

Master Service Agreement Number

888-14-20-54

Supplier Information:
 County of Monterey

Monterey County Health Department
 1270 Natividad Road
 Salinas, CA 93906 USA

Taxpayer ID: 94-6000524

Supplier Size and Socio-Economic Status:

If a Small Business**, check ALL that apply and enter appropriate NAICS Number(s): _____

<input type="checkbox"/> Small Business Concern (SB)	<input type="checkbox"/> Woman-Owned SB	<input type="checkbox"/> HUBZone (Historically Underutilized Business Zone) certified SB
<input type="checkbox"/> Small Disadvantaged Business. [Including Black-, Asian Pacific-, Subcontinent Asian-, Native-, Hispanic American-owned SBs or active 8(a)]	<input type="checkbox"/> Veteran-Owned SB	<input type="checkbox"/> Alaska Native Corporation and Indian Tribe
	<input type="checkbox"/> Service-Disabled Veteran-Owned SB	

If not a Small Business, check one: Large Non-Profit Foreign/Other (including Gov't) HBCU/MI***

*North American Industry Classification System (NAICS) online search: www.census.gov/eos/www/naics.
 **Small Business definitions and size standards are available in the Federal Acquisition Regulation 52.219-8 and 13 CFR Part 121; HUBZone SB must be certified by SBA (www.sam.gov and www.sba.gov/size). Under 15 U.S.C. 645(d), any person who misrepresents its size status shall (1) be punished by a fine, imprisonment, or both; (2) be subject to administrative remedies; and (3) be ineligible for participation in programs conducted under the authority of the Small Business Act.
 ***Historically Black Colleges and University (HBCU) or Minority Institutions (MI).

This Master Service Agreement (hereinafter referred to as "MSA" or the "Agreement") is between Research Triangle Institute, under the trade name RTI International (hereinafter referred to as "RTI"), a nonprofit organization, and County of Monterey on behalf of Monterey County Health Department, acting as an independent contractor and not as an agent of RTI, (referred to throughout as "Supplier"). Supplier agrees to deliver all items and perform all services in accordance with the following Agreement Appendices:

- Appendix A: Standard Terms and Conditions
- Appendix B: Federal Flow Down Provisions and Regulations
- Appendix C: Sample Subcontract/Subaward Release & Assignment

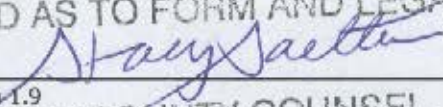
Reviewed as to fiscal provisions


 Additor-Controller 10-11-11
 County of Monterey

This MSA embodies the entire agreement between RTI and Supplier and supersedes all other agreements, either written or oral. Officials signing this document certify that they have legal authority to enter into binding agreements on behalf of their organizations.

<u>Supplier Contractual Personnel:</u>		<u>RTI Contractual Personnel:</u>	
Ray Bullick Director of Health	831-755-4526	Robin Harris	919-541-1295
Signature:		Signature:	
Typed Name: Ray Bullick		Typed Name: Robin Harris	
Title: Director of Health		Title: Subcontract Specialist	
Date:		Date:	

APPROVED AS TO FORM AND LEGALITY


 DEPUTY COUNTY COUNSEL
 COUNTY OF MONTEREY

RISK MANAGEMENT
 COUNTY OF MONTEREY
 APPROVED AS TO INDEMNITY/
 INSURANCE LANGUAGE

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Appendix A: Standard Terms and Conditions

ARTICLE 1. Definitions

In this Master Services Agreement (as hereinafter defined) the following words and expressions shall have the meanings hereby assigned to them, except where the context otherwise requires:

"Agreement" means the Terms and Conditions Articles set forth herein, the Statement of Work, Subcontract/Subaward(s), the Federal Acquisition Regulation (FAR) and Agency Supplemental Clauses (as applicable), the Supplier's Technical and Cost Proposal, the Representations and Certifications, and such further documents executed by both Parties and expressly incorporated in this Agreement.

"Client" means RTI's customer who is responsible for funding the Subcontract/Subaward(s) issued under the Agreement.

"Direct Labor" means Supplier personnel performing work under this Agreement.

"Fringe Benefit Expense Rate" means the direct payroll-related expenses including employer-paid Benefits; Social Security and Medicare (FICA); State Unemployment (SUTA); Federal Unemployment (FUTA); Workers Compensation; and Vacation and Holiday Pay. This rate, as defined, shall satisfy the allowability and allocability requirements of Federal Acquisition Regulation (FAR) Part 31, Contract Cost Principles. The Fringe Expense Rate will be the percentage amount applied to actual Direct Labor expenses incurred under the Agreement's Subcontracts/Subawards

"General and Administrative (G&A) Expense" means the Supplier's costs of doing business that are not directly associated with the costs of performing this Agreement or the Supplier's other contracts. These expenses, as defined, must satisfy the allowability and allocability requirements of Federal Acquisition Regulation (FAR) Part 31, Contract Cost Principles. Similar to the Fringe Benefit Rate, the G&A Expense Rate will be the percentage amount charged in accordance with the Supplier's established method for allocating G&A.

"Lower tier subcontractor/subawardee" means any person or firm lower-tier subcontractor/subawardee for a part of the Work or any person or firm to whom a part of the Work has been subcontracted or subawarded and the legal successors in title to such person or firm, but not any assignee of such person or firm.

"Other Direct Costs (ODCs)" mean those expenses that are directly incurred for the benefit of performing the Work under a specific Subcontract/Subaward(s). These expenses must satisfy the allowability and allocability requirements of Federal Acquisition Regulation (FAR) Part 31, Contract Cost Principles. Generally, these costs consist of approved travel (hotel, meals, air and rail transportation expenses, car rental), pre-approved equipment, classified ads, and reasonable phone expenses directly charged to the project.

"Parties" as used under this Agreement mean "RTI" and "Supplier."

"Pay Rate" means those actual direct labor expenses that are incurred for the benefit of performing the Work under a specific Subcontract/Subaward(s). These expenses, as defined, must satisfy the allowability and allocability requirements of Federal Acquisition Regulation (FAR) Part 31, Contract Cost Principles. The Supplier's actual Pay Rate(s) solely consists of direct labor (gross hourly wage(s)) expenses that are completely unburdened with profit or any application of G&A, overhead or indirect rate expenses.

"Payment" means the remuneration that RTI has agreed to pay Supplier upon the execution, satisfactory completion, and acceptance of RTI's Work set forth the Subcontract/Subaward(s) issued under this Agreement.

"Provisional billing rate(s)" means the Supplier's temporary indirect rate ceiling(s) used for the purpose of allowing interim reimbursement of incurred indirect fringe and general and administrative costs. The provisional billing rate(s) remain(s) in effect until a final billing rate is negotiated and settled by the parties for the period in accordance with FAR Part 42.700 and the FAR Allowable Cost and Payment clause. The provisional billing rate(s) will be subject to retroactive redetermination and audit by RTI or RTI's Client in order to preclude substantial overpayments to Supplier. Unless terms of the Agreement stipulate otherwise, the Supplier's provisional billing rates represent RTI's maximum liability for the reimbursement of indirect expenses.

"RTI" means the Research Triangle Institute or RTI International.

"RTI Master Service Agreement Administrator" means the designated RTI person(s) who has contractual authority over the terms of the Master Service Agreement. The RTI Master Service Agreement Administrator is the only person authorized by RTI to make changes or amendments to the Master Service Agreement.

"RTI Project Manager" means the designated RTI person who has been provided the technical authority to manage the Work on behalf of RTI. The RTI Project Manager does not have authority to sign and bind RTI to contractual agreements.

"RTI Subcontract/Subaward Administrator" means the designated RTI person(s) who has contractual authority over the Work being performed pursuant to an individual Subcontract/Subaward issued under the Master Service Agreement. The RTI Subcontract/Subaward Administrator is the only person authorized by RTI to make changes or amendments to the issued Subcontract/Subaward.

"Site or Location" means the place(s) provided by Supplier where the Work is to be executed and any other places as may be specifically designated in the Subcontract/Subaward as forming part of the Site or Location.

"Statement of Work/Technical Specifications" means the services defined and set forth in an individual Subcontract/Subaward issued hereunder (hereinafter referred to as the "Work"), that the Supplier is responsible for delivering to RTI.

"Subcontract/Subaward" means the document that the RTI Subcontract/Subaward Administrator will use in accordance with the terms of this Agreement to authorize and reasonably request the Supplier to commence Work under and subject to the terms of this Agreement. Subcontract/Subaward(s) issued under this Agreement fully incorporate by reference the Terms and Conditions of the Agreement which are set forth herein. The term "Subcontract" will be applicable when RTI's prime agreement is a contract and "Subaward" may be applicable when RTI's prime agreement is a cooperative agreement or a grant.

"Supplier" means the person or firm who's Cost and Technical Proposal has been accepted by RTI and the legal successors in title to such person, but not (except with the written consent of RTI) any assignee of such person or firm. The term "Subcontractor" or "Subawardee" may be used in place of Supplier where contextually appropriate and/or necessary.

ARTICLE 2. Type of Agreement

- A. This is an Indefinite Delivery/Indefinite Quantity Master Service Agreement (MSA) and the terms and conditions presented in this Agreement shall apply to all Subcontracts/Subawards awarded hereunder. RTI will provide work to the Supplier through the issuance of Individual Subcontracts/Subawards. The Subcontract/Subaward Procedures are set forth in other Articles hereunder. Subcontracts/Subawards issued under this MSA will be either Firm Fixed Price, Time and Materials (T&M), Labor Hour (LH) or Cost Reimbursement (includes Cost Plus Fixed Fee and Cost Plus Award Fee arrangements).
- B. Should RTI issue a Firm Fixed Price Subcontract/Subaward, Supplier agrees to complete all of the work requirements set forth in an individual Subcontract/Subaward's Statement of Work and shall invoice RTI in accordance with the Milestone Payment Schedule included therein.
- C. Should RTI issue a Time and Materials or Labor Hour Subcontract/Subaward, Supplier agrees to use its best efforts to perform all work and obligations under this Master Service Agreement within the prices established in the particular Subcontract/Subaward. Supplier shall utilize the labor categories and fully burdened fixed hourly labor rates set forth therein. These fixed rates include the Supplier's direct wages, taxes, fringe, indirect costs, general and administrative cost, and profit. Other direct costs are not allowable costs without the prior written approval of the RTI Subcontract/Subaward Administrator. Supplier shall perform the work set forth in an individual Subcontract/Subaward's Statement of Work and invoice RTI for the actual hours performed by Supplier employees utilizing the fixed rates and labor categories set forth therein.
- D. Should RTI issue a Cost Reimbursement Subcontract/Subaward, Supplier agrees to use its best efforts to perform all work and obligations set forth in an individual Subcontract/Subaward's Statement of Work and within the ceiling price and funding allocation stated in the individual Subcontract/Subaward. RTI shall bear no liability beyond the funded amount stipulated in an individual Subcontract/Subaward.

