



VSE STANDARD TERMS AND CONDITIONS

PURCHASE ORDER NO: _____

DATE: _____

1. Parties Defined – VSE Corporation shall be referred to as “Buyer.” The party identified on the face of this Purchase Order (referred to as “Order”) who is contracting with Buyer shall be referred to as “Seller.” Buyer and Seller shall each be referred to as a “Party,” or, together, the “Parties.” Articles, materials, supplies and/or goods supplied by Seller (or its lower-tier subcontractors, as may be approved by Buyer per the terms below) to Buyer in performance of the Order shall be referred to as “Products.” Labor and/or services tendered by Seller (or any lower-tier subcontractors, as may be approved by Buyer per the terms below) to Buyer in performance of the Order shall be referred to as “Services.” The U.S. Government shall be referred to as the “Government,” or the “Customer,” and the contract or purchase/task order issued by the Customer to Buyer shall be referred to as the “Prime Contract.”

2. Representations and Form of Agreement – This Order constitutes an offer to Seller by Buyer subject to the terms and conditions set forth herein and are not an expression of acceptance or a confirmation document. Seller’s acceptance is limited to the exact terms of the offer without Buyer’s written approval, and it is specifically understood and agreed that any commencement of work, placement of procurement for materials, or shipment shall constitute acceptance of the offer. All representations, warranties, indemnities, insurance provisions, covenants and other agreements made herein by the Seller shall inure to and be enforceable by the Buyer and its successors in interest to the Goods and Services furnished hereunder. Seller is an independent contractor in all its operations and activities hereunder. The employees used by Seller to perform Work under this Contract shall be Seller’s employees exclusively without any relation whatsoever to VSE Corporation. Only the designated representative of the Buyer has the authority to amend this Order which shall be in writing.

3. Terms of Acceptance – The terms and conditions of this Order supersede all other terms and conditions and all other previous commitments, verbal or written. Seller’s acknowledgement to Buyer of this Order, or Seller’s initiation of performance of this Order, or Seller’s lack of a prompt notification to Buyer of any exception to this Order, shall constitute Seller’s acceptance of this Order. Acceptance by Seller of this Order is expressly limited to the terms and conditions of this Order. No terms or conditions stated by Seller in acknowledging or otherwise accepting this Order shall be binding upon Buyer unless specifically agreed to by Buyer in writing. This Order becomes a binding contract, subject to the terms and conditions herein (“Terms and Conditions”), when accepted by acknowledgment or commencement of performance. Seller may not assign, in whole or in part, this Order, its obligations under this Order, or any sums payable for performance hereunder, to any third party without Buyer’s prior written permission.

4. Limitations on Obligations of Buyer and Seller – Buyer cannot guarantee any actual quantity, volume or frequency of goods or services under this Order. All workload estimates are projections based on recent, documented workload, and are

only an estimate of future workload. Buyer is only obligated to pay for those goods or services actually ordered from and performed by Seller; Seller is only obligated to provide goods and perform services in accordance with the terms of this Order.

5. Request for Equitable Adjustment – The amount of any request for equitable adjustment (“REA”) to the terms of the Order shall accurately and fairly reflect the adjustment for which Seller believes Buyer is liable. The request shall include only costs for performing the change and shall not include any costs that already have been reimbursed or that have been separately claimed. All indirect costs included in the request shall be properly allocable to the change in accordance with applicable acquisition regulations and Seller’s approved cost accounting system. The REA shall include all relevant data, including actual cost data and data supporting estimated costs

6. Delivery, Inspection and Acceptance – Seller shall only tender for acceptance Products and Services that conform to the requirements of this Order. Buyer reserves the right to inspect and or test any Products or Services tendered for acceptance under this Order. Buyer and the Government shall be permitted to visit Seller’s facilities to observe performance of work under this Order, provided that reasonable advance notice is given to Seller. Buyer may, at its discretion, require repair or replacement of nonconforming Products, or re-performance of nonconforming Services, at no increase in price should a defective or nonconforming Product or Service be tendered by Seller, or, where necessary, reduce any fee payable under the Order to reflect the reduced value of the services performed. Seller understands that final inspection and acceptance may require up to thirty (30) days (or up to ninety (90) days for software Products). Acceptance by Buyer under this Order shall not release Seller from any other obligation under this Order, or limit the rights of Buyer in any way.

7. Packing and Shipment – Seller shall deliver all Products under this Order in accordance with good commercial packing and shipment practices. A complete packing list shall be enclosed with all shipments, and Seller shall mark all containers or packages with any necessary lifting, loading, handling, and shipping information, to include the Buyer’s Purchase Order number as identified above. Bills of lading shall also include the Purchase Order number. Unless otherwise specified on the face of this Order, all deliveries shall be FOB Destination.

