

**MANAGEMENT & TRAINING CORPORATION**  
**TERMS AND CONDITIONS FOR SUBCONTRACTS / PURCHASE ORDERS**  
**ISSUED UNDER FEDERAL GOVERNMENT CONTRACTS (04/10)**



**1. DEFINITIONS**

As used throughout this document, the following terms shall have the meanings indicated below:

- A. The terms "Government," "Federal," "Federal Government," and "United States" mean the United States of America.
- B. The term "prime contract" means the contract issued by the Government under which the subcontract is executed by MTC.
- C. The term "contract" means the purchase order or subcontract to which the terms and conditions are attached.
- D. The term "MTC" and/or "Buyer" means Management & Training Corporation.
- E. The term "Contractor" and/or "Seller" means the individual, partnership, corporation, or association contracting with MTC hereunder to furnish the article(s) and/or service(s) described in the contract.

**2. CONTRACT**

The provisions of this contract constitute the complete and exclusive agreement between the parties hereto and supersede all previous communications, representations, or agreements, whether oral or written, between the parties hereto with respect to the subject matter hereof; and no agreement or understanding varying or extending the terms and conditions of this contract will be binding unless in writing and signed by an authorized MTC representative. If any term in Seller's agreements or documents is contrary to the terms of this contract, this contract is controlling. This shall become a binding contract on the terms and conditions set forth herein, when it is accepted by Contractor, either by acknowledgement or commencement of performance. This contract shall be construed and interpreted in accordance with the laws of the State of Utah. Contractor agrees at all times to comply with all applicable state, federal, and local laws.

**3. WAGE COMPARABILITY**

As appropriate and required, Contractor shall pay Davis-Bacon and/or Service Contract Act prevailing wages and ensure that their subcontractors follow those provisions. Contractor is liable for costs if wages are paid below the prevailing rates.

**4. MATERIAL**

The material called for in the contract shall be packed in accordance with standard commercial practices unless otherwise stated in the contract.

**5. ADMINISTRATION AND LIAISON**

All inquiries, including technical inquiries and correspondence regarding all orders, will be directed to the attention of cognizant Buyer of the Procurement Office. MTC will not be bound by any agreements or changes to any part of any contract made as a result of inquiries and liaison between Contractor and MTC personnel, other than authorized Procurement Office personnel.

**6. INVOICES AND PAYMENT**

Contractor shall prepare at the time of shipment full and complete invoices of the goods sold and shall deliver of the said invoice by mail or otherwise to MTC. Contractor shall be paid in accordance with the terms of the contract, upon the submission of said invoices at the prices stipulated in the contract for material delivered and accepted, or services rendered and accepted. For purposes of discounts the effective date of the invoice shall be construed to be the date of receipt of the goods and actual acceptance at MTC (or such other destination as designated in the contract schedule) or the date of receipt by MTC of Contractor's acceptable invoice, whichever occurs later.

**7. DELIVERIES, OVERAGES AND EXTRAS**

Deliveries are to be made both in quantities and at the time and method specified in the contract or modification thereof. MTC will have no liability for payment for material or items delivered to MTC, which are in excess of quantity specified in the delivery schedules, unless such excess is agreed upon by MTC in writing by an authorized Procurement representative. Except as otherwise provided in the contract, no payment for extras shall be made unless such extras and the price therefore have been authorized in writing by an authorized MTC representative.

**8. WARRANTY**

Contractor expressly warrants that all materials and work covered by the contract will conform to the specifications, drawings, sample or other description furnished or specified by MTC, and will be merchantable, of good material and workmanship, and free from defect. Contractor expressly warrants that all the material covered by the contract, which is the product of Contractor or is in accordance with Contractor's specifications will be fit and sufficient for the purpose intended. The foregoing warranties are in addition to all other warranties, whether expressed or implied. The provisions of this clause shall not limit or affect the rights of MTC under the clause hereof entitled "INSPECTION." All warranties shall run to MTC and its customers.