ARTICLE 3. Term of Agreement

The effective period for this Agreement shall begin on **October 28, 2014** and continue until terminated in accordance with such provisions set forth herein. Each Subcontract/Subaward will establish the actual performance period for the work to be performed under such a Subcontract/Subaward. All terms contained in this Agreement shall become effective on the date cited in this Article

ARTICLE 4. Subcontract/Subaward Procedures

- A. RTI will authorize all work under this MSA through the issuance of Subcontracts/Subawards. Each Subcontract/Subaward will be signed by the RTI Subcontract/Subaward Administrator and accepted by the Supplier. Subcontracts/Subawards may be issued at any time during the Agreement's effective period.
- B. Prior to Issuing a Subcontract/Subaward, RTI will provide the Supplier with a Request for Proposal which will include:
- A proposed Statement of Work;
 - Subcontract/Subaward Type (Firm Fixed Price, Time and Materials, Labor Hour or Cost Reimbursement)
 - The components of the offer to be submitted;
 - The format for submission;
 - The time frame for submission of the offer;
 - The basis for selection; and
 - Any other relevant instructions to the Supplier.
- C. Supplier shall acknowledge receipt of each Request for Offer in writing by an authorized company officer within the time frame specified in the Request of Offer and respond with a technical and/or cost proposal (Subcontract/Subaward Offer) within the specified time frame. The technical proposal will delineate the Supplier's interpretation for performing the Statement of Work, and the pricing proposal will constitute Supplier's firm offer in accordance with the requirements of the Request for Offer.
- D. Issuance of a Subcontract/Subaward to Supplier in response to Supplier's Subcontract/Subaward Offer shall be at RTI's sole discretion and is further contingent upon:
- RTI's receipt of an executed award from the Client;
 - Receipt of funding from RTI's Client; and/or
 - The receipt of any required approvals from RTI's Client.

Each issued Subcontract/Subaward will include the following:

- A Statement of Work;
 - Supplier's Budget for performing the Subcontract/Subaward;
 - Period of Performance;
 - Subcontract/Subaward Type (Firm Fixed Price, Time and Materials, Labor Hour or Cost Reimbursement); and
 - Any other pertinent information, including applicable special terms and conditions.
- E. The completion date of a Subcontract/Subaward may extend beyond the ending date of this Agreement.
- F. Under no circumstances may the Supplier start work prior to the issuance date of the Subcontract/Subaward unless specifically authorized to do so by the RTI Subcontract/Subaward Administrator in writing. Any work commenced prior to the actual issue date will be considered unauthorized and will not be subject to ratification or reimbursement.
- G. Subcontracts/Subawards shall not allow for any change to the terms or conditions of this Agreement. Notwithstanding, a Subcontract/Subaward may supplant any terms or conditions set forth in this Agreement on an individual Subcontract/Subaward basis, however, such a replacement of a particular term or condition set forth in this Agreement by an individual Subcontract/Subaward shall have no effect on the terms actually set forth in the Agreement, but rather will only be applicable to said Subcontract/Subaward. The replacement of terms or conditions set forth in an individual Subcontract/Subaward shall not be considered a modification to the Agreement, nor constitute a waiver of any rights or to grant relief from any stated obligations.
- H. Past Performance on Subcontracts/Subawards. RTI will evaluate the Supplier's prior performance on Subcontracts/Subawards when considering the use of the Supplier on a new bid to our Client. The following factors

will be considered in selecting the Supplier for subsequent Subcontracts/Subawards: (1) quality of the end product; (2) timeliness of performance; (3) responsiveness to RTI; and (4) reliability of cost estimates.

- I. RTI Requests for Information. Upon RTI's reasonable request, Supplier shall provide information which is necessary and relevant to an individual Subcontract/Subaward's performance, as requested or required by RTI's Client.

ARTICLE 5. Designation of Contractual Representatives

- A. Robin Harris is hereby designated as the RTI Master Service Agreement Administrator and is the only one with the authority to direct changes under this Agreement. All notices shall be in writing and addressed as follows:

For RTI

Robin Harris
Global Supply Chain
RTI International
P.O. Box 12194
Research Triangle Park, NC 27709-2194
Phone: 919-541-1295
Email: robinh@rti.org

For Supplier

Linda McGlone
Monterey County Health Department
1270 Natlidad Road
Salinas, CA 93906 USA
Phone: 831/755-4619
Email: mcglonelm@co.monterey.ca.us

- B. RTI will assign a Principal Investigator/Project Manager and an RTI Subcontract/Subaward Administrator on an individual Subcontract/Subaward basis, and each such assignment will be set forth in the applicable Subcontract/Subaward. All reports and deliverables will be addressed to the RTI Principal Investigator/Project Manager identified in each Subcontract/Subaward.

ARTICLE 6. Key Personnel

- A. Supplier personnel considered essential to the work being performed under an individual Subcontract/Subaward will be identified in such a Subcontract/Subaward. By mutual agreement, the list of key personnel designated in an individual Subcontract/Subaward may be amended from time to time during the course of a Subcontract/Subaward's performance, to either add or delete key personnel as appropriate.
- B. During the first ninety (90) calendar days of an individual Subcontract/Subaward's performance, Supplier shall make no substitutions of key personnel unless the substitution is necessitated by illness, death, or termination of employment. Supplier shall notify the RTI Subcontract/Subaward Administrator within ten (10) calendar days after the occurrence of any of these events and provide the information required by Paragraph C below. After the initial ninety (90) calendar day period, Supplier shall submit the information required by Paragraph C to the RTI Subcontract/Subaward Administrator at least ten (10) calendar days prior to making any permanent substitutions.
- C. Prior to diverting the above-named personnel to other programs, Supplier shall submit a justification (including the reason for the requested substitution and resumes of the proposed replacement key personnel) in sufficient detail to permit evaluation of the impact of the requested substitution on the program. Proposed substitutes should have comparable qualifications to those of the persons being replaced. The RTI Subcontract/Subaward Administrator will notify Supplier of RTI's decision about the substitutions within twenty (20) calendar days after receipt of all required information.

ARTICLE 7. Institutional Review Board (IRB) (Applicable if Subcontract/Subaward involves the use of Human Subjects)

Institutional Review Board approval must be obtained before any contact with human subjects. All research involving human subjects, or data from or about human subjects, must be conducted in accordance with applicable federal regulations (45 CFR 46 and 21 CFR 50 and 56) and the protocol approved by the IRB. Research activities include contacting Human Subjects, conducting the survey and the collecting and storing of any Human Subject data resulting from this survey. Upon notice of IRB approval, RTI will provide notice to the Supplier to commence work. Once this notice is provided to Supplier, the Supplier may commence with the research activities.

ARTICLE 8. Privity of Contract

No privity between Supplier and RTI's Client, including the Federal Government, is established by this Agreement or an individual Subcontract/Subaward. All communications regarding this Agreement or an individual Subcontract/Subaward must be directed to RTI and not to RTI's Client.

ARTICLE 9. Independent Contractor

The relationship of Supplier to RTI is that of an independent contractor, and nothing in this Agreement shall be construed as creating any other relationship. Supplier shall comply with all laws and assume all risks incident to its status as an independent contractor. This includes, but is not limited to, responsibility for all applicable federal and state income taxes, associated payroll and business taxes, licenses and fees, and such insurance as is necessary for Supplier's protection in connection with work performed under this Agreement. Neither Supplier nor anyone employed by it shall be, represent, act, and purport to act, or be deemed to be an agent, representative, employee, or servant of RTI.

ARTICLE 10. Statement of Work/Budget

Supplier shall furnish the necessary personnel, materials, services, equipment and facilities, and all other items necessary to accomplish all tasks specified in each individual Subcontract/Subaward issued pursuant to this Agreement.

ARTICLE 11. Limitation of Funds/Costs (Applicable to Incrementally Funded Subcontracts/Subawards)

- A. The parties agree that performance of an individual Subcontract/Subaward will not cost RTI or RTI's Client more than the cost specified in an individual Subcontract/Subaward. Supplier agrees to use its best efforts to perform the work set forth in an individual Subcontract/Subaward within the cost ceiling and the funding amount allocated to the individual Subcontract/Subaward. RTI may fund an individual Subcontract/Subaward on an incremental basis. In the event an individual Subcontract/Subaward is not fully funded at the time of award, RTI, at its sole discretion, will incorporate additional funding to support the work requirements as funding is made available to RTI by RTI's Client. This additional funding will be incorporated into the Subcontract/Subaward by written modification. Funding allocations shall not exceed the cost ceiling established in the Subcontract/Subaward. No costs will be incurred under an individual Subcontract/Subaward except those costs specifically proposed by the Supplier to RTI. RTI is not obligated to reimburse the Supplier for costs incurred in excess of the total funding amount allotted by RTI to an individual Subcontract/Subaward, and the Supplier is not obligated to continue performance under an individual Subcontract/Subaward or otherwise incur costs in excess of the amount of funding allotted to an individual Subcontract/Subaward. For incrementally funded Subcontracts funded via Federal Contracts, the Limitation of Funds Clause (FAR 52.232-22) shall also apply, and when such an individual Subcontract becomes fully funded, the Limitation of Cost Clause (FAR 52.232-20) shall then become applicable.
- B. Supplier shall notify the RTI Subcontract/Subaward Administrator and Project Manager in writing when 75% of an individual Subcontract's authorized funding has been expended under the Subcontract. The notice shall state the estimated amount of hours and funding required, if any, to continue performance under the Subcontract, along with an explanation of why the additional time and/or effort are needed. The Supplier shall not perform beyond the authorized funded amount without the advance written approval of the RTI Subcontract/Subaward Administrator.

ARTICLE 12. Consultants and Lower-Tier Subcontractors/Subawardees

- A. PRIOR WRITTEN approval of the RTI Subcontract/Subaward Administrator is required for obtaining services of consultants and lower-tier subcontractors/subawardees. Costs for consultants and lower-tier subcontracts/subawards who have not received PRIOR WRITTEN approval in accordance with this Article will not be reimbursed. Inclusion in the Supplier's budget or proposal does not constitute request or approval of consultants or lower-tier subcontractors/subawardees.
- B. When requesting the use of consultants or lower-tier subcontractors/subawardees, the Supplier shall furnish information concerning the need for such services, the reasonableness of the fees or costs, a copy of the proposed consulting agreement/subcontract/subaward, and any additional information required to make a determination of acceptability, including, as applicable, FAR 52.244-2. Cost-plus-a-percentage-of-cost subcontracts, subawards or purchase orders are prohibited.