8. Schedule – Time is of the essence for this Order. Full compliance with the delivery schedule is required, and any deviation from the schedule shall constitute a default on the part of the Seller. In the event of an anticipated or known deviation, Seller shall notify Buyer in writing at least thirty (30) days prior to the scheduled delivery date. If at any time Seller otherwise has reason to believe that any requirement of this Order will not be completed on schedule, Seller shall immediately notify the POC in writing. Failure by Seller to furnish a written notice of anticipated delay shall waive any notice requirement applicable to a termination action by Buyer hereunder.

9. Title and Responsibility for Products:

(a) Title to Products delivered to Buyer under the Order shall pass to Buyer upon formal acceptance, regardless of when or where Buyer takes physical possession, unless the Order specifically provides for earlier passage of title.

Title to Products delivered directly from Seller to the Government shall be governed by the Government Property clause of this document.

(b) Unless the Order specifically provides otherwise, risk of loss of or damage to Products shall remain with Seller until, and shall pass to Buyer upon the later of acceptance by the Buyer or delivery of the Products to the Buyer at the destination specified in the Order.

(c) Paragraph (b) shall not apply to Products that so fail to conform to Order requirements as to give a right of rejection. The risk of loss of or damage to such nonconforming Orders remains with Seller until cure or acceptance. After cure or acceptance, paragraph (b) applies.

10. Resolution of Disputes, Choice of Law – Both parties shall make all reasonable efforts to settle any disputes on an amicable basis. In the event that agreement cannot be reached, then the following provisions shall apply.

(a) In the event of any dispute that concerns Seller's compliance with requirements of the Prime Contract, or any task order thereunder, and that arises from an interpretation, act or omission of Customer or concerns Seller's compliance with this Order or any associated Statement of Work, the dispute will be resolved solely by resort to the procedures specified in FAR 52.233-1, Disputes. In such case, Seller shall prepare and submit a certified claim to Buyer the form and manner required by FAR 52.233-1. Buyer shall pass the Seller's claim through to Customer, provided Buyer determines that it can, in good faith, certify the claim in the manner required by the Prime Contract. If Seller's claim is denied by Customer's Contracting Officer, Buyer, at Seller's sole expense (including, but not limited to, attorney's fees and related litigation costs), may, on Seller's behalf, pursue an appeal to the cognizant Board of Contract Appeals, or litigation in a Federal court having subject matter jurisdiction. Seller shall be bound by the terms of any final decision by Customer's Contracting Officer and by any decision of the Board of Contract Appeals or court having jurisdiction over the subject matter to the same extent as Buyer.

(b) In the event of any dispute that arises solely between the Parties, and that is not covered by the preceding paragraph, the Parties will cooperate in seeking an amicable resolution through mutually agreeable alternative dispute resolution procedures. If the Parties have not resolved the dispute by agreement within ninety (90) calendar days after either Party requests, in writing, alternative dispute resolution from the other, then either party shall have the right to pursue resolution of the dispute in either the Circuit Court of Alexandria, Virginia, or in the United States District Court for the Eastern District of Virginia (Alexandria Division). The courts identified in the preceding sentence shall be the exclusive venue as between the Parties for the purposes of this Section.

11. Invoicing and Payment –
See Invoicing & Payment Appendix

12. Quality Control – Seller shall provide and maintain a quality control system, to an industry-recognized quality standard and in compliance with any other specific quality requirements identified in this Order. Seller shall keep complete records of all quality control inspections and make such records available as necessary to Buyer and Customer.

13. Options:

(a) **Option to Extend Services:** By written notice to Seller, Buyer may require continued performance of any services within the limits and at the rates specified in the Order. These rates may be adjusted only as a result of revisions to prevailing labor rates issued by the Secretary of Labor.

(b) **Option to Extend the Term of the Order:** Buyer may extend the term of the Order by written notice to the Seller.

(c) **Priced Options:** Buyer may exercise any priced option in the Order by written notice to the Seller.

14. Termination for Convenience (of Buyer or Customer) – Buyer reserves the right to terminate this Order, or any part hereof, for its sole convenience, or that of Customer. Subject to the terms of this Order, Seller shall be paid a percentage of the Order price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges that Seller can demonstrate (to the satisfaction of Buyer and Customer, and using Seller's standard record keeping system) have resulted from the termination. Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided.