**9. INSPECTION AND TITLE PASSAGE**

- A. Final inspection and acceptance of items delivered thereunder shall be made after delivery at the MTC designated point, notwithstanding any prior payment or inspection.
- B. Title to all supplies and/or work provided under the contract shall vest in MTC, or the Government, as applicable at the F. O. B. point referenced elsewhere in the contract or on separate shipping instructions, provided, however, that in the event the supplies and/or work are subsequently rejected by MTC for reasons other than loss or damage caused in transit, title will be divested from MTC or the Government and will revert immediately to Contractor.

**10. TAXES**

Contractor agrees that, unless otherwise indicated in the contract, (a) the prices therein do not include any state or local sales, use or other tax from which an exemption is available for purposes of the contract under Public Law 99-496, and (b) the prices herein include all other applicable federal, state, and local taxes in effect at the date of this contract. In the event it shall ever be determined that any tax included in the prices therein was not required to be paid by Contractor, Contractor agrees to notify MTC and to make prompt application for the refund thereof, to take all proper steps to procure the refund and when received to pay the same to MTC. It is agreed that Contractor will be treated as an independent individual contractor and not as an employee of MTC for federal tax purposes.

## **11. INSURANCE AND INDEMNIFICATION**

A. Insurance: If Contractor enters upon the premises occupied by or under control of MTC or any of its customers, in the course of performance hereunder, other than routine deliveries or meetings and unless superseded elsewhere in the contract with higher limits or requirements, Contractor shall maintain and provide proof of (1) worker's compensation insurance protecting MTC from bodily injury and/or occupational disease claims not less than \$500,000; (2) general liability insurance with a minimum combined single limit of \$1,000,000 for each occurrence and an aggregate of \$1,000,000; (3) where appropriate, Comprehensive Business Automobile Liability insurance with a minimum combined single limit of \$1,000,000 for each occurrence and an aggregate of \$1,000,000; (4) where appropriate, Professional Liability insurance with a minimum combined single limit of \$1,000,000 for each occurrence and an aggregate of \$3,000,000.

B. Indemnification: Contractor shall defend, indemnify and hold harmless MTC and its officers, directors, employees, agents, shareholders, partners, joint ventures, affiliates, successors and assigns from and against any and all liabilities, obligations, claims, demands, suits, losses, expenses, damages, fines, judgments, settlements and penalties, including, without limitation, costs, expenses and attorneys' fees incident thereto, arising out of or based upon contract damages, property damage or bodily injury (including death at any time resulting therefrom) to any person, including Contractor's employees, affiliates, or agents, occasioned by or in connection with (1) Contractor's performance of (or failure to perform) the contract duties hereunder; (2) a violation of any laws or any negligent act or omission by Contractor or its affiliates, subcontractors, agents or employees during the performance of the contract duties hereunder; or (3) a breach of this Agreement by Contractor or any of its affiliates, subcontractors, agents, or employees. The aforesaid obligation of indemnity shall be construed so as to extend to all legal, defense and investigation costs, as well as all other reasonable costs, expenses and liabilities incurred by the party indemnified, from and after the time at which the party indemnified received notification (whether verbal or written) that a claim or demand is to be made or may be made. Contractor's obligation under this section does not extend to any liability caused by the sole negligence of MTC.

## **12. TRAFFIC ROUTING**

Contractor is to adhere strictly to MTC's shipping instructions. Any losses or additional expenses accruing to MTC from deviation from MTC's shipping instructions contained herein shall be charged to Contractor.

## **13. PROOF OF SHIPMENT**

Upon request, if shipment by a third party is required, Contractor shall forward to MTC, with invoice, the express receipt or bill of lading, signed by the carrier, evidencing the fact that shipment was made.

## **14. DOCUMENTATION**

Documentation, if required, is included in the unit price and will be supplied under MTC's specified format at no additional cost to MTC.

## **15. LICENSE**

No licenses, expressed or implied, under any patents are granted by either party to the other.

## **16. ANTI-KICKBACK PROCEDURES**

Contractor will comply with the Anti-Kickback Act of 1986 (41 U. S. C. 51-58) which prohibits any person from:

- A. Providing or attempting to provide or offering to provide any kickback;
- B. Soliciting, accepting, or attempting to accept any kickback; or
- C. 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.