ARTICLE 13. Assignment, Delegation and Subcontracting

- A. Supplier shall not assign or novate any of its rights or interests in this Agreement or an individual Subcontract/Subaward without RTI's prior written consent. Supplier shall not delegate any of its duties or obligations under this Agreement or an individual Subcontract/Subaward. Supplier may not assign its right to monies due or to become due. No assignment, delegation or subcontracting by Supplier, with or without RTI's consent, shall relieve Supplier of any of its obligations under this Master Service Agreement or prejudice any of RTI's rights against Supplier whether arising before or after the date of any assignment. This Article does not limit Supplier's ability to purchase standard commercial supplies or raw materials.

- B. RTI shall be entitled to assign an individual Subcontract/Subaward to any of its subsidiaries or other affiliates (including by operation of law, judicial process or otherwise) or any successor to RTI's business or operations without prior notice to or consent from Supplier. RTI shall further be entitled to assign an individual Subcontract/Subaward to its Prime Sponsor of the agreement under which an individual Subcontract/Subaward is issued without prior notice to or consent from Supplier. Any other assignment by RTI shall require Supplier consent.

ARTICLE 14. Technical Direction

- A. The RTI Principal Investigator/Project Manager identified in an individual Subcontract/Subaward does not have the authority to direct the Supplier to make changes in scope, period(s) of performance, place(s) of performance, cost, funding, or any other express Provisions of this agreement or an individual Subcontract/Subaward. All matters affecting the terms of this Agreement or an individual Subcontract/Subaward, and the administration thereof, shall be referred to the RTI Subcontract/Subaward Administrator. The RTI Subcontract/Subaward Administrator is the only person with the authority to direct changes under an individual Subcontract/Subaward. Any changes to the provisions of this Agreement or an individual Subcontract/Subaward must be made by written modification in accordance with the Changes and Modifications Provision of this Agreement.
- B. When, in the opinion of Supplier, technical direction calls for effort outside the scope of the Statement of Work, Supplier shall so notify the RTI Subcontract/Subaward Administrator and RTI Principal Investigator/Project Manager of the technical direction in writing in accordance with the Changes and Modifications Article of this Agreement.

ARTICLE 15. Inspection and Acceptance

Acceptance of the work set forth in this an individual Subcontract/Subaward will be made by RTI Principal Investigator/Project Manager identified in such a Subcontract/Subaward or his/her authorized designee. RTI has the right to inspect and evaluate the work performed or being performed under this Agreement, and the premises where the work is being performed, at all reasonable times and in a manner that will not unduly delay the work. If RTI performs any inspection or test on the premises of the Supplier or a lower-tier subcontractor/subawardee, the Supplier shall furnish, and shall require lower-tier subcontractors/subawardees to furnish, without additional charge, all reasonable facilities, and assistance for the safe and convenient performance of these duties. Upon RTI's request, Supplier shall provide RTI the records of inspection/test for any products and/or services furnished hereunder at any time during performance and any applicable warranty period.

ARTICLE 16. Master Service Agreement Changes and Modifications

- A. No change in the terms or conditions of this Agreement ("Changes") shall be made without a written modification of this Agreement, and such a modification shall be signed by both the RTI Master Service Agreement Administrator and Supplier's Contractual Designee. All changes shall be deemed to be effective from the date of the modification's execution; however, such Changes shall be effective and applicable to all Subcontract/Subawards currently under performance.
- B. Any replacement of terms or conditions made pursuant to the provisions set forth in Article 4(G): Subcontract/Subaward Procedures shall not be considered a modification to this Agreement.
- C. Except as set forth in this Article, no employee, contractor, agent, or representative of either party is authorized to alter or amend the terms and conditions of this Agreement.

ARTICLE 17. Subcontract/Subaward Changes and Modifications

- A. The RTI Subcontract/Subaward Administrator may, without notice to sureties and in writing, direct changes within the general scope of individual Subcontract/Subaward in any of the following: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of RTI-furnished property; and, if individual Subcontract/Subaward includes services; (vi) description of services to be performed; (vii) time of performance (i.e., hours of the day, days of the week, etc.); and (viii) place of performance. Supplier shall comply immediately with such direction.
- B. If any change under this Article causes an increase or decrease in the Supplier's cost of, or the time required for, the performance of any part of an individual Subcontract/Subaward, the parties shall negotiate an equitable adjustment in the price or schedule, or both, and the RTI Subcontract/Subaward Administrator shall modify the individual Subcontract/Subaward in writing accordingly.

- C. Supplier must assert its right to an adjustment under this Article to the RTI Subcontract/Subaward Administrator in writing within 25 calendar days from the date of Supplier's receipt of the written change order from the RTI Subcontract/Subaward Administrator. In support of the claim for adjustment, Supplier shall provide a written statement describing the general nature of the requested adjustment, as well as a fully supported proposal with the total dollar amount of the requested adjustment. RTI may, at its sole discretion, consider any claim regardless of when asserted. RTI, or mutually agreeable third-party, may examine Supplier's pertinent books and records to verify the amount of Supplier's claim. Failure of the parties to agree upon any adjustment shall not excuse Supplier from performing previously agreed upon work.
- D. Notwithstanding the foregoing provisions of this article, an individual Subcontract/Subaward's ceiling or funded amount shall not be increased or deemed to be increased except by specific written modification of the Subcontract/Subaward indicating the new Subcontract/Subaward ceiling and authorized funded amount. Until such modification is made, Supplier shall not continue performance or incur costs beyond the period of performance or the authorized funded amount as set forth in the Subcontract/Subaward.

ARTICLE 18. Deliverables and Technical Reports

- A. Deliverable requirements will be stipulated in individual Subcontract/Subawards. All required deliverables shall be addressed to the RTI Project Manager designated in such a Subcontract/Subaward.
- B. Notwithstanding any other payment provision of this Agreement, failure of Supplier to submit required reports when due, or failure to perform or deliver required work, supplies, or services to the reasonable satisfaction of RTI's Project Manager, will result in the withholding of payment under this Agreement unless such failure arises out of causes beyond the control and without the fault or negligence of Supplier.

ARTICLE 19. Submission and Payment of Invoices

- A. T&M, Labor Hour and Cost Reimbursement Subcontracts/Subawards: Supplier shall submit invoices monthly for reasonable, allowable, and allocable costs incurred in the performance of work under a Subcontract/Subaward.
- B. Fixed Price Subcontracts/Subawards: Supplier shall submit invoices in accordance with each individual Subcontract/Subaward's Milestone Payment Schedule contained therein.
- C. RTI shall make any payments due under this Agreement within thirty (30) calendar days after its receipt of a proper invoice from Supplier provided such invoice from Supplier complies with all requirements, which may be amended from time to time after this Agreement's execution, delineated at the following link: www.rti.org/files/invoice-payment.pdf.
- D. Allowable Costs for Subcontracts funded via Federal Contracts: Except as provided in this Article, payment for Subcontracts issued under Federal Contracts will be made in accordance with the following clauses of the Federal Acquisition Regulation (FAR), which are incorporated by reference. In each of the following clauses, "Contractor" means Supplier, "Contracting Officer" means the RTI Master Service Agreement Administrator or the RTI Subcontract/Subaward Administrator, and "Government" means RTI and "Disputes Clause" means the "Disputes Clause" of this Agreement.
 - 1) FAR 52.216-7 Allowable Cost and Payment
 - 2) FAR 52.216-8 Fixed Fee (Applicable to Cost Plus Fixed Fee Subcontracts)
 - 3) FAR 52.216-10 Incentive Fee (Applicable to Cost Plus Incentive Fee Subcontracts).
- E. Allowable Costs for Subawards funded via Federal Cooperative Agreements/Grants: RTI determines the allowability of costs in accordance with the cost principles applicable to the type of Supplier incurring the costs as follows:
 - 1) For-profit organizations. Allowability of costs incurred by for-profit organizations and those non-profit organizations listed in Attachment C to OMB Circular A-122 is determined in accordance with the for-profit costs principles in 48 CFR part 31.
 - 2) Other types of organizations. Allowability of costs incurred by other types of organizations that may be Subawardees under a prime award to a for-profit organization is determined as follows:
 - a. Institutions of higher education. Allowability is determined in accordance with OMB Circular A-21, "Cost Principles for Educational Institutions."

- b. Other non-profit organizations. Allowability is determined in accordance with OMB Circular A-122, "Cost Principles for Non-profit Organizations."
- c. Hospitals. Allowability is determined in accordance with the provisions of 45 CFR part 74, Appendix E, "Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts with Hospitals."
- d. Governmental organizations. Allowability for State, local, or federally recognized Indian tribal government is determined in accordance with OMB Circular A-87, "Cost Principles for State and Local Governments."

ARTICLE 20. Indirect Rate and Audit Indemnity (Applicable to Cost Reimbursement Subcontract/Subawards)

- A. Supplier shall provide the RTI Master Service Agreement Administrator with a copy of Supplier's Negotiated Indirect Cost Rate Agreement with the Government for the purpose of verifying compliance with Supplier's Negotiated Indirect Cost Rate Agreement with the Government. In the event Supplier will not provide indirect rate information to RTI due to proprietary restrictions, Supplier hereby agrees to certify to the following:

"The indirect costs billed under this Subcontract/Subaward do not exceed the indirect rates as determined in Supplier's Negotiated Indirect Cost Rate Agreement with the Government for the fiscal year in which the direct costs were incurred."

- B. If Supplier does not have a Negotiated Indirect Cost Rate Agreement with the Government, Supplier shall invoice for indirect costs that do not exceed the indirect rates established in the individual Subcontract/Subaward. Supplier shall maintain and provide upon request appropriate audit-level documentation to support claimed indirect rates.
- C. In the event that a Government audit of Supplier financial records results in a determination that Supplier has failed to adhere to the requirements of this Article and 48 CFR 31, and such audit results in the reduction of the price of a Subcontract/Subaward, Supplier hereby agrees to indemnify, defend and hold harmless RTI from and against any and all demands, claims, liabilities, fines, penalties, losses, damages, costs and expenses of whatsoever nature, including attorneys' fees, which may be asserted by the Government auditor. The Supplier shall promptly, within 30 days from date of the Government audit findings, reimburse RTI for any overpayments, including any interest and penalties, previously made by RTI to Supplier as a result of Supplier's failure to comply with the cost allocability, allowability and reasonableness standards set forth in 48 CFR 31.