15. Buyer's Options in the Event of Default (including Default Termination) – If the Seller fails to prosecute the work required under this Order with reasonable diligence and promptness, fails to provide Buyer adequate assurances of future performance upon request, or otherwise defaults in the performance of any material provision of this Order, Buyer may exercise any or all of the following rights:

- (a) Buyer may make an equitable deduction from any sums due to the Seller to compensate the Buyer for the default;
- (b) Buyer may recover from the Seller either the estimated or actual cost to the Buyer for correcting the default;
- (c) Buyer may recover from the Seller all other damages sustained by the Buyer as a result of any of the Seller's defaults not covered herein;
- (d) Buyer may withhold payments otherwise due to the Seller while Seller remains in default;
- (e) Without prejudice to other rights or remedies provided by law or by the Order, terminate the Order for default by giving seven (7) calendar days written notice to Seller, specifying the date, reason for default and effective date of termination, take possession of all or any part of the materials or equipment delivered or in transit, and finish work by whatever method Buyer deems expedient. If, after termination, it is determined pursuant to the Resolution of Disputes clause that Seller was not in default, or that the default was excusable, the rights and obligations of the Parties shall be the same as if Buyer had exercised a termination for Buyer's convenience.

16. Procedures Following Termination – Upon receipt of notice of termination, either for default or convenience, Seller shall immediately discontinue work under this Order and shall, if requested by Buyer, make every reasonable effort to cancel all

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existing orders, contracts or lower-tier subcontracts upon terms satisfactory to the Buyer, and shall thereafter do only such work as may be necessary to preserve and protect work completed or in progress. Following such termination, all claims by Seller shall be given in writing to, and must be received by, the Buyer within sixty (60) days of termination notice as dated by Buyer. If the Government terminates the Prime Contract, the termination clauses incorporated in the Prime Contract shall govern the termination and shall supersede any inconsistent terms contained in the Order, with the following exceptions: In the Prime Contract Termination for Convenience clause, the period for submitting termination inventory schedules shall be 60 days rather than 120 days; the period for submitting a final termination settlement proposal, 6 months rather than 1 year; and, in the case of a partial termination, the period for submitting a proposal for equitable adjustment shall be 45 days rather than 90 days.

17. Compliance with Laws – Seller represents that the Goods covered by this Order have been manufactured and sold in compliance with the requirements of the Robinson-Patman Act, the Fair Labor Standards Act and all other federal, state, and municipal laws, rules, and regulations as applicable including in particular all export laws. Seller expressly warrants that all Work performed under this Order shall conform to: (1) the standards and/or regulations promulgated by the U.S. Department of Labor under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651, PL 91-596), latest amendment, and (2) the standards and/or regulations promulgated by the U.S. Department of Labor under the Equal Employment Opportunity Act and all executive orders and latest amendments pertaining thereto. In the event the product sold does not conform to the OSHA standards or regulations, the Buyer may return the product for either correction or replacement at Seller's option and at Seller's expense.

Seller warrants and represents that every chemical substance delivered hereunder shall be on the list of chemical substances, or have been submitted for inclusion on such list, as compiled by the Administrator, Environmental Protection Agency pursuant to the Toxic Substances Control Act.

Seller agrees that this order was obtained and shall be performed in full compliance with FAR 52.203-7 and the Anti-Kickback Act of 1986 (41 U.S.C. 51-58). If you have reasonable grounds to believe that a violation, as described in paragraph (b) of FAR 52.203-7, may have occurred, you should report this suspected violation to the VSE CORPORATION Ethics Hotline at: 800-634-7092. Seller warrants that no gratuities (in the form of gifts, entertainment or anything of value) have been offered or given by Seller to any employee of Buyer or Buyer's customer in order to obtain favorable treatment in this contract.

The deliverables of this Order may be controlled for export purposes under U.S. export control laws, and especially the International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR). If Seller is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller represents that it is registered with the Office of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR.

Seller agrees upon request by Buyer to provide Buyer with any documents showing proper compliance with export regulation and licenses. Seller agrees that it will not transfer any export-controlled item, services, or data, to include transfer to foreign persons employed by or associated with, or under contract to Seller, without the authority of an export license, agreement, or applicable exemption or exception. Seller shall notify Buyer immediately if any deliverable under this Order is restricted by any export control law or regulation. Seller shall notify Buyer immediately if Seller is in a changed circumstance including, but not limited to, ineligibility, a violation or potential violation of the ITAR, and the initiation or existence of a U.S. Government investigation. Seller shall notify Buyer immediately if Seller is listed or will be listed on any Denied Parties List or if Seller's export privileges are otherwise denied, suspended, or revoked in whole or in part by any U.S. Government entity or agency. At Buyer's request, Seller shall provide Buyer with all data that Buyer may need to apply for and obtain an export license, applicable license exception, or other information that Buyer determines is necessary to provide the State Department or U.S. Commerce Department in connection with an export.