## **17. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT -OVERTIME COMPENSATION**

This contract is subject to the Contract Work Hours and Safety Standards Act-Overtime Compensation as set forth in 41 CFR Part 52-222.4A which is incorporated by reference.

## **18. EQUAL EMPLOYMENT/AFFIRMATIVE ACTION**

This contract is subject to the Equal Employment Opportunity and Affirmative Action requirements set forth in 41 CFR Part 60-1.4(a) (women and minorities), 41 CFR Part 60-250.5(a) (covered veterans), 41 CFR Part 60-741.5(a) (individuals with disabilities) and 29 CFR PART 470 (union dues).

## **19. TITLE TO DRAWINGS AND SPECIFICATIONS**

MTC shall at all times have title to all drawings and specifications furnished by MTC to Contractor and intended for use in connection with the contract. Contractor shall use such drawings and specifications only in connection with the contract and shall not disclose such drawings and specifications to any person, firm or corporation other than Contractor's employees, subcontractors or Government inspectors. Contractor shall, upon MTC's request or upon completion of the contract, promptly return all drawings and specifications to MTC.

## **20. ASSIGNMENT**

Contractor shall not delegate any duties, nor assign any rights or claims under the contract, or for breach thereof, without prior consent of MTC, and any such attempted delegation or assignment shall be voided. All claims for moneys due or to become due from MTC shall be subject to deduction by MTC for any set off or counterclaim arising out of this or any other of MTC's orders with Contractor, whether such set off or counterclaim arose before or after such assignment by Contractor.

## **21. CHANGES**

- A. MTC may at any time, by a written order, and without notice to the sureties, if any, make changes within the general scope of this contract, in any one or more of the following: (1) drawings, designs, or specifications, where supplies to be furnished are to be specially manufactured in accordance therewith; (2) method of shipment or packing; (3) place of delivery; and (4) number of items to be delivered.
- B. If any such change causes an increase or decrease in the estimated cost of, or the time required for, the performance of any part of the work under this contract, whether changed or not changed by any contract, an equitable adjustment shall be made: (1) in the price or delivery schedule, or both; and (2) in such other provisions of the contract as may be affected, and the contract shall be modified in writing accordingly. Any claim by Contractor for adjustment under this clause must be asserted within thirty (30) days from the date of receipt by Contractor of the notification of change; provided,

however, that the Buyer, if he/she decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract.

## **22. NOTICE OF DELAYS AND LABOR DISPUTES**

Whenever Contractor encounters any difficulty which is delaying or threatens to delay the timely performance of this contract (including actual or potential labor disputes), Contractor shall immediately give notice thereof in writing to MTC, stating all relevant information with respect thereto. Such notice shall not in any way constitute a basis for an extension of the delivery schedule or be construed as a waiver by MTC of any rights or remedies to which it is entitled by law or pursuant to provisions of this contract. Failure to give such notice, however, may be grounds for denial of any request for an extension of the delivery schedule because of such delay.

## **23. AGENCY**

The relationship created by this agreement between the parties is that of vendor and vendee and neither party, nor any of its representatives, agents, or employees, have any right of authority to assume or create any obligation of any kind addressed to or intended for the other, nor to bind the other in any respect whatsoever. Each party hereby indemnifies the other and agrees to hold it harmless from and against all claims, suits, expenses, damages, losses and liability arising out of any breach of this subparagraph by such party or its representatives, agents or employees.

## **24. DEFAULT**

In the event either party shall be in breach or default of any of the terms, conditions, or covenants of this agreement, and such breach or default continue for a period of thirty (30) days after the giving of written notice by the other party hereto, then in addition to all other rights and remedies of law or equity or otherwise, the other party hereto shall have the right to cancel this agreement without any charge or liability whatsoever, except as to payment for material already received and accepted by MTC.