ARTICLE 21. Representations and Certifications (Applicable to Subcontracts funded via Federal Contracts)

As set forth below, and then renewed on an annual basis for the duration of this Agreement, Supplier shall provide current, accurate and complete representations and certifications. It shall be Supplier's responsibility to complete the RTI-provided Representations and Certifications form on annual basis as measured from the date the Representations and Certifications were initially made, and also to ensure the continued accuracy of Supplier's Representations and Certifications. In the event the status of any item which Supplier represented or certified changes prior to Supplier's required annual renewal, Supplier shall promptly notify RTI, which shall be no later than five (5) business days after said change in status.

Supplier shall be required to complete an RTI-provided Representations and Certifications form at the earlier of following events:

- During the initial proposal with RTI in response to a U.S. Government solicitation; or
- Prior to Agreement execution.

ARTICLE 22. Subcontract/Subaward Final Payment and Closeout

Supplier's final invoice for an Individual Subcontract/Subaward and release and assignment shall be submitted to RTI within 90 calendar days following completion of the period of performance of the Subcontract/Subaward. In the event that quick closeout is requested by RTI, Supplier shall comply with FAR Part 42.708 to complete the Subcontract/Subaward closeout. Payment of the final invoice will be withheld pending:

- Completion, submission, and acceptance by RTI of all work performed under the Subcontract/Subaward's Statement of Work
- Completion of Subcontract/Subaward Release and Assignment Form (see Appendix C: Sample Subcontract/Subaward Release and Assignment), including patent/invention report, and property report; and

- Clear, visible, and proper marking of "final invoice" on the actual final invoice

ARTICLE 23. Travel

To the extent travel is not restricted by this Agreement or an individual Subcontract/Subaward, costs incurred for lodging, meals and incidental expenses shall be considered to be reasonable, allowable, and allocable under an individual Subcontract/Subaward only to the extent that they do not exceed on a daily basis the maximum per diem rates in effect on the day of travel as set forth in the current version of the Federal Travel Regulations (FTR).

ARTICLE 24. Taxes

All taxes applicable to the proceeds received by Supplier shall be the liability of Supplier, and RTI shall not withhold nor pay any amounts for federal, state or municipal income tax, social security, unemployment or workman's compensation unless required by law. RTI shall withhold and remit any amount, regardless of its description as a tax or otherwise, in countries where local laws require that such amounts be withheld and timely remitted by RTI. In accordance with law, RTI shall annually file with the Internal Revenue Service, or any other tax agency, whether domestic or not, any applicable tax forms reflecting the gross annual payments made by RTI to Supplier. Gross annual payments shall be the total compensation for labor and reimbursement of expenses; therefore, it is the Supplier's responsibility to retain copies of expenses incurred during the performance of services under this Agreement or Subcontract/Subaward for tax reporting purposes. It is the Supplier's responsibility to determine if a value added tax (VAT) is applicable to services provided to RTI, and to timely remit the VAT charged to RTI per the invoicing instructions included in Article 19. The invoice tendered to RTI for payment shall comply with the applicable local country's VAT regulations.

ARTICLE 25. Record Retention and Access

Supplier shall maintain books, records, documents, program and individual service records and other evidence of its accounting and billing procedures with respect to this Agreement and all issued Subcontracts/Subawards. These records shall be subject at all reasonable times to monitoring, inspection, review or audit by authorized employees or agents of RTI, or by the United States government, as applicable. Supplier shall retain all such records concerning this Agreement for a period of three (3) years after the completion of the applicable Subcontract/Subaward. If any litigation, claim, or audit is started before the expiration date of this three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved.

ARTICLE 26. Confidential Information

- A. During the term of this Agreement, and throughout the course of an individual Subcontract/Subaward's performance, Supplier and its employees may receive or have access to data and information that is confidential and proprietary to RTI or its Client. All such data and information ("Confidential Information") made available to, disclosed to, or otherwise made known to Supplier as a result of services under this Agreement or an individual Subcontract/Subaward shall be considered confidential and shall be considered the sole property of RTI and/or RTI's Client. Confidential Information may be used by Supplier or its employees only for purposes of performing the obligations set forth in an individual Subcontract/Subaward and such persons shall be advised of the obligations set forth in this Agreement and shall agree to be obligated in like manner. Supplier shall not reveal, publish or otherwise disclose Confidential Information to any third party without the prior written consent of the disclosing party and shall use at least the same degree of care in safeguarding the Confidential Information as the party uses in safeguarding its own confidential information but in no event less than a reasonable standard of care.

Confidential and/or proprietary information includes trade secrets, the structure, sequence, and organization of the Products, marketing plans, blueprints, techniques, processes, procedures and formulae, price lists, specifications, prints, and Product plans. Intellectual Property may include, without limitation, information relating to research and development, formulations, inventions, discoveries, improvements, methods, and processes, techniques, methodologies, know-how, algorithms, compositions, works, concepts, designs, ideas, prototypes, models, samples, writings, notes, patent applications, and trade secrets. Business practices may include, without limitation, information relating to business plans, financial information, products, and services, manufacturing processes and methods, costs, sources of supply, strategic marketing plans, customer lists, sales profits, pricing methods, personnel, and business relationships ("Confidential Information").

- B. The foregoing obligations shall not apply to Confidential Information which:

- is or becomes generally available to the public other than as a result of a disclosure by Supplier;
- becomes available to Supplier on a non-confidential basis from a third party source which is not prohibited from disclosing such information by a legal, contractual or fiduciary agreement to a third party;

- Supplier develops independently without use of the disclosing party's Confidential Information, as demonstrated by written records and evidence;
 - was in Supplier's possession or known to it prior to its receipt from the disclosing party; or
 - is required by law to be disclosed, provided Supplier notifies the disclosing party promptly and gives the disclosing party an opportunity to seek an appropriate protective order.
- D. These obligations of confidentiality and non-disclosure shall remain in effect for a period of five (5) years after the termination of the applicable individual Subcontract/Subaward and indefinitely for any Trade Secrets. Supplier shall return or destroy all copies of any Confidential Information it has received from RTI within thirty (30) business days after the effective date of the termination. At the request of RTI, an authorized officer of the Supplier will certify in writing that it has complied with its obligations hereunder.
- E. The provisions of this Article apply in addition to the terms of any Non-Disclosure Agreement (NDA) between the parties related to this program. In the event of a conflict between this Article and the NDA, the terms of the NDA control, except that as to the duration of the obligations of confidentiality and non-disclosure, the longer duration applies.

ARTICLE 27. Conflicts of Interest

- A. Supplier warrants that, to the best of the Supplier's knowledge and belief, there are no relevant facts or circumstances which could give rise to a conflict of interest or that the Supplier has disclosed all such relevant information.
- B. Supplier agrees that if an actual or potential conflict of interest is discovered after the execution of this Agreement or the awarding of an individual Subcontract/Subaward, the Supplier will make a full disclosure in writing to the RTI Master Service Agreement Administrator. This disclosure shall include a description of activities that the Supplier has taken or proposes to take, after consultation with the RTI Master Service Agreement Administrator, to avoid, mitigate, or neutralize the actual or potential conflict.
- C. In the event RTI issues a Subcontract/Subaward funded by the Public Health Service, Supplier will separately certify that it either has its own Financial Conflicts of Interest ("FCOI") policy compliant with 42 CFR § 50 Subpart F or 45 CFR § 94, or that it will comply with RTI's FCOI policy. If following its own compliant policy, Supplier warrants that it has submitted any required FCOI management plans to RTI and will continue to submit FCOI management plans throughout the term of the individual Subcontract/Subaward as required. If following RTI's policy, individuals performing on behalf of Supplier that are responsible for the design, conduct, or reporting of research funded by the Public Health Service ("Investigators") shall complete RTI's FCOI training and submit Significant Financial Interest disclosure forms prior to beginning work and either annually thereafter or as new reportable Significant Financial Interests are obtained, whichever occurs first.
- D. The RTI Master Service Agreement Administrator may terminate this Agreement or an individual Subcontract/Subaward for convenience, in whole or in part, if it deems such termination necessary to avoid a conflict of interest. If the Supplier was aware of a potential conflict of interest prior to award, or discovered an actual or potential conflict after award and did not disclose or misrepresented relevant information to the RTI Master Service Agreement Administrator, RTI may terminate the contract for default, and/or forward the relevant information to the Government Contracting Officer, who may debar the Supplier from Government contracting, and/or pursue such other remedies as may be permitted by law or this Agreement.
- E. Supplier further agrees to insert provisions which shall conform substantially to the language of this Section, including this paragraph (d), in any lower-tier subcontract, subaward or consultant agreement hereunder.

ARTICLE 28. Work for Hire

The work contributed by Supplier exclusively hereunder shall be considered a "work made for hire" as defined by the copyright laws of the United States. RTI shall be the sole and exclusive owner and copyright proprietor of all rights and title in and to the results and proceeds of Supplier's Subcontract/Subaward deliverables hereunder in whatever stage of completion. If for any reason the results and proceeds of Supplier's services hereunder are determined at any time not to be a "work made for hire", Supplier hereby irrevocably transfers and assigns to RTI all right, title and interest therein, including all copyrights, as well as all renewals and extensions thereto. Supplier agrees that RTI may make any changes or additions to the work prepared by Supplier hereunder, which RTI in its sole discretion may consider necessary, and may engage others to do any or all of the foregoing, with or without attribution to Supplier. Supplier represents that, except with respect to material furnished to Supplier by RTI, Supplier's services are original with Supplier, and does not

knowingly violate the right of privacy or publicity, or any other rights of any person, firm, or Supplier. To the extent that the work is the subject of or a deliverable under a state or Federal contract, the terms of such contract shall supersede the terms of this paragraph.

ARTICLE 29. Patents and Inventions

Subject to Federal or state laws and regulations, to the extent applicable, all ideas, inventions (whether or not patentable), and improvements whatsoever, conceived, discovered, or developed by Supplier, Supplier's employees or Supplier's subcontractors or subawardees, specifically and exclusively related to performance of this Agreement and Subcontracts/Subawards issued hereunder, shall be and remain the sole and exclusive property of RTI. Supplier agrees to promptly disclose to RTI all such ideas, inventions, and improvements, and, on demand and at RTI's expense, assist and require and bind Supplier's employees to assist, in preparation, execution, and delivery of any disclosures, patent applications or other papers required by RTI to obtain and enforce patents in the United States and foreign countries, and to execute and deliver to RTI any reasonably stated assignment or other document which RTI deems necessary to perfect RTI's right, title and interest in and to said ideas, inventions, and improvements.