Seller agrees to comply with the United States Foreign Corrupt Practices Act. Seller shall not, directly or indirectly, offer, pay, promise to pay, or authorize the payment of any money, or anything of value to a foreign official, foreign political party or official thereof, candidate for political office, or to an official of an international organization directly or indirectly for influencing any official act or decision of such Foreign Official, including inducing such Foreign Official to do or omit to do any act in violation of his lawful duty; or securing any improper advantage, or inducing such foreign official to use his influence with a foreign government, or instrumentality thereof, to affect or influence any act or decision of such government or instrumentality in order to perform the work on behalf of the Client under this Agreement. Seller shall not make any facilitation or "grease" payments for or that inure to, in any way, the benefit of VSE, in order to expedite or secure routine governmental functions.

Seller shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.

18. Ethics and Compliance – The Seller agrees that, as a condition of doing business with the Buyer and in performance of this Order, Seller agrees to provide all Goods or perform all Services with full integrity and warrants that it shall comply at all times with Section 17 herein. Seller further agrees to be aware of the "VSE Supplier Code of Conduct" as outlined at The VSE Corporation website www.vsecorp.com in the "Partners" section found under "Purchasing & Subcontracting."

19. Organizational Conflicts of Interest – The Seller shall notify Buyer immediately of any actual or potential conflict of interest with respect to the performance or work under this Order or agreement as set forth in FAR Subpart Part 9.5, or applicable agency supplements. By accepting this Order, Seller certifies that it has disclosed to the Buyer any actual or potential conflict of

interest which it is aware of and that such conflicts have been properly mitigated or eliminated in coordination with the Buyer. The Buyer has the right to terminate this contract for default based on Seller's failure to promptly disclose or to properly mitigate an organizational conflict of interest.

20. Warranty – Notwithstanding inspection and acceptance by Buyer or any provision concerning the conclusiveness thereof, Seller warrants the following: (a) that it will perform the services required under this Order with the degree of high professional skill and sound practices that is normally exercised by professional firms for similar services; (b) that all goods provided and services performed under this Order will, at the time of acceptance, be free from defects, including latent defects, in workmanship and conform to the requirements of this Order. All warranties shall run to Buyer and its customers.

Buyer shall give written notice of any such defect or nonconformance to Seller within thirty (30) days after receipt and inspection. Such notice shall state either (1) that Seller shall correct or re-perform any defective or nonconforming services or (2) that Buyer does not require correction or re-performance. If Seller is required to correct or re-perform, it shall be at no cost to Buyer and any services corrected or re-performed by Seller pursuant to this clause shall be subject to all provisions of this clause to the same extent as work initially performed. If Seller fails or refuses to correct or re-perform Buyer may, by contract or otherwise, correct or replace with similar services and charge to Seller the cost incurred by Buyer thereby, or offset amounts otherwise payable to Seller, in order to obtain an equitable adjustment in the Order price. If Buyer does not require correction or re-performance, Buyer shall make an equitable adjustment in the Order price.

21. Progress Reports – Seller shall furnish monthly letter-type progress reports to Buyer's Point of Contact ("POC") no later than the Fifth of each month, unless specified otherwise in the body of the Order or the corresponding Statement of Work. The report shall include a description of the work completed during the prior month and scheduled for completion during the current month, in addition to providing specific information on any problems or delays encountered or anticipated. Nothing contained in this clause shall be deemed to waive any notification requirements contained elsewhere within this Order.

22. Documentation – Upon Buyer's request, Buyer shall be given copies of all written materials related to the Goods and made available to the public, including, without limitation, all user, operating, maintenance and other technical manuals (collectively, "Documentation"), as well as all brochures, specifications, and marketing materials. Documentation shall be made available to Buyer at a price no greater than that charged to the general public.

23. Intellectual Property Warranty and Indemnification – Seller warrants that the Products and Services delivered under this Order will not infringe or otherwise violate the intellectual property rights of any party in the United States or any foreign country. Seller agrees to defend, indemnify, and hold harmless Buyer and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorney's fees,

arising out of any action or allegation by any party claiming that Products or Services delivered under this contract infringe or otherwise violate the intellectual property rights (to include patents, trademarks, copyrights, and service marks) of any party, or misappropriate any party's trade secrets, or violate rights of privacy or publicity, or contain libelous or other unlawful matter.

24. Communication with Client – Buyer shall be solely responsible for all communications and coordination with Client. Seller shall not under any circumstance engage in any form of communication with Client unless specifically granted by Buyer in writing.