## **25. ATTORNEYS FEES**

If it shall become necessary for either party to engage attorneys to institute legal action for the purposes of enforcing its rights hereunder, the party prevailing in such litigation shall be entitled to receive all of its fees and expenses from the losing party.

## **26. FORCE MAJEURE**

Neither party shall be held responsible for any delay or failure in performance of any part of this agreement to the extent such delay or failure is caused by fire, flood, explosion, war, strike, embargo government requirements, civil or military authority, act of God, act or omission of carriers or other similar causes beyond its control ("Force Majeure Conditions"). If any Force Majeure Condition occurs, the party delayed or unable to perform shall give immediate notice to the other party, and the party affected by the other's delay or inability to perform may elect to:

- A. Terminate this agreement or the part of it relating to material not already shipped; or
- B. Suspend this agreement for the duration of the Force Majeure Condition, buy or sell elsewhere material to be bought or sold under this agreement and deduct from any commitment the quantity bought or sold or for which commitments have been made elsewhere; or
- C. Resume performance under this agreement once the Force Majeure Condition ceases with appropriate schedule extension.

Unless written notice is given within thirty (30) days after the affected party is notified of the Force Majeure Condition, paragraph B shall be deemed selected.

## **27. WAIVER**

Either party's failure to enforce any of the terms or conditions hereof, or to exercise any remedy hereunder, shall not constitute a waiver of said terms or conditions or of such party's right to exercise said remedies during the remaining term of the agreement.

## **28. INSPECTION AND ACCEPTANCE**

MTC or the Government, through any authorized representatives, has the right, at all reasonable times, to inspect or otherwise evaluate the work performed or being performed and/or material delivered hereunder and the premises in which it is being performed, assembled or manufactured. If any inspection or evaluation is made by MTC or the Government on the premises of Contractor or its subcontractors, Contractor shall provide and shall require its subcontractors to provide all reasonable facilities and assistance for the safety and convenience of MTC or the Government representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as to not unduly delay Contractor's work.

## **29. INFORMATION CONCERNING ENROLLEES/PARTICIPANTS OR ACTIVITIES**

It is agreed that any information concerning enrollees/participants and/or activities of MTC facilities or programs will be privileged and confidential and Contractor shall not make public statements with regard to such information without prior written approval of MTC.

## **30. DUPLICATION OF EFFORT**

Contractor hereby certifies that costs for work to be performed under this contract and any subcontract hereunder are not duplicative of any charged against any other Government contract, subcontract, or other MTC or Government source. Contractor agrees to advise MTC in writing of any other Government contract or subcontract it has performed, or is performing, which involves work directly related to the purpose of this contract.

## **31. STUDIES/EVALUATIONS**

Contractor agrees that all studies, evaluations, proposals and data produced or developed in the performance of this contract for which reimbursement is appropriate hereunder shall become the property of MTC. This provision does not preclude Contractor from seeking copyright of materials, other than those described above, such as teaching material and curricula.

## **32. EXAMINATION OF RECORDS**

MTC, the Comptroller General of the United States or a duly authorized representative from MTC and/or the General Accounting Office shall, until three (3) years after final payment under this contract or for any shorter period specified in Federal Acquisition Regulation (FAR) Subpart 4.7, Contractor records retention, have access to and the right to examine any of Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract.

## **33. TERMINATION DUE TO LOSS OF GOVERNMENT FUNDING**

MTC has the right to cancel this contract, upon thirty (30) days written notice, should the government agency no longer provide funding for this contract.

### 34. TERMINATION OF CONTRACT

MTC may terminate this contract for any reason upon giving of thirty (30) days written notice to the other party of such termination.

### 35. THIRD PARTY BENEFICIARY RIGHTS

This agreement is not intended to create any rights or interest for any other person or entity other than the parties hereto.

### 36. FEDERAL ACQUISITION REGULATION (FAR) CLAUSES

The contractor shall be required to adhere to the FAR Clause(s) applicable to this project. The section and title of the applicable clause(s) is listed below.