ARTICLE 30. Right to Publish/Release of Information

- A. Supplier agrees that it will not publish, have published, or otherwise disseminate any information of whatever nature resulting from the work being performed under this Agreement without providing RTI 90 days to review prior to publishing.
- B. Supplier and RTI mutually agree not to use the other party's name or make reference to the other party or any of its employees in publications, news releases, advertising, speeches, technical papers, photographs, sales promotions, or publicity purposes of any form related to this work or data developed hereunder, unless such materials have received prior written approval of the other party. Approvals shall not be unreasonably withheld. Unless specifically restricted in an individual Subcontract/Subaward, use of either party's name may be made in internal documents, annual reports, and data bases which are available to the public and which identify the existence of the research project by title, principal investigator, sponsor, period of funding, amount of award and abstract of the project.
- C. Supplier shall not use or duplicate any proprietary information including trade secrets belonging to or supplied by RTI, except as authorized by RTI in the performance of services or work under an individual Subcontract/Subaward.
- D. Any program, document, data or information supplied by Supplier to RTI's Client through RTI may be used, copied or disclosed by Client as necessary in the normal course of its business, subject to any copyright of Supplier in such materials and any notices or legends appearing thereon, provided (1) Supplier is entitled to place such notices or legends and (2) no other provisions of this Agreement or an individual Subcontract/Subaward (including, if applicable, any FAR Clauses set forth in, or incorporated into, this agreement) prohibit or limit the effectiveness of such copyright or notice or legend.

ARTICLE 31. Indemnification

- A. Supplier shall defend, indemnify and hold RTI harmless from any loss, damage, liability, claims, demands, suits, or judgments ("Claims") including any reasonable attorney's fees, and costs, as a result of any damage or injury to RTI or its employees, directors, officers, or agents, or properties, or for any injury to third persons (including, but not limited to Claims by Supplier's employees, directors, officers or agents) or their property which is directly or indirectly caused by the negligence, willful misconduct, breach of this Agreement or an individual Subcontract/Subaward, or violation of statutory duties of Supplier, or its employees, officers, directors, or agents, arising out of or in connection with the performance of this Agreement or an individual Subcontract/Subaward unless such Claim is caused by, or resulting from, a material breach of this Agreement by RTI.
- B. RTI shall promptly notify Supplier of any claim which is covered by this provision. Supplier shall, in a diligent and timely manner, (i) brief RTI on all material information pertaining to a Claim and Supplier's efforts to defend against the Claim; and (ii) respond to reasonable inquiries by RTI regarding such Claim or defense. Any cooperation which an Indemnitee provides Supplier at Supplier's request with regard to defending against a Claim shall be at the sole expense of Supplier. RTI may, in its sole discretion, participate in any defense or settlement of a Claim and/or appoint adequate counsel, at Supplier's sole expense, to defend an Indemnitee against a Claim. Supplier shall not enter into any settlement, consent, or other like resolution of a Claim without RTI's written approval, which RTI shall not unreasonably withhold. The issuance of such approval shall not waive or otherwise limit the indemnity rights of an Indemnitee under this Article.

ARTICLE 32. Infringement Representation

Supplier represents (a) that in preparing or presenting any deliverables for a Subcontract/Subaward under this Agreement, Supplier will not knowingly infringe any intellectual property rights held by others; (b) that all deliverables developed by Supplier personnel for any Subcontracts/Subawards under this Agreement will be original works, and that Supplier will not incorporate any material not developed by Supplier personnel in preparing or presenting such works without clearly indicating such third party materials; and (c) that Supplier will notify RTI of any third party rights of which Supplier is aware that are necessary for RTI and RTI's Client(s) to use any such deliverables in accordance with the Subcontract/Subaward.

ARTICLE 33. Compliance with Laws

Supplier, in the performance of this Master Service Agreement, shall comply with all applicable local, state, and federal laws, orders, rules, regulations, and ordinances of the United States and all countries where Supplier will be performing the Subcontract/Subaward.

ARTICLE 34. Excusable Delays

- A. Neither Party hereto shall be in default because of any failure to perform under the terms of this Agreement or an individual Subcontract/Subaward if the failure arises from any incident or circumstance beyond the affected Party's control. For Federally funded Subcontracts/Subawards, a United States (U.S.) government shutdown and any interruption in the U.S. government's operations shall constitute an incident or circumstance beyond the affected Party's control if the Party affected informs the other Party immediately in accordance with the requirements of Paragraph (B) below.
- B. If any such case occurs, the Party affected shall inform the other Party immediately indicating the presumable duration and extent of such contingency. Moreover, the Party affected shall promptly use all reasonable efforts to settle such contingencies so that the performance of its obligations under this Master Service Agreement can be resumed as soon as possible.

ARTICLE 35. Stop Work Order

- A. RTI may at any time, by written notice to Supplier, require Supplier to stop all or any part of the work called for by an Individual Subcontract/Subaward. Upon receipt of the notice, Supplier shall immediately cease all work in accordance with the written notice and shall take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the written notice during the period of work stoppage.
- B. Once the Stop Work order is no longer necessary, RTI shall either terminate in accordance with the Subcontract/Subaward Termination/Cancellation Article of this Agreement or cancel the stop work order by written notice to Supplier. Supplier shall resume work upon cancellation or expiration of any stop work order. In the event Supplier is given notice to continue performing work on the Master Service Agreement, an equitable adjustment in accordance with the principles of the Subcontract/Subaward Changes and Modifications Article of this Master Service Agreement shall be made to the Subcontract/Subaward price, the delivery schedule, or both, if applicable, provided that the claim for equitable adjustment is made as soon as possible but no later than twenty-five (25) calendar days after date of notice to continue.

ARTICLE 36. Disputes

- A. Any dispute arising under this Agreement or an individual Subcontract/Subaward shall be settled by mutual agreement of the parties or pursuant to Paragraph B below.
- B. If the parties cannot resolve the dispute amongst themselves within a reasonable time, the parties may, by mutual agreement, settle such dispute by arbitration in accordance with the Rules of the American Arbitration Association in the City of Raleigh, North Carolina, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction.
- C. Pending completion of the Subcontract/Subaward under dispute, or final resolution of a dispute which releases Supplier from performance hereunder, the Supplier shall, at all times, proceed diligently with the performance of the Master Service Agreement.

ARTICLE 37. Litigation and Labor Disputes

- A. Supplier shall provide written notice to RTI of any litigation that relates to the services directly or indirectly financed under this Agreement or Subcontract/Subaward, or that has the potential to impair the ability of the Supplier to

fulfill the terms and conditions of this Agreement or an individual Subcontract/Subaward, including but not limited to financial, legal or any other situation which may prevent the Supplier from meeting its obligations on the Agreement or an individual Subcontract/Subaward.

- B. Whenever Supplier has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of an individual Subcontract/Subaward, Supplier shall immediately (within five (5) calendar days) give notice thereof, including all relevant information, to RTI.

ARTICLE 38. Master Service Agreement Termination/Cancellation

This Agreement may be terminated or cancelled by either party upon providing written notice to the non-terminating party of such an intention. The termination of this Agreement shall have no bearing on previously executed Subcontract/Subawards, and all terms, conditions and obligations included herein shall remain in full force and effect for all such previously issued Subcontracts/Subawards.

ARTICLE 39. Subcontract/Subaward Termination/Cancellation

Termination for Default

- A. If Supplier should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to supply enough properly skilled staff or proper materials, or if Supplier should fail to make prompt payment to lower-tier subcontractors or subawardees for material or labor, or otherwise is guilty of a violation on any provision of this Agreement or an individual Subcontract/Subaward, including delivery delays beyond fifteen (15) days after specified delivery date, or as otherwise specified in the Agreement or an individual Subcontract/Subaward, then RTI, without prejudice to any of the other rights or remedies expressly provided by law, may cancel this Agreement or an individual Subcontract/Subaward, or any part hereof, by written notice to Supplier and shall have the right thereafter to take possession of all materials, equipment and the like, the cost of which has been reimbursed by RTI to Supplier, in such cases of termination, RTI shall be relieved of all further obligations hereunder. In the event that RTI incurs any additional costs as a result of the default by Supplier, RTI shall have the right to hold Supplier accountable for any such additional costs or damages incurred by RTI.

Termination for Bankruptcy

- B. If either party shall be adjudged bankrupt, or become insolvent or file for voluntary bankruptcy or be subjected to involuntary bankruptcy proceedings, or enter receivership proceedings, or make an assignment for the benefit of creditors, then the other party, without prejudice to any of the other rights or remedies expressly provided by law, may cancel this Agreement or an individual Subcontract/Subaward, or any part hereof, by written notice to the bankrupt party and shall have the right there to retain possession of all materials, equipment and the like, the cost of which has not been reimbursed by the bankrupt party to the other party. In such cases of termination, the other party shall be relieved of all further obligations hereunder.

Termination for Convenience

- C. RTI reserves the right, at any time, in its own best interest or at the direction of any client or ultimate government customer, and without liability may, upon written notice to Supplier, terminate an individual Subcontract/Subaward, in whole or in part, at any time, whether or not Supplier is in default of any of its obligations hereunder. Upon such cancellation, Supplier agrees to waive any claim for damages, including loss of anticipated profits on account hereof. However, RTI agrees that Supplier shall be paid an amount which when added to all installments previously paid will equal the sum of all costs properly incurred up to the date of cancellation, and any reasonable cost incurred as a result of such cancellation as agreed to between RTI and Supplier. In no event shall such payments be greater than the original Subcontract/Subaward price or authorized funding, whichever is less. All earned profit shall bear the same relationship to such incurred costs as the profit increment of the purchase price bears to the cost increment of such purchase price.
- D. Supplier shall provide RTI any supporting information necessary to document the reasonableness of Supplier's termination for convenience claim. RTI reserves the right to verify the amounts of any cost and profit increments claimed by Supplier, through an audit of Supplier's records.

ARTICLE 40. Insurance

- A. Upon execution of this Agreement, Supplier certifies that it maintains and also that it shall require any lower-tier subcontractor or subawardee to maintain throughout this Agreement the following insurance at, or in excess of, the limits detailed below.

