shall comply with the provisions of Trafficking Victims Protection Act of 2000 (TVPA), 22 U.S.C. 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 material. Seller further agrees to indemnify and hold harmless Buyer for any loss, damage, fine, penalty or any expense whatsoever as a result of Seller's failure to comply with such laws and regulations. **CERTIFICATIONS AND REPRESENTATIONS.** Seller makes certain certifications and representations that are material representations of fact upon which Buyer will rely in making awards to Seller. By submitting its written offer, or providing oral offers/quotations at the request of Buyer, or accepting any contract, Seller certifies to the representations and certifications as 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. Seller represents and warrants that the work provided under this Contract constitutes a "Commercial Item" as defined in FAR 2.101.

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

10. Drawings: Seller shall furnish for the approval of Buyer all shop drawings as Buyer may require, and all workmanship and materials shall be in strict accordance with 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 for any other purpose by Seller.

11. Assignment and/or Subcontracting: Seller may 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 to remain fully responsible for the performance of any and all subcontractors or assigns.

12. 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 or services herein mentioned.

13. Indemnity: To the extent permitted under law, Seller shall indemnify, hold harmless and defend Buyer from and against any and all suits, legal proceedings, claims, demands, damages, costs and expenses of whatsoever kind or character (including, but not limited to, reasonable attorney's fees and expenses) arising out of or in way related to any injury (including death) or damage to any persons or property in any manner, caused or occasioned by any defect in the goods or services or any act, omission, fault, negligence or default of any person, firm, corporation or other entity (including but not limited to, Seller, Buyer or anyone acting on their respective behalf's),

in connection with or incident to this Contract or work to be performed hereunder, even if the same be, or is alleged to be, due to the sole active negligence of Buyer or anyone acting on its behalf. Indemnification for Defective Pricing – If Buyer is subject to any liability as a result of a failure of the Seller to comply with the requirements of FAR 52.215-12 and 52.215-13, Seller agrees to indemnify and hold harmless Buyer, to the full extent of any amount claimed by the Government, from and against any loss, damage, liability or expense (including reasonable attorneys' fees), resulting from such failure. Furthermore, Seller agrees that in any action brought hereunder, the Federal Statute of Limitations shall apply.

14. Termination: Buyer may terminate this Contract, in whole or in part at any time and for any reason whatever, by written or telegraphic 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 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 Buyer may have to postpone or interrupt service or delivery in which event, the terms of this clause and 20 below will apply.

15. Consequential Damages: 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.

16. 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.

17. 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.

18. Security Requirements: All Seller's and subcontractor personnel must hold Federal TWIC cards for any and all employees that require access to the Ports or vessels. Personnel who do not have TWIC cards will face delays or be denied access beyond Buyer's control and responsibility. Any such security delays or expense will be borne by the Seller. The following link will provide information on how to obtain a TWIC card. <https://www.tsa.gov/for-industry/twic>.

CGS vessel security plan requirements as approved by US Coast Guard, necessitates 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 organization.

Seller shall comply with Department of Homeland Security Federal Law Enforcement Training Center (FLETC) access and control procedures as follows: Partner Agency staff and contractors will submit a badge application form SEM-17 through the sponsoring agency with a photo copy of a government issued photo identification card. The application will be processed and a National Criminal Information Check (NCIC) will be conducted. Upon successful completion of the NCIC check the staff member/contractor will be issued a Federal Complex access badge. A vehicle pass will be issued with verification of driver's license, vehicle registration and proof of insurance. Vendors/delivery personnel will be required to go through the Vehicle Inspection Point before entry into the complex. Non-Citizens should apply 30 days in advance. Additional information and access support may be obtained by contacting Buyer's corporate office at telephone 843-747-8172 prior to the commencement of shipboard work and/or attending the vessel. All costs associated with these actions will be borne by Seller. Note: All parties who require access to DOT facilities, sensitive information, information systems or other resources must comply with U.S. DEPARTMENT OF TRANSPORTATION (DOT) CONTRACTOR PERSONNEL SECURITY AND AGENCY ACCESS (NOVEMBER 2011) which may be accessed online at <http://www.transportation.gov/administrations/office-assistant-secretary-administration/acquisition-policy-letter-contractor>.

19. 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 the 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 Federal Acquisition Regulations (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.

(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 to 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 final resolution of any such Dispute, Seller shall diligently proceed with the performance of this Contract if so directed by Buyer.

(d) With respect to any Dispute involving Owner arising out of or in any way relating to the terms, performance, conditions or interpretations of the Prime Contract, Seller agrees to be bound to Buyer and Owner in the same manner and to the same extent as Contractor is bound to Owner under the terms of the Prime Contract, including any and all litigation, arbitration, determinations, orders, judgments, and decisions authorized therein. In any such arbitration or other proceeding wherein Owner is a party, Seller agrees, at the request of Buyer, to prepare and present Buyer's case, at Seller's expense, to the extent the proceedings relate to this Contract.