#### 52.252.2 Clauses Incorporated By Reference (Feb 1998)

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

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

#### All Contracts:

- 52.203-15 Whistleblower Protections Under the American Recovery Act
- 52.204-09 Personal Identity Verification of Contractor Personnel
- 52.204-11 ARRA Reporting Requirements
- 52.219-08 Utilization of Small Business Concerns.
- 52.222-04 Contract Work Hours and Safety Standards Act—Overtime Compensation.
- 52.222-11 Subcontracts (Labor Standards)
- 52.222-21 Prohibition of Segregated Facilities.
- 52.222-26 Equal Opportunity.
- 52.222-50 Combating Trafficking in Persons
- 52.223-15 Energy Efficiency in Energy-Consuming Products.
- 52.224-02 Privacy Act.
- 52.225-21 Required Use of American Iron, Steel, and Other Manufactured Goods - Buy American Act - Construction Materials
- 52.225-22 Notice of Required Use of American Iron, Steel, and Other Manufactured Goods - Buy American Act - Construction Materials
- 52.227-14 Rights in Data—General.
- 52.228-05 Insurance - Work on a Government Installation
- 52.237-07 Indemnification and Medical Liability Insurance
- 52.244-06 Subcontracts for Commercial Items
- 52.245-01 Property Records
- 52.245-05 Government Property (Cost-Reimbursement, Time-and Material or Labor-Hour Contracts
- 52.249-06 Termination (Cost-Reimbursement).

#### For all Contracts in excess of \$2,000 (include all of the above):

- 52.222-06 Davis-Bacon Act.
- 52.222-10 Compliance With Copeland Act Requirements
- 52.222-13 Compliance with Davis-Bacon and Related Act Regulations

#### For all Contracts in excess of \$2,500 (include all of the above):

- 52.222-41 Service Contract Act of 1965.

#### For all Contracts in excess of \$10,000 (include all of the above):

- 52.222-54 Employee Eligibility Verification
- 52.223-01 Bio-based Product Certification.
- 52.223-02 Affirmative Procurement of Bio-based Products Under Service and Construction Contracts.
- 52.223-04 Recovered Material Certification

#### For all Contracts in excess of \$10,000 (include all of the above):

- 52.222-36 Affirmative Action for Workers with Disabilities.

#### For all Contracts in excess of \$100,000 (include all of the above):

- 52.203-06 Restrictions on Subcontractor Sales to the Government.
- 52.203-07 Anti-Kickback Procedures.
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions.
- 52.215-02 Audit and Records—Negotiation.
- 52.215-02 Audit and Records - Negotiation (Alternate 1)
- 52.215-12 Subcontractor Cost or Pricing Data.
- 52.215-13 Subcontractor Cost or Pricing Data—Modifications.
- 52.215-14 Integrity of Unit Prices.
- 52.215-15 Pension Adjustments and Asset Reversions.
- 52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions.
- 52.215-19 Notification of Ownership Changes.
- 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans.
- 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans.
- 52.222-39 Notification of Employee Rights Concerning Payment of Union Dues or Fees
- 52.223-14 Toxic Chemical Release Reporting.
- 52.227-01 Authorization and Consent.
- 52.227-02 Notice and Assistance Regarding Patent and Copyright Infringement.
- 52.248-01 Value Engineering

#### For all Contracts in excess of \$550,000 (include all of the above):

- 52.219-09 Small Business Subcontracting Plan.

#### For all Contracts in excess of \$650,000 (include all of the above):

- 52.230-02 Cost Accounting Standards.
- 52.230-03 Disclosure and Consistency of Cost Accounting Practices.
- 52.230-06 Administration of Cost Accounting Standards.

**For all Contracts in excess of \$5,000,000 (include all of the above):**

52.203-13 Contractor Code of Business Ethics and Conduct (Dec 2008)

52.203-14 Display of Hotline Poster(s) (Dec 2007)

**37. SIGNATURES AND COUNTERPARTS**

This agreement may be signed in counterparts or any number of counterparts including facsimile or PDF copies thereof and when so signed, such counterparts shall be effective and binding to the same extent as original signatures and all counterparts shall be deemed to constitute one instrument.