- Worker's compensation and employer's liability insurance as required by the state or province where the work is performed.
 - Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including on-site and off-site operations, and owned, non-owned, or hired vehicles, with \$1,000,000 combined single limits.
 - Commercial general liability insurance covering claims for injuries to members of the public or damage to property of others arising out of any negligent act or omission of the Supplier or of any of its employees, agents, or lower-tier subcontractors or subawardees, with \$1,000,000 combined single limits.
- B. The required levels of insurance coverage for work performed outside of the United States by non-U.S. vendors shall be based on the customary insurance practices in the country of the vendor and the country where the work is being performed, as directed by the RTI Subcontract/Subaward Administrator.
- C. Supplier's insurance policy shall name as an additional insured:
- "RTI International and its subsidiaries, affiliates, officers, directors, and employees"*
- D. Supplier shall provide to RTI, upon Agreement execution and upon each renewal or replacement thereof a certificate of insurance depicting the insurance requirements set forth in this Article. Supplier shall send the insurance certificate or renewal certificate(s) via mail or electronic mail (preferred). If the mail is used, please send certificates to the following address:

RTI International
 Global Supply Chain
 3040 Cornwallis Road
 Research Triangle Park, NC 27709
 Attention: Robin Harris
 Email: robinh@rti.org

ARTICLE 41. Standards of Ethics and Business Conduct

- A. RTI has established very high ethical standards for its employees, subcontractors subawardees and vendors. RTI considers adherence to the RTI Code of Conduct as well as strict observance of all U.S. and non U.S. laws and regulations to be both a legal requirement and an ethical obligation for its employees. All RTI Subcontractors and Subawardees are required to maintain a Code of Business Ethics and Conduct in compliance with FAR 52.203-13.
- B. If Supplier has a good faith reason to believe that any violation of its Code of Business Ethics and Conduct has been committed by an employee(s) of either RTI or Supplier or anyone affiliated with Supplier, Supplier shall report such violation to RTI by calling the RTI's Ethics Helpline toll-free at 1-877-212-7220 or sending an e-mail to Ethics@rti.org.

ARTICLE 42. Executive Order on Terrorism Financing

Supplier is reminded that U.S. Executive Orders and U.S. law prohibits transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. It is the legal responsibility of Supplier to ensure compliance with these Executive Orders and laws. This provision must be included in all lower-tier subcontracts/subawards issued under this Agreement.

ARTICLE 43. Export Controls

- A. Definition. "Export-controlled items," as used in this clause, means items subject to the Export Administration Regulations (EAR) (15 CFR Parts 730-774) or the International Traffic in Arms Regulations (ITAR) (22 CFR Parts 120-130). The term includes: (1) "Defense items," defined in the Arms Export Control Act, 22 U.S.C. 2778(j)(4)(A), as defense articles, defense services, and related technical data, and further defined in the ITAR, 22 CFR Part 120; and (2) "Items," defined in the EAR as "commodities", "software", and "technology," terms that are also defined in the EAR, 15 CFR 772.1.
- B. The Supplier shall comply with all applicable laws and regulations regarding export-controlled items, including, but not limited to, the requirement for contractors to register with the U.S. Department of State in accordance with the ITAR. The Supplier shall consult with the U.S. Department of State regarding any questions relating to compliance with the ITAR and shall consult with the U.S. Department of Commerce regarding any questions relating to compliance with the EAR.

- C. The Supplier's responsibility to comply with all applicable laws and regulations regarding export-controlled items exists independent of, and is not established or limited by, the information provided by this clause.
- D. Nothing in the terms of this Agreement adds, changes, supersedes, or waives any of the requirements of applicable Federal laws, Executive orders, and regulations, including but not limited to—
- (1) The Export Administration Act of 1979, as amended (50 U.S.C. App. 2401, et seq.);
 - (2) The Arms Export Control Act (22 U.S.C. 2751, et seq.);
 - (3) The International Emergency Economic Powers Act (50 U.S.C. 1701, et seq.);
 - (4) The Export Administration Regulations (15 CFR Parts 730-774);
 - (5) The International Traffic in Arms Regulations (22 CFR Parts 120-130); and
 - (6) Executive Order 13222, as extended.
- E. In the event an Individual Subcontract/Subaward issued pursuant to this Agreement is likely to involve Export-controlled items, additional requirements and information may be included in such a Subcontract/Subaward, including affirmatively stating whether the Export-controlled item are to be regulated by the U.S. Department of State or the U.S. Department of Commerce.
- F. Supplier shall notify RTI if any deliverable under this Agreement or an individual Subcontract/Subaward is restricted by export control laws or regulations.
- G. Supplier shall immediately notify the RTI Subcontract/Subaward Administrator if Supplier is, or becomes listed in any Denied Parties List or if Supplier's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.
- H. If Supplier is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Supplier 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.
- I. Where Supplier is a signatory under a RTI export license or export agreement, Supplier shall provide prompt notification to the RTI Subcontract/Subaward Administrator in the event of changed circumstances 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, that could affect Supplier's performance under this Agreement or a Subcontract/Subaward.
- J. Supplier shall be responsible for all losses, costs, claims, causes of action, damages, liabilities, and expense, including attorney's fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Supplier, its officers, employees, agents, or subcontractors/subawardees at any tier, in the performance of any of its obligations under this Article.
- K. The Supplier shall include the substance of this clause in all lower-tier subcontracts and subawards.

ARTICLE 44. Foreign Corrupt Practices Act

Supplier represents and warrants that it shall comply fully with the anti-bribery provisions of the U.S. Foreign Corrupt Practices Act, as amended ("FCPA"), as well as the a) UN Conventional against Corruption (UNICAC), b) OECD Convention on the Bribery of Foreign Public Officials (OECD Convention); and c) any other applicable local anti-corruption laws, rules, and regulations if any part of this Master Service Agreement, or any Subcontract or Subaward issued hereunder, will be performed outside of the United States of America. Specifically, Supplier understands and agrees that it shall be unlawful for the Supplier and/or any officer, director, employee or agent of the Supplier to make any kind of offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value to:

- (a) any foreign official (or foreign political party) for purposes of either influencing any act or decision of such foreign official in his official capacity, or inducing such foreign official to do or omit to do any act in violation of the lawful duty of such official, 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 assist such person in obtaining or retaining business for or with, or directing business to any person; or
- (b) any person, while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official (or foreign political party), or to any candidate for foreign political office, for any of the prohibited purposes described above.

For purposes of this Agreement "foreign official" means any appointed, elected, or honorary official or employee of a) a foreign government (or if any Subcontract or Subaward Issued hereunder will be performed outside the United States than of the Host Country) or political party, or b) of a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality, or for or on behalf of any such public international organization (e.g., the UN, DFID, or WHO, or the World Bank).

For purposes of this Article, the "government" includes any agency, department, embassy, or other governmental entity, and any company or other entity owned or controlled by the government.

ARTICLE 45. Debarment and Suspension

In accepting this Agreement and each subsequently issued Subcontract/Subaward, the Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any Federal department or agency. Any change in the debarred or suspended status of the Supplier during the life of this Agreement must be reported immediately to RTI. The Supplier agrees to incorporate the Debarment and Suspension certification into any lower-tier subcontract or subaward that they may enter into as a part of this Agreement.

ARTICLE 46. Validity and Waiver

The invalidity in whole or in part of any provision of this Agreement or an individual Subcontract/Subaward shall not affect the validity of other provisions. A waiver of a breach of any provision of this Agreement shall not constitute a waiver of any subsequent breach of that provision or a breach of any other provision of this Agreement. The failure of RTI to enforce at any time or from time to time any provision of this Agreement shall not be construed as a waiver thereof.

ARTICLE 47. Combating Trafficking in Persons (Applicable to Federally Funded Subcontracts/Subawards)

The United States Government has adopted a zero tolerance policy regarding trafficking in persons. Supplier and its employees shall not:

- (1) Engage in severe forms of trafficking in persons during the period of performance of any Subcontract/Subaward;
- (2) Procure commercial sex acts during the period of performance of any Subcontract/Subaward; or
- (3) Use forced labor in the performance of any Subcontract/Subaward.

Supplier shall notify its employees of the government's zero tolerance policy, the actions that will be taken against employees for violations of this policy (including, but not limited to, removal from a Subcontract/Subaward, reduction in benefits, or termination of employment), and take appropriate action, up to and including termination, against employees or subcontractors/subawardees that violate this policy.

ARTICLE 48. Electronic Contracting

The parties agree that if this Agreement or any subsequently issued Subcontract/Subaward is transmitted electronically neither party shall contest the validity of this Agreement or any subsequently issued Subcontract/Subaward, or any Acknowledgement thereof, on the basis that this Agreement, any subsequently Issued Subcontract/Subaward, or Acknowledgement contains an electronic signature.

ARTICLE 49. Survivability

- A. If this Agreement or an individual Subcontract/Subaward expires, is completed, or is terminated, Supplier shall not be relieved of those obligations contained in the following Articles:
- Independent Contractor
 - Governing Law
 - Indemnification
 - Infringement Representation
 - Confidential Information
 - Right to Publish/Release of Information
 - Insurance
 - Export Controls
 - Electronic Contracting
 - Indirect Rate Indemnity (Only Applicable to Cost-Type Subcontracts/Subawards)
 - Any term contained in an individual Subcontract/Subaward, which by its nature, should remain in effect, and survive the expiration of the applicable Subcontract/Subaward.
- B. Those U.S. Government Federal Acquisition Regulations, Agency Supplementary Regulations and Code of Federal Regulations provisions that by their nature should survive.

ARTICLE 50. Order of Precedence

Any inconsistency in this Agreement shall be resolved by giving precedence in the following order:

1. Subcontracts/Subawards Issued under this Agreement, subject to Article 4(G): Subcontract/Subaward Procedures
2. Terms and Conditions of this Agreement, including the appendices hereto
3. Supplier's proposal, if incorporated into a Subcontract/Subaward.

ARTICLE 51. Sustainability

Supplier shall operate in a manner that complies with United States (U.S.), national, and local environmental laws, regulations and standards including, but not limited to, laws related to energy conservation, greenhouse gas emissions, air emissions, waste management, recycling, water discharge, toxic substances, and hazardous waste disposal. Supplier agrees to flow down this requirement in any lower-tier subcontract or subaward that it may enter into under this Master Service Agreement.

ARTICLE 52. HIPAA Business Associate Training Addendum

In the event Supplier has been designated as a Business Associate, as defined by 45 CFR 160.103, via operation of a provision contained in an individual Subcontract/Subaward, Supplier certifies that it has completed, or will complete, a training course as described in 45 CFR 164.530(b) for all employees associated with the work issued under said Subcontract/Subaward and prior to such employees engaging in any work which involves Protected Health Information ("PHI"), as defined in 45 CFR 160.103.