(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 arbitration conducted pursuant hereto shall be decided by the arbitral tribunal. The arbitration shall be conducted under the arbitration rules (the "Rules") of the American Arbitration Association (the "AAA") and administered by the AAA. The arbitration shall be conducted by three neutral arbitrators. 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 are unable to 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 in accordance with the Rules. The arbitration shall be held in New York, New York and conducted in the English language. 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.

20. Waiver of Maritime Liens: 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 or any Purchase Order issued pursuant to it 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. app 791, *et seq.* or the Suits in Admiralty Act, 46 U.S.C. app 741, *et seq.*

Seller further agrees that this Contract between Buyer and Seller creates no privity between itself and Owner and that it is relying solely on the credit of Buyer 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, supplies or services and Buyer shall cause all its subcontractors to execute similar waivers.

20. Clauses: 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, CGS will make their full text available. Also, the full text of a clause may be accessed electronically at this address: <https://www.acquisition.gov/far>. This Contract is expressly subject to the following FAR clauses whether or not otherwise flowed down by operation of law:

Applicable to all subcontractors at all tiers to the maximum extent practicable (reference FAR 52.244-6):

FAR 52.203-13 Contractor Code of Business Ethics and Conduct

FAR 52.203-15 Whistleblower protections Under the American Recovery and Reinvestment Act of 2009
FAR 52.219-8 Utilization of Small Business Concerns
FAR 52.222-26 Equal Opportunity
FAR 52.222-35 Equal Opportunity for Veterans
FAR 52.222-36 Affirmative Action for Workers with Disabilities
FAR 52.222-40 Notification of Employee Rights Under the National Labor Relations Act
FAR 52.222-50 Combating Trafficking in Persons (and Alt I)
FAR 52.225-26 Contractors Performing Private Security Functions Outside the United States
FAR 52.232-40 Providing Accelerated Payments to Small Business Subcontractors
FAR 52.244-06 Subcontracts for Commercial Items
FAR 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels

Applicable to Contracts greater than \$150K:

FAR 52.203-07 Anti-kickback Procedures.
FAR 52.223-03 Hazardous Material Identification and Material Safety Data

Applicable to Contracts greater than \$550K:

FAR 52.219-09 Small Business Subcontracting Plan (and Alt II)
FAR 52.222-01 Notice to the Government of Labor Disputes
FAR 52.223-18 Contractor Policy to Ban Text Messaging While Driving

Full text of the clauses can be found at:

<https://www.acquisition.gov/far/current/html/FARTOCP52.html#w.p372482>

21. 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, preparation for war, 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.

B. ADDITIONAL PROVISIONS APPLICABLE ONLY TO GOODS:

In addition to Part A above, the following terms and conditions shall apply to contracts for the supply or provision of goods and/or materials hereunder:

1. Title: Title and risk of loss to the goods 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 shipped and must accompany all deliveries, which must be signed for by the Master, Chief or Port Engineer.

2. 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 hereunder.

3. Warranties: Seller warrants clear and merchantable title to the goods 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. Seller further warrants that the goods shall be of merchantable quality and as specified, and shall be fit for the purpose intended. All implied warranties of the Uniform Commercial Code and warranties implied by usage of trade are reserved by Buyer and incorporated herein.

4. 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 accountable for and shall pay any excess transportation costs arising from Seller's failure to make delivery to the FOB point or to follow shipping instructions furnished by Buyer.

5. Invoices: NOTE: Due to government funds expiry, all invoices must be received within 3 months of performance to be processed for payment and Buyer expressly reserves the right to refuse to pay any stale or invalid invoices. Expediting of the invoicing process will not be used as an excuse to accept less than adequate invoices. Partial payments may be made on a case by case basis in Buyer's sole discretion. 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: apinvoices@crowley.com

C. ADDITIONAL PROVISIONS APPLICABLE ONLY TO SERVICES:

In addition to Part A above, the following terms and conditions shall apply to the provision of services hereunder.

1. Manner and Materials: Seller shall perform any and all services for the Buyer and to the Vessel in a workmanlike manner and in compliance with CGS Standing Orders and CGS 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 performance of the services shall be supplied by 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.

2. Warranties:

a) Seller shall keep the Vessel 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 Vessel. U.S. Public vessels are immune to liens.

b) 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 manufacturer, after completion of the services.