25. Right to Assurances – Should either party, in good faith, have reason to question the other party's intention to perform, it may demand written assurance from the other party of its intent to perform. In the event that the demand is made, and assurances are not given within a reasonable period of time not exceeding one (1) week after receipt of such demand, the party making such demand may treat this failure as a repudiation of the Order.

26. Proprietary and Other Information of Buyer – any and all information provided to Seller by Buyer remains the sole property of Buyer. Seller (a) shall use information supplied by Buyer only to accomplish the work required under this Order, (b) agrees not to use such information for any other purpose, and (c) agrees not to disclose any information provided by Buyer to any third party without the prior written agreement of Buyer. Seller shall maintain data protection processes and systems sufficient to adequately protect the information of Buyer. All copies of information provided by Buyer under this Order which Buyer has designated as being proprietary ("Proprietary Information"), whether provided orally, in writing, or as recorded on other media, shall be kept confidential by Seller and not disclosed to any third party. Seller shall return all "Proprietary Information" to Buyer following completion or termination of the Order, to include any and all copies made (in any form) of such information. Should Seller be compelled by law to disclose any part of Buyer's Proprietary Information, Seller shall, before making any disclosure, give Buyer such reasonable notice of the intended disclosure and afford Buyer the opportunity to protect its interests.

Except as required by law, Seller shall make no public release, confirmation of, or denial of any information regarding this Order, its subject matter, or any of the Products or Services delivered hereunder - for marketing, advertising, or any other purpose - without first obtaining Buyer's written consent. This prohibition includes, but is not limited to, statements made by Buyer's personnel regarding Seller's performance under this Order.

Seller shall not provide any information it considers proprietary to Buyer without prior execution of a proprietary information agreement between the Parties. Notwithstanding this, unless otherwise expressly set forth in this Order, Buyer shall have the rights to use, for any purpose, information concerning Seller's products, manufacturing methods or processes that Seller may disclose to Buyer during the performance of this Order, if such information is disclosed without restriction on further disclosure or use.

27. Order of Precedence – All provisions of the Order are intended to be read and construed in harmony with each other. In the event that provisions cannot be reconciled, inconsistencies shall be resolved by giving precedence in the following order: (1) FAR/DFARS Flowdown Clauses (PUR-61); (2) Purchase Order, inclusive of associated Terms and Conditions; (3) Statement of Work.

28. Survivability – In the event this Order is terminated, the Parties shall remain bound by the content of the following provisions, which shall survive termination: Compliance with Laws, Rights of Buyer; Assignment; Resolution of Disputes, Choice of Law; Warranties-Services; Warranties-Products; Intellectual Property Warranty and Indemnification; Confidential Relationship; Proprietary and Other Information of Buyer; Independent Contractor Relationship; Indemnification (General); Limitation of Liability.

29. Non-Waiver – The failure by either Party to require performance of any provision shall not affect that Party's right to require performance at any time thereafter, nor shall a waiver of any breach or default of this Order constitute a waiver of any subsequent breach or default or a waiver of the provision itself.

30. Maintenance of Records – Seller shall maintain complete and accurate records in accordance with generally accepted accounting principles to substantiate Seller's charges hereunder. Such records shall include, but not be limited to, applicable time sheets, job summaries, receipts, invoices, warranties, certifications, and applicable calibration/repair/maintenance records for machinery. Seller shall retain such records for three (3) years from final payment under this Order.

31. Limitation of Liability – Buyer shall not be liable to the Seller for any lost revenue, or any indirect, punitive, exemplary, special, or consequential damages, even if Buyer has been advised as to the possibility of such damages, and regardless of whether the claim for such damages is asserted under a theory of breach of contract, tort, or any other theory of liability. Any claim to such damages is expressly waived by Seller upon acceptance of this Order. Except for instances involving personal injury, in no event shall Buyer be liable to Seller for any amount in excess of amounts paid under this Order.

32. Furnished Property

(a) **Government Property / "Customer Property"**. Notwithstanding and not otherwise limiting any general or specific provisions contained or incorporated in this Order, this provision, unless specifically excepted, is applicable if and when Seller is furnished and/or acquires government property (also called "Customer property") under or in the performance of this Order. Seller shall be responsible and accountable for all government property furnished or acquired under this Order and shall comply with Federal Acquisition Regulation (FAR) Subpart 52.245 as in effect on the date of this Order. Seller shall care for, maintain and use the property only as authorized by this Order. Seller shall investigate and report to Buyer all instances of loss, damage or destruction of government property. Seller shall provide all reports of government property and perform such physical inventories of the property as may be required by Buyer in fulfillment of the requirements of the Customer, the Prime Contract, and/or FAR Subpart 52.245. Buyer, as well as the

Customer's designated representatives, shall have access at all reasonable times to Seller's premises in which government property is located for the purpose of inspecting such property. Buyer, at its sole discretion, may request and/or authorize the Customer's designated representatives to provide support to Buyer's property administrator(s), including, but not limited to, surveillance of Seller's property administration practices and procedures, and inspection of any government property provided to Seller under this Order. Unless otherwise provided, Seller assumes the risk of, and shall be responsible for, any loss or destruction of or damage to government property while such property is in Seller's possession or control. Seller is not responsible for reasonable wear and tear to government property, or for government property properly consumed in the course of performance under this Order.