ARTICLE 53. Equal Opportunity Compliance (Applicable to Subcontracts funded via Federal Contracts)

During the performance of this Agreement and applicable individual Subcontracts, Subcontractor agrees to comply with all Federal, state and local laws respecting discrimination in employment and non-segregation of facilities including, but not limited to, applicable provisions of Executive Order (herein "E.O.") 11246, Rehabilitation Act of 1973, Vietnam Era Veterans' Readjustment Assistance Act of 1974, E.O. 13496 and respective regulations including 41 CFR 60-1.4, 41 CFR 61-300.10, 29 CFR Part 471 Appendix A to Subpart A, 41 CFR 60-300.5 (Subcontractor and lower-tier subcontractors and vendors shall abide by the requirements of 41 CFR 60-300.5(a) if if/when an individual Subcontract exceeds \$100,000. This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors, subcontractors, lower-tier subcontractors and vendors to employ and advance in employment qualified protected veterans) and 41 CFR 60-741.5 (Subcontractor and lower-tier subcontractors and vendors shall abide by the requirements of 41 CFR 60-741.5(a) if/when an individual Subcontract exceeds \$10,000. This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors, subcontractors, lower-tier subcontractors and vendors to employ and advance in employment qualified individuals with disabilities.).

The above-mentioned referenced regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors, subcontractors, lower-tier subcontractors and vendors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

These equal opportunity clauses, and the employee notification clause, are hereby incorporated by reference.

ARTICLE 54. Price Warranty

The price/budget amount contained in an individual Subcontract does not exceed that charged by Supplier to any other customers or clients, including the U.S. Government, for similar quantities of like items or services to be rendered.

ARTICLE 55. Anti-Kickback (Applicable to Subcontracts funded via Federal Contracts)

Subcontractor warrants that neither it nor any of its employees, agents, or representatives have offered or given, or will offer or give, any gratuities to RTI's employees, associates, agents or representatives for the purpose of securing this Agreement, an individual Subcontract or securing favorable treatment under this Agreement. The Anti-Kickback Act of 1986, as referenced in FAR 52.203-7, is hereby incorporated into this Agreement as a condition of acceptance. 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 Research Triangle Institute's Ethics Hotline at 1-877-212-7220 or by sending an e-mail to Ethics@rti.org. Subcontractor may report a suspected violation anonymously.

As prescribed in FAR 52.203-7 (Anti-Kickback Procedures), and as later as amended, Subcontractor shall adhere to the following requirements and regulations for all Subcontracts exceeding \$150,000 which are funded via Federal Contracts:

A. Definitions.

"Kickback," as used in this clause, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided to any prime Contractor, prime Contractor employee, subcontractor, subcontractor employee, vendor, vendor employee or consultant for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

"Person," as used in this clause, means a corporation, partnership, business association of any kind, trust, joint-stock company, or individual.

"Prime Contract," as used in this clause, means a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or services of any kind.

"Prime Contractor" as used in this clause, means a person who has entered into a prime contract with the United States.

"Prime Contractor employee," as used in this clause, means any officer, partner, employee, or agent of a prime Contractor.

"Subcontract," as used in this clause, means a contract or contractual action, including purchase orders, task orders and consultant contracts, entered into by a Prime Contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

"Subcontractor," as used in this clause,

(1) means any person, other than the prime Contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and

(2) includes any person, vendor or consultant who offers to furnish or furnishes general supplies to the prime Contractor or a higher tier subcontractor.

"Subcontractor employee," as used in this clause, means any officer, partner, employee, or agent of a subcontractor, vendor or consultant.

B. The 41 U.S.C. chapter 87, Kickbacks, prohibits any person from --

(1) Providing or attempting to provide or offering to provide any kickback;

(2) Soliciting, accepting, or attempting to accept any kickback; or

(3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

C. Administrative Procedures.

- (1) The Subcontractor shall have in place and follow reasonable procedures designed to prevent and detect possible violations described in Paragraph B of this clause in its own operations and direct business relationships.
- (2) When the Subcontractor has reasonable grounds to believe that a violation described in Paragraph B of this clause may have occurred, the Subcontractor shall promptly report in writing the possible violation to RTI.
- (3) The Subcontractor shall cooperate fully with RTI and any Federal agency investigating a possible violation described in Paragraph B of this clause.
- (4) RTI may
 - (i) offset the amount of the kickback against any monies owed by the United States under the Subcontract and/or
 - (ii) direct that the Subcontractor withhold from sums owed a lower-tier subcontractor under the Subcontract the amount of the kickback. RTI may order that monies withheld under subdivision (C)(4)(ii) of this clause be paid over to the Government unless the Government has already offset those monies under subdivision (C)(4)(i) of this clause. In either case, the Subcontractor, via RTI, shall notify the Contracting Officer when the monies are withheld.
- (5) The Subcontractor agrees to incorporate the substance of this clause, including subparagraph (C)(5) in all subcontracts under this Subcontract which exceed \$150,000.

ARTICLE 56. Employment Eligibility Verification (Applicable to Subcontracts funded via Federal Contracts)

As prescribed in FAR 52.222-54 (Employment Eligibility Verification), and as later as amended, Subcontractor shall adhere to the following requirements and regulations for all Subcontracts exceeding \$3,000 which are funded via Federal Contracts:

A. Definitions. As used in this clause—

"Commercially available off-the-shelf (COTS) item"—

- (1) Means any item of supply that is—
 - (i) A commercial item (as defined in paragraph (1) of the definition at 2.101);
 - (ii) Sold in substantial quantities in the commercial marketplace; and
 - (iii) Offered to the Government, without modification, in the same form in which it is sold in the commercial marketplace; and
- (2) Does not include bulk cargo, as defined in 46 U.S.C. 40102(4) such as agricultural products and petroleum products. Per 46 CFR 525.1(c)(2), "bulk cargo" means cargo that is loaded and carried in bulk onboard ship without mark or count, in a loose unpackaged form, having homogenous characteristics. Bulk cargo loaded into intermodal equipment, except LASH or Seabee barges, is subject to mark and count and, therefore, ceases to be bulk cargo.

"Employee assigned to the Subcontract" means an employee who was hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), who is directly performing work, in the United States, under a Subcontract that is required to include the clause prescribed at 22.1803. An employee is not considered to be directly performing work under a Subcontract if the employee—

- (1) Normally performs support work, such as indirect or overhead functions; and
- (2) Does not perform any substantial duties applicable to the Subcontract.

"Subcontract" means any contract, as defined in 2.101, entered into by a subcontractor to furnish supplies or services for performance of a subcontract. It includes but is not limited to purchase orders, task orders, consultant contracts and changes and modifications to purchase orders, task orders and consultant contracts.

"Subcontractor" means any supplier, distributor, vendor, consultant or firm that furnishes supplies or services to or for a prime contractor or another subcontractor.

"United States," as defined in 8 U.S.C. 1101(a)(38), means the 50 States, the District of Columbia, Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands.

B. Enrollment and verification requirements.

- (1) If the Subcontractor is not enrolled as a Federal Contractor in E-Verify at time of Subcontract award, the Subcontractor shall—
 - (i) Enroll. Enroll as a Federal Contractor in the E-Verify program within 30 calendar days of Subcontract award;
 - (ii) Verify all new employees. Within 90 calendar days of enrollment in the E-Verify program, begin to use E-Verify to initiate verification of employment eligibility of all new hires of the Subcontractor, who are working in the United States, whether or not assigned to the Subcontract, within 3 business days after the date of hire (but see paragraph B (3) of this section); and

- (iii) Verify employees assigned to the Subcontract. For each employee assigned to the Subcontract, initiate verification within 90 calendar days after date of enrollment or within 30 calendar days of the employee's assignment to the Subcontract, whichever date is later (but see paragraph B (4) of this section).
- (2) If the Subcontractor is enrolled as a Federal Contractor in E-Verify at time of Subcontract award, the Subcontractor shall use E-Verify to initiate verification of employment eligibility of—
- (i) All new employees.
 - (A) Enrolled 90 calendar days or more. The Subcontractor shall initiate verification of all new hires of the Subcontractor, who are working in the United States, whether or not assigned to the Subcontract within 3 business days after the date of hire (but see paragraph B (3) of this section); or
 - (B) Enrolled less than 90 calendar days. Within 90 calendar days after enrollment as a Federal Contractor in E-Verify, the Subcontractor shall initiate verification of all new hires of the Subcontractor, who are working in the United States, whether or not assigned to the Subcontract, within 3 business days after the date of hire (but see paragraph B (3) of this section); or
 - (ii) Employees assigned to the Subcontract. For each employee assigned to the Subcontract, the Subcontractor shall initiate verification within 90 calendar days after date of Subcontract award or within 30 days after assignment to the Subcontract, whichever date is later (but see paragraph B (4) of this section).
- (3) If the Subcontractor is an institution of higher education (as defined at 20 U.S.C. 1001(a)); a State or local government or the government of a Federally recognized Indian tribe; or a surety performing under a takeover agreement entered into with a Federal agency pursuant to a performance bond, the Subcontractor may choose to verify only employees assigned to the Subcontract, whether existing employees or new hires. The Subcontractor shall follow the applicable verification requirements at B (1) or B (2), respectively, except that any requirement for verification of new employees applies only to new employees assigned to the Subcontract.
- (4) Option to verify employment eligibility of all employees. The Subcontractor may elect to verify all existing employees hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), rather than just those employees assigned to the Subcontract. The Subcontractor shall initiate verification for each existing employee working in the United States who was hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), within 180 calendar days of—
- (i) Enrollment in the E-Verify program; or
 - (ii) Notification to E-Verify Operations of the Subcontractor's decision to exercise this option, using the contact information provided in the E-Verify program Memorandum of Understanding (MOU).
- (5) The Subcontractor shall comply, for the period of performance of this Subcontract, with the requirement of the E-Verify program MOU.
- (i) The Department of Homeland Security (DHS) or the Social Security Administration (SSA) may terminate the Subcontractor's MOU and deny access to the E-Verify system in accordance with the terms of the MOU. In such case, the Subcontractor will be referred to a suspension or debarment official.
 - (ii) During the period between termination of the MOU and a decision by the suspension or debarment official whether to suspend or debar, the Subcontractor is excused from its obligations under paragraph B of this clause. If the suspension or debarment official determines not to suspend or debar the Subcontractor, then the Subcontractor must reenroll in E-Verify.

C. Web site. Information on registration for and use of the E-Verify program can be obtained via the Internet at the Department of Homeland Security Web site: <http://www.dhs.gov/E-Verify> .

D. Individuals previously verified. The Subcontractor is not required by this clause to perform additional employment verification using E-Verify for any employee—

- (1) Whose employment eligibility was previously verified by the Subcontractor through the E-Verify program;
- (2) Who has been granted and holds an active U.S. Government security clearance for access to confidential, secret, or top secret information in accordance with the National Industrial Security Program Operating Manual; or
- (3) Who has undergone a completed background investigation and been issued credentials pursuant to Homeland Security Presidential Directive (HSPD) -12, Policy for a Common Identification Standard for Federal Employees and Contractors.