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

4. Clauses: FAR 52.252.2: 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, CGS will make their full text available. Also, the full text of a clause may be accessed electronically at this address: <https://www.acquisition.gov/far>
Flow Down Clauses Incorporated:

*52.204-14 Service Contract Reporting Requirements

*52.204-15 Service Contract Reporting Requirements for Indefinite-Delivery Contracts

FAR 52.222-41 Service Contract Act of 1965 and U.S. Department of Labor Wage Determinations (found at <http://www.wdol.gov/sca.aspx#0>) Contractors are also required to post the "Notice to Employees Working on Government Contracts" (WH Publication 1313) in a prominent and accessible place at the worksite. WH 1313 is available at: <http://www.dol.gov/whd/regs/compliance/posters/sca.htm>

FAR 52.222-43 Fair Labor Standards Act and Service Contract Act—Price Adjustment

The seller/subcontractor shall include the terms of this clause, in subcontracts awarded under this Contract.

*New reporting requirement

5. Insurance Requirements: Seller and lower-tier subcontractors, at their sole cost and expense (including the cost of all deductibles), shall procure and maintain in force during the term of this Agreement the following insurance coverages 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. TABLE OF COVERAGE TYPES and TABLE OF MINIMUM LIABILITY LIMITS REQUIRED based on risk considerations:

COVERAGE	DESCRIPTION
Workers Compensation, including Longshoremen & Harbor Worker's Act coverage	Always Required - no minimum
Employers Liability	E bodily injury by accident, each accident – E bodily injury by disease each accident – E bodily injury by disease in the aggregate
Maritime Employers Liability (Jones Act)	

*See Note	M each person per occurrence – M in the aggregate
Comprehensive General Liability	C combined single per occurrence limit for bodily injury and property damage- C in the aggregate
Ship Repairers Legal Liability *See Note	S per vessel, per occurrence
Pollution Liability	P per occurrence
Tow er's Liability	T applies to dead-ship tow
Automobile Liability	A Combined single per occurrence limit for bodily injury and Property damage- A in the aggregate

**Note: See TABLE OF MINIMUM LIABILITY LIMITS REQUIRED for values of variables E M C S P or T
TABLE OF MINIMUM LIABILITY LIMITS REQUIRED (in million dollars)**

RISK CONSIDERATIONS / COVERAGE CODE	E	M	C	S	P	T	A
Pier-side, No Spaces Made Safe for Hot Work or Workers	\$1	\$1	\$1	\$1	\$1		\$1
Pier-side, Spaces Made Safe for Hot Work or Workers	\$2	\$2	\$2	\$2	\$1		\$1
OEM Tech Rep Services	\$1	\$1	\$1				
Shipyards Availabilities w/o Dead-ship Tow	\$5	\$5	\$5	\$5	\$1		
Shipyards Availabilities w ith Dead-ship Tow	\$5	\$5	\$5	\$5	\$1	\$5	

* NOTE: MARAD will consider reductions of or w aivers to the amounts prescribed for Maritime Employers Liability (Jones Act) and Ship Repairers Legal Liability on a case by case basis based on risk considerations, e.g. the work does not involve the use of vessels or is not being performed in a shipyard.

a. Depending on risk considerations, the follow ing additional cover may be required:

- 1) Consulting services require Professional Liability insurance, with limits of liability not less than \$1,000,000 any one occurrence, covering services to be performed by subcontractor under this Agreement.
- 2) When work involves the usage of any vessel, Protection and Indemnity, or other Marine Liability Insurance, is required w ith limits of liability not less than \$1,000,000 per occurrence.

b. All the above insurances except Workman's Compensation shall name the Government of the United States of America and the Maritime Administration along w ith any company or entity, parent of, subsidiary to or affiliate of the ship manager as an assured. All Policies shall be endorsed to w aive 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 ship manager. Such policies shall contain a statement that there is no recourse against both the Government of the United States of America/MARAD and the ship manager 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 2009/09): "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 ship manager shall obtain and review proof of insurance coverage (i.e., certificate of insurance or policy). The ACO may request that the ship manager 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 "B" rating from A.M. Best's. 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.

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.

Certificates of Insurance should be sent to:

Crowley Government Services, Inc.
Att: Risk Management Department
9487 Regency Square Boulevard
Jacksonville, FL 32225
fax: (904) 805-1639
email: vendor.insurance@crowley.com

6. 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.

7. 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.

8. Safety, Health and Environmental:

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

9. Time and Material Service Orders: Normally any and all Contracts will be issued as firm fixed price items on a "best value" basis. If agreed and the purchase order states "Time and Material work" the contractor is to provide the following with their invoice:

- a) Time Sheets signed by the Chief Engineer for hours worked.
- b) Itemized list of material used or provided.
- c) If allowed, travel expenses shall be fully supported by receipts and cannot exceed the minimum per diem rates listed on website: <http://www.qsa.gov> NO MARKUPS ARE ALLOWED.
- d) Sign off from the Chief Engineer that the work has been completed to his/her satisfaction.

No markup of material, services, or travel expenses are allowed. Note that FAR 16.102 prohibits cost-plus-a-percentage-of-cost system of contracting.