(b) **Buyer's Property**. The rights and obligations of Seller with respect to Buyer-furnished Property shall be the same as those which Seller has with respect to government property under the Federal Acquisition Regulation clauses applicable to this Order.

(c) **Liability for Loss or Damage of Government Property**. In the event that government property is lost or stolen, or if the Appraised Value (APV) of the subject property is in any way otherwise diminished (whether through the intentional or unintentional acts of Seller, its agents, employees or subcontractors, or through acts beyond the control of Seller) while in the possession, custody or control of its agents, employees or subcontractors, Seller shall either (a) reimburse the U.S. Government, through Buyer, an amount equal to the Appraised Value (APV) of the subject property, or (b) restore the subject property to its previous condition, as directed by Buyer. The same will apply if the government property is destroyed or damaged with the exception of property identified for destruction and/or disposal by Buyer.

If any provision of this Order is held unenforceable, then such provision will be modified to reflect the Parties' intent. All remaining provisions of this Order shall remain in full force and effect.

33. Order Closeout

(a) **Final Invoice and Assignment and Release of Claims**: The final invoice and supporting documentation, including an Assignment and Release of Claims if required by the Payment clause of the Order, shall be submitted by Seller as promptly as practicable following completion of the work under the Order, but no later than 3 months after the date of completion; provided that if Seller cannot submit the final invoice until settlement of its final indirect cost rates, the final invoice and supporting documentation must be submitted no later than 1 year after the date of Order completion. If Seller fails to submit an adequate final indirect cost rate proposal within the 6-month period following the expiration of each of its fiscal years, or within any extension granted in writing by the Seller's Administrative Contracting Officer, Buyer shall decrement the indirect costs otherwise payable under the Order by 50%.

(b) **Patent Reporting**: If the Order covers experimental, developmental, or research work, Seller shall submit a final patent report within 3 months after completion of the Order, listing all subject inventions or stating that there were none, and listing all subcontracts at any tier containing a patent rights clause or stating that there were none.

(c) Property Closeout.

(1) Seller shall promptly perform property closeout after Order completion or termination, including reporting, investigating and securing closure of all loss, damage, destruction, or theft cases and physically inventorying all property.

(2) Seller shall submit inventory disposal schedules to Buyer no later than (a) 30 days following Seller's determination that a government property item is no longer required for performance of the Order; and (b) 60 days following completion or termination of the Order.

34. Insurance

(a) **General Requirements for Seller's Insurance.** Within 10 calendar days of receipt of this Order, and before commencing work, Seller shall furnish a certificate of insurance, evidencing insurance of the kinds and limits enumerated hereunder. Any insurance policy required to be held by Seller shall be maintained with an insurance carrier having a minimum A. M. Best financial rating of A- VII. Seller shall provide evidence of renewed coverage, as applicable under this Order, on an annual basis. Such certificate of insurance shall show VSE Corporation as Additional Insured with respect to General Liability insurance. If required by VSE, such certificate must also show that Seller's insurer waives any right to subrogate against VSE with respect to General Liability and Worker's Compensation coverage. Any exceptions to these terms must be approved in advance by VSE Corporation.

The types of insurance required of Seller shall include, at minimum:

(1) Workers' Compensation Insurance, as required by statute in all jurisdictions where Seller may assign employees to perform work under this agreement. Seller's insurance shall also include coverage for Employer's Liability, with a limit not less than \$100,000. If applicable to Seller's operations, Seller shall also carry Longshoremen's and Harbor Worker's Act coverage.

Seller's failure to maintain required Worker's Compensation insurance on all of Seller's employees shall not relieve Seller from financial responsibility imposed by statute, and in no event shall Seller allow such liability to be imputed to VSE.

(2) General Liability Insurance, including Personal Injury coverage of not less than \$1,000,000 Combined Single Limit.

(3) Automobile Liability Insurance, not less than \$1,000,000 Combined Single Limit.

(b) **Additional Insurance Requirements.** Depending on the particular circumstances, nature of work, or governmental requirements, VSE may require Seller to procure and maintain additional types of insurance. In the event such additional insurance is required, VSE will provide appropriate specifications to Seller.