E. Subcontracts. The Subcontractor shall include the requirements of this clause, including this paragraph E (appropriately modified for Identification of the parties), in each subcontract that—

(1) Is for—

(i) Commercial or noncommercial services (except for commercial services that are part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item); or

(ii) Construction;

(2) Has a value of more than \$3,000; and

(3) Includes work performed in the United States.

ARTICLE 57. Entire Agreement

Both parties acknowledge that they have read this Agreement, understand it, and agree to be bound by its terms and further agree that it is the entire agreement between the parties hereto which supersedes all prior agreements, written or oral, relating to the subject matter hereof. No modification or waiver of any provision shall be binding unless in writing signed by an Authorized Representative of the Party against whom such modification or waiver is sought to be enforced.

Appendix B: Federal Flow Down Provisions and Regulations

Part I – Subcontracts

If a Subcontract involves funds from a Federal government contract, or funds from a subcontract at any tier relating to a Federal government contract, relevant clauses from the Federal Acquisition Regulation (FAR) will be incorporated into an individual Subcontract by reference with the same force and effect as if they were given in full text, and are applicable to such a Subcontract. The full text of the FAR clauses referenced in an individual Subcontract may be found at <https://www.acquisition.gov/Far/>. Subcontractor agrees to flow down all applicable FAR and supplementary clauses to any lower-tier subcontractors working pursuant to such a Subcontract.

Where necessary to make the language of the FAR clauses applicable to the Subcontract, the term "Contractor" shall mean "Subcontractor," the term "Contract" shall mean the "Subcontract" the terms "Government," "Covered Entity," "Contracting Officer," and equivalent terms and phrases shall mean "Research Triangle Institute or RTI International Subcontract Administrator."

The following instances are exceptions to the general rules as provided above:

1. Where it is clear, by the context of the provision itself or the conditions under which it is being applied, that the reference is intended to refer to the Government, its officers or agents, or the prime contractor specifically;
2. Where an explicit provision of the Subcontract states a contrary intent;
3. Where access to proprietary financial information or other proprietary data is required; or
4. Where interpretation in accordance with the rules stated above would place the prime contractor in a position of violating the equivalent or related provisions of the Prime Contract whereas construction of the terms without modification would not.

No provision contained in a FAR clause shall be taken to imply any direct access on the part of the Subcontractor to the Disputes process as defined in the terms of RTI's Prime Contract, but rather shall be governed by the "Disputes" provision included in this Agreement.

Part II - Subawards

If a Subaward involves funds from a Federal Cooperative Agreement or a Federal Grant, or funds from a Subaward at any tier relating to a Federal Cooperative Agreement or a Federal Grant, relevant clauses from the Code of Federal Regulations (CFR) will be incorporated into an individual Subaward by reference with the same force and effect as if they were given in full text, and are applicable to such a Subaward. The full text of the CFR clauses may be found at <http://www.gpoaccess.gov/cfr/index.html>. Subawardee agrees to flow down all applicable CFR clauses to lower-tier subawardees.

- A. Unless one of the exceptions provided in (B) below shall apply: the term "Cooperative Agreement" or "Grant" shall mean "Subaward"; the term "Awardee" or "Recipient" shall mean "Subawardee"; the term "Government" or "Covered Entity" shall mean "RTI"; and the term "Contracting Officer" or "Grants Management Specialist" shall mean the "RTI Subcontract/Subaward Administrator or other authorized individual."
- B. The following instances are exceptions to the general rules as provided in (A) above:
 - 1. Where it is clear, by the context of the provision itself or the conditions under which it is being applied, that the reference is intended to refer to the Government, its officers or agents, or the prime Awardee/Recipient specifically;
 - 2. Where an explicit provision of the Subaward states a contrary intent;
 - 3. Where access to proprietary financial information or other proprietary data is required; or
 - 4. Where interpretation in accordance with the rules stated above would place RTI in a position of violating the equivalent or related provisions of the Prime Cooperative Agreement or Grant whereas construction of the terms without modification would not.
- C. References in any provision incorporated by reference herein to the "Disputes" clause shall be construed as references to the "Disputes" provision contained elsewhere in this Subaward. No provision herein shall be taken to imply any direct access on the part of the Subawardee to the Disputes process as defined in the terms of the Prime Cooperative Agreement or Grant.
- D. The following CFR provisions are incorporated all Subawards issued hereunder:
 - 1. Equal Employment Opportunity, 41 CFR, Part 60
 - 2. Rights to Inventions Made Under a Contract or Agreement, 37 CFR, Part 401
 - 3. Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.)
 - 4. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) 45 CFR Part 93
 - 5. Debarment and Suspension (E.O. 12549 and 12689) 45 CFR Part 76
 - 6. By acceptance of a Subaward issued under this Agreement, Subawardee agrees to comply with the applicable Federal requirements for grants and cooperative agreements and to the prudent management of all expenditures and actions affecting this Subaward. In addition to the terms and conditions presented in this Agreement and an individual Subaward, Subawardee's performance under this Subaward shall follow and comply with the requirements of OMB Circular A-110 standards.

Appendix C: Sample Subcontract/Subaward Release and Assignment

A. Release

Pursuant to the terms of Subcontract/Subaward No. _____ and in consideration of the sum of _____ which has been or is to be paid to Monterey County Health Department or its assignees, the Supplier, upon payment of the said sum by Research Triangle Institute (RTI), does remise, release, and discharge RTI and the United States Government from all liabilities, obligations, claims and demands whatsoever under or arising from the said Subcontract/Subaward except:

- Specific claims, in stated amounts or in estimated amounts when the exact amounts are not known, as follows:
- Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Supplier to third parties arising out of the performance of this Subcontract/Subaward, which are not known to the Supplier on the date of the execution of this release, and of which the Supplier gives notice in writing to RTI within three (3) years following the release date or notice of final payment date, whichever is earlier.
- Claims for reimbursement of costs (other than expenses of the Supplier by reason of its Indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Supplier under the clauses of this Subcontract/Subaward relating to patents.

B. Assignment

The Supplier does hereby:

- Assign, transfer, and release to the UNITED STATES OF AMERICA (hereinbefore called the United States Government), all right, title and interest to all refunds, rebates, credits and other amounts (including any interest thereon), arising out of the performance of the said Subcontract/Subaward, together with all rights of action accrued or which may hereafter accrue under the said Subcontract/Subaward.
- Agree to take whatever action may be necessary to effect prompt execution of any refunds, rebates, credits or other amounts (including any interest thereon) due or which may become due, and promptly to forward to the contracting officer of the applicable prime contract a check (made payable to the Treasurer of the United States) for any proceeds so collected. The reasonable profits of any such action to effect collection shall constitute allowable costs when approved by the government contracting officer as stated in the prime contract and may be applied to reduce any amounts otherwise payable to the government under the terms thereof.
- Agree to cooperate fully with the government as to any claim or suit in connection with refunds, rebates, credits or other amounts due (including any interest thereon); to execute any protest, pleading, application, power of attorney or other papers in connection therewith; and to permit the government to represent it at any hearing, trial, or other proceeding arising out of such claim or suit.

C. Certification

The Supplier does hereby:

1. Certify that:
 - there was no property purchased under this Subcontract/Subaward.
 - property was purchased under this Subcontract/Subaward and a final property report is attached.
2. Certify that:
 - there were no potentially patentable inventions under this Subcontract/Subaward.
 - there were potentially patentable inventions under this Subcontract/Subaward and a final invention disclosure report is attached.
3. Certify that all deliverables specified in said Subcontract/Subaward:
 - were previously submitted.
 - are attached.
4. Certify that the number of Labor Hours provided totaled _____.
 (*Completion of this item is required only if Subcontract/Subaward is Level of Effort or Time and Materials*)

D. Quick Closeout (Applicable to Cost Reimbursement and Cost Plus Fixed Fee Subcontracts)

Determination and acceptance of final indirect costs under the quick closeout procedure shall be final for this Subcontract only and no adjustment shall be made to other subcontracts for over- or under-recoveries of costs allocated or allocable to this Subcontract. Indirect cost rates used in the quick closeout of this Subcontract shall not be considered a binding precedent when establishing the final indirect cost rates for other subcontracts.

IN WITNESS WHEREOF, this Supplier's Release and Assignment has been executed by an authorized official.

Monterey County Health Department
1270 Natividad Road
Salinas, CA 93906 USA

Signature: _____
Name: _____
Title: _____
Date: _____

NOTE: In the case of a corporation, the following certification must be completed.

CERTIFICATION

I, certify that I am _____ of the corporation named
(Official Title)
as Supplier in the foregoing Release and Assignment; that _____, who signed said Release
and Assignment on behalf of the Supplier, was then _____ of
(Official Title)
said corporation; that said Release and Assignment was duly signed for and on behalf of said corporation by authority of
its governing body and is within the scope of its corporate powers.

(CORPORATE SEAL)

(Signature)

MONTEREY COUNTY

RISK MANAGEMENT

168 W. ALISAL STREET 3RD FLOOR
SALINAS, CA 93901-2680
(831) 755-5458
FAX (831) 751-9597
www.co.monterey.ca.us



October 3, 2014

RTI International
Global Supply Chair
ATTN: Robin Harris
3040 Cornwallis Road
Research Triangle Park, NC 27709

**RE: Monterey County Health Department – Research Triangle Institute Master Service
Agreement Number: 888-14-20-54**

By this letter I hereby certify that the County of Monterey is lawfully self-insured for purposes of General Liability and Automobile Liability related to County sanctioned activities.

By order of the Board of Supervisors, the County of Monterey maintains a \$1.5 million reserve fund to cover occurrences within a self-insured retention level set by the Board. Above the self-insured retention, the County maintains a primary excess layer through the Princeton Excess & Surplus Lines Insurance Company with a master policy number N1A3RL0000095-00, effective 7/1/2014-7/1/2015.

This policy and its limits are inclusive of EPL, Employment Practice Liability (EPL), Errors and Omissions Liability (E&O,) and property damage.

Through a Joint Powers Authority Agreement with other counties, the CSAC Excess Insurance Authority, the County purchases a broad form property policy covering fire, vandalism, extended coverage, business interruption, etc. This coverage is underwritten by Lloyd's of London and various insurers under master policy #EIAPPR-10-14.

The County is self-insured for purposes of Workers' Compensation with statutory limits.

Respectfully,

A handwritten signature in cursive script that reads "Lydia Schumaker".

Lydia Schumaker
Risk & Benefits Analyst
Risk Management

Cc: Kathy Robinson, Health Department