(c) **Changes to Insurance Coverage.** The foregoing insurance coverage shall not be terminated or canceled unless Buyer is given thirty (30) days prior written notice by the insurance carrier, and Seller obtains the same minimum limits of coverage from another insurance carrier effective upon termination of prior policy, as demonstrated by a certificate of insurance satisfactory to Buyer. Any changes made by Seller to its insurance policies without notice that are adverse to Buyer, or are otherwise in violation of the terms of this Order, will be considered a breach of this Agreement.

35. Notification – Seller shall immediately (within 24 hours of discovery) notify Buyer upon occurrence of any of the following:

(a) unauthorized inquiries about or request for access to any property furnished to Seller under this Order, whether belonging to, or furnished by, the U.S. Government or other entities, (b) discovery of contraband or hazardous material on, in or with such property, (c) delays or additional costs incurred caused by actions or inaction of Buyer or U.S. Government representatives, (d) instructions received directly from U.S. Government representatives, (e) actual or potential loss, damage, or destruction of property, or (f) bodily injury arising out of any aspect of performance of the Order.

36. Indemnification and Hold Harmless – To the fullest extent permitted by law, Seller agrees to defend, protect, indemnify and hold harmless Buyer, as well as its officers, employees, agents, shareholders, partners, customers, consultants, or other subcontractors ("Associated Personnel"), or any such Associated Personnel of its subsidiaries, from and against any actions, causes of actions, liabilities, claims, suits, judgments, liens, awards, costs, penalties, damages, or expenses of any kind (including, but not limited to, fees and charges of attorneys, engineers, architects, or other professionals, and all court or arbitration or other dispute resolution costs), that arise from, or are related to, the performance, products, systems, or services provided under this Order ("Offerings"), including any acts or omissions of Seller, or any of Seller's officers, employees, agents, shareholders, partners, subcontractors, or consultants related to such Offerings, or to costs or liabilities arising from false claims, or defective cost or pricing data, associated with invoices or payments submitted under this Order. This includes, but is not limited to, liability for costs associated with performance or default of its obligations herein, third party liabilities, injury or death to persons, loss or damage to property (including loss of use thereof), and impairment and natural resource damages.

In no event shall obligations hereunder be limited to the extent of insurance available to, or provided by, Seller or any subcontractor or agent thereof.

37. Rights of Access to Facilities and Records – Buyer and the Government/Customer, and/or its designated representative(s), shall be permitted to visit Seller's facilities to observe performance of work under this Order, provided that reasonable advance notice shall be given to, and arrangements made with, Seller's contract administrator for this Order. Further, if this Order involves any cost-reimbursement work, Buyer retains the right to audit Seller's cost records, to include access to such records at Seller's facilities, provided that Buyer provides Seller with reasonable advance notice of any such visit.

38. Restrictions on Assignment of Classified Material – Copies of this Order, or of any plans, specifications, or other similar documents relating to work under this Order, if marked "Top Secret", "Secret", or "Confidential," shall not be furnished to any assignee of any claim arising under this Order or to any other person not entitled to receive the same. However, a copy of this Order so marked may be furnished, or any other information contained therein may be disclosed (in whole or in part), to such assignee upon the prior written authorization of Buyer.

39. Pricing – Seller agrees and warrants that the price offered to Buyer is equal to or lower than the price offered to his most favored customers in like circumstances, and Seller further warrants that Buyer may truthfully certify the same.

40. Bankruptcy – In the event the Seller enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Seller agrees to furnish written notification of the bankruptcy to Buyer at least five days prior to initiation of such proceedings.

41. Taxes – Buyer shall not be liable to Seller, or any officer, employee, agent, lower-tier subcontractor or consultant of Seller, for any taxes, customs, or assessments in connection with this Order, except such as are expressly set forth herein. In the event the goods or services purchased under this Order are exempt from taxes, such exemption will be stipulated in the body of this agreement, and the applicable Tax Exemption Number will be made available upon reasonable request.

42. Technical Specifications - All Technical Specifications, Standards, etc. listed are by default the current revision, unless otherwise documented

43. Contract Direction – Buyer may at any time, by written change order, suspend performance in whole or in part, make changes in drawings, designs, specifications, method of shipment or packaging, time or place of delivery, and quantities, or otherwise change the requirements hereof. If any such change causes an increase or decrease in the cost of, or the time required for performance, a corresponding adjustment will be made in the Order price or delivery schedule by the Buyer. Nothing in this document shall excuse Seller from proceeding with the Order as changed.

44. Force Majeure – No liability shall result to either party from delay in performance or from nonperformance caused by an Act of God, or event beyond the control of a party, including an act or omission of government, act or omission of civil or military authority, act of a public enemy, war, blockade, insurrection, riot, epidemic, landslide, earthquake, fire, storm, lightning, flood, washout or civil disturbance which could not have been avoided through the exercise of reasonable care, procedure, and diligence.

45. Access to VSE Information System – In the event Seller requires access to VSE's Information System (IS), the Seller will protect all data including credentials with no less than a reasonable standard of care and ensure no breach of VSE's IS results from it Seller's use. Seller shall immediately report any breach or potential breach to the VSE VP of Contracts and Procurement for further coordination with VSE's Chief Information Officer. All IS credentials must be protected from unauthorized use. Seller agrees not to share any IS credentials or leave VSE's IS vulnerable to unauthorized use and/or disclosure. Seller may be subject to fines, penalties and legal consequences as a result of any such breach.

46. FAR and DFARS Clauses Incorporated by Reference – This Order is issued under U.S. Government Prime Contract Number referenced on the face of this purchase order. The Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement clauses listed in association with this Purchase Order are incorporated by reference. These clauses are

included with the same force and effect as if they were set forth in full. To read the regulations in full text, refer to [HTTPS://WWW.ACQUISITION.GOV/BROWSEFAR](https://www.acquisition.gov/browsefar).

47. Entire Agreement – This order contains the complete and entire agreement between the parties hereto. No change, addition, or modification of any of the terms or conditions hereof shall be valid or binding on either party unless in writing signed by an officer or designated purchasing agent of buyer.

INVOICING & PAYMENT APPENDIX

I. FIXED-PRICE ORDERS

(a) **Pricing.** Seller agrees and warrants that the price offered to Buyer is equal to or lower than the price offered to his most favored customers in like circumstances, and Seller further warrants that Buyer may truthfully certify the same.

(b) **Invoicing.** Seller shall submit an original invoice (or electronic invoice, if authorized) to the address designated in the Order to receive invoices. An invoice must include the following: (1) name and address of Seller; (2) invoice date and number; (3) Order number, Order line item number and any other information specified on the face of the Order under "invoices"; (4) description, quantity, unit of measure, unit price and extended price of the Products or Services delivered; (5) shipping method and bill of lading/tracking number or manifest number; (6) terms of any discount for prompt payment offered; (7) name and address of official to whom payment is to be sent; (8) name, title, and phone number of person to notify in event of defective invoice.

Seller may submit only one invoice per month unless more frequent submission is explicitly authorized elsewhere in the Order.

(c) **Payment.** Unless otherwise stipulated on the face of the Order, Seller shall be paid Net 30 upon submission of each properly prepared invoice for Products and/or Services accepted by Buyer at the destination set forth in the Order, less any deductions specified elsewhere in the Order. Payment shall be considered to have been made on the date appearing on the payment check, or, in the case of an electronic funds transfer, on the date of the transfer.

If Seller becomes aware that Buyer has paid twice, or otherwise overpaid, Seller shall immediately notify Buyer and request instructions.

The basis of any cash discount calculation will be the later of the date the articles are accepted by Buyer or the date an acceptable invoice is received by Buyer. Discounts will be made based upon the gross amount of an invoice.

Payment shall be due solely from funds actually received by Buyer from the Government in payment of work done by Seller pursuant to this Order. Buyer shall not be obligated to pay interest or interest penalties to Seller except to the extent that Buyer receives actual payment of interest or interest penalties from the Government as a result of late payment of an invoice submitted by Buyer which includes an amount invoiced by Seller.

(d) **Final Payment** The final invoice and supporting documentation, including an Assignment and Release of Claims, must be submitted by Seller as promptly as practicable following completion of the work under the Order, but in no event later than thirty (30) days after the date of completion of the work under the Order. If Seller is waiting for settlement of its final indirect cost rates, the Seller will submit a final invoice with interim rates no later than thirty (30) days after the date of completion of the work under the Order.

The Release of Claims statement listed below must be included by Supplier on each Final invoice submitted for payment and signed by an authorized representative of the Supplier

Purchase Order Closeout and Release of Claims Certification

The enclosed final voucher represents all costs associated with this Firm Fixed Price (FFP) purchase order number: _____. Upon receipt of payment by 'SUPPLIER NAME', VSE Corporation may commence closeout of said purchase order. 'SUPPLIER NAME' also certifies that all deliverables have been met and no additional costs will be invoiced.

Authorized Representative;

Name: _____

Title: _____

Phone Number: _____

Email: _____

Failure to submit final invoices within thirty (30) days of the date of completion of work under the Order will deem the Order completed and closed. Additionally, it will result in all obligations of VSE to the Seller under or relating to the Order, including pending expenses, to be nullified and voided.