

## Exhibit I

### UW Contract Terms and Conditions for Federal Grant Funded Purchases

The University of Washington, by and through its Board of Regents, has entered into an agreement with the United States of America. This Contract is entered into with the Contractor in furtherance of the performance of the work required by that agreement. When interpreting applicable provisions of 2 CFR Part 200 and its appendices, "Federal Agency" or "Federal Awarding Agency" shall refer to the agency of the United States Government from whom the University of Washington has received grant funds to be expended on this Contract. "Non-Federal Entity" shall refer to the University of Washington. "Contractor" shall refer to the contractor with whom the University has entered into this Contract and "Contract" shall refer to this Contract between the University of Washington and Contractor.

By entering into this Contract or accepting this order, a Contract between the University of Washington and the Contractor is formed. Contractor agrees to furnish the subject matter required by this order and agrees to all terms and conditions included by the University of Washington, including the terms and conditions specified below. Any other applicable provisions of 2 CFR Part 200 are hereby incorporated by reference and shall have full force and effect.

**Breach, Default, Termination:** The University of Washington reserves the right to pursue all available legal, administrative, contractual or equitable remedies in the event of Contractor's breach of contract or violation of any term of this Contract. The University of Washington shall have the right to terminate this Contract for cause, and shall retain all rights and remedies against Contractor. The University of Washington shall also have the right to terminate this Contract for convenience upon thirty (30) days' notice to Contractor. Breach and/or Termination of this Contract shall be addressed in the manner prescribed in the UW General Terms and Conditions, Section 7.

**Equal Employment Opportunity:** Except as otherwise provided in 41 CFR Part 60, all "federally assisted construction contracts", as defined in 41 CFR Part 60-1.3 are subject to the Equal Opportunity clause contained in 41 CFR 60-1.4(b), incorporated by reference. Furthermore, the Equal Opportunity clause contained in 41 CFR 60-1.4(b) applies to all nonexempt subcontracts entered into by Contractor under this Contract, and Contractor agrees to include the Equal Opportunity clause contained in 41 CFR 60-1.4(b) in all nonexempt subcontracts.

**Davis-Bacon Act, as amended (40 U.S.C. 3141-3148):** Where applicable, all prime construction contracts in excess of \$2,000 shall comply with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 31463148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the Davis-Bacon Act, Contractors must pay wages to laborers and mechanics at a rate not less than prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, Contractors must pay wages not less than once per week. If the Davis-Bacon Act applies to this Contract, the University of Washington included a copy of the current prevailing wage determination issued by the Department of Labor and award of this Contract is conditioned upon the acceptance of the wage determination. The University of Washington will report all suspected or reported violations of the Davis-Bacon Act to the Federal Awarding Agency.

**Copeland "Anti-Kickback" Act (40 U.S.C. 3145).** Where applicable, all prime construction contracts over \$2,000 are subject to the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The University of Washington will report all suspected or reported violations to the Federal Awarding Agency. The Act provides that each Contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal Awarding Agency.

**Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708):** Where applicable, all contracts over \$100,000 which will involve the use of mechanics or laborers shall comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C.

3702 of the Act, each Contractor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 apply to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

**Rights to Inventions Made Under a Contract or Agreement:** For Contracts awarded by the University of Washington under a "funding agreement," as defined in 37 CFR 401.2(a) between a Federal Awarding Agency and the University of Washington, if the University of Washington or Contractor wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under the "funding agreement," the University of Washington or Contractor must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

**Clean Air Act (42 U.S.C. 7401-7671q):** For Contracts and subgrants over \$150,000, the University of Washington and Contractor shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q). The University of Washington shall report violations to the Federal Awarding Agency and the Regional Office of the Environmental Protection Agency (EPA).

**Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended:** For Contracts and subgrants over \$150,000, the University of Washington and Contractor shall comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). The University of Washington shall report violations to the Federal Awarding Agency and the Regional Office of the Environmental Protection Agency (EPA).

**Energy Policy and Conservation Act (42 U.S.C. 6201):** The Contractor shall comply with all mandatory standards and policies relating to energy efficiency contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201).

**Debarment and Suspension (Executive Orders 12549 and 12689):** The University of Washington's award of this Contract is conditioned upon the Contractor's current and continued eligibility. Contractor is eligible unless Contractor is listed on the government-wide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p.189) and 12689 (3 CFR Part 1989 Comp., p.235), "Debarment and Suspension." The Excluded Parties List System in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. If a Contractor is listed on the Excluded Parties List System in SAM, Contractor shall have the obligation to promptly inform a University of Washington contract manager, and this Contract shall be immediately terminated without liability on the part of the University of Washington or the Federal awarding agency.

**Byrd Anti-Lobbying Amendment (31 U.S.C. 1352):** For Contracts over \$150,000, Contractor warrants it filed the required certification prior to Contract award and payment. Contractor certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Contractor shall require such certification and disclosure from any subcontractors used. Any further subcontractors must certify and disclose to the subcontractor awarding the subcontract. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures under this Contract shall be forwarded up from tier to tier up to the University of Washington.

**Solid Waste Disposal Act (42 USC 6901-6992k):** Contractor must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

## **OTHER FLOW DOWN REQUIREMENTS**

**Warranty** "Warranty Deficiencies" shall mean any deficiency, imperfection, fault, inferiority, defect, failure, breakdown, or deterioration in the Workmanship, materials, or design of the Contract work or the fitness of the Vessel with respect thereto, or the failure of Contractor's Workmanship, materials or design to meet the Technical Requirements.

Without limiting the foregoing, the term "Warranty Deficiencies" shall also include, among other possibilities, any excessive vibrations, noise or temperature levels resulting from the defective Workmanship of the Contractor or the Contractor's failure to comply with the Technical Requirements. "Warranty Correction Period" shall mean a period of twelve (12) months from Delivery of Vessel, plus any extension provided for herein.

Regarding Warranty Deficiencies related to WP-05 (Z-Drive Maintenance), Contractor shall provide:

- Twelve (12) month parts and labor Warranty on repairs performed by Wartsila Defense, Inc.
- Twelve (12) month labor Warranty on defective Workmanship performed by Contractor.

Re-drydocking costs related to the Port Z-Drive stem section O-ring replacement are excluded from this Warranty. However, re-drydocking costs related to Starboard Z-Drive Maintenance are included in this Warranty.

Regarding Warranty Deficiencies related to WP-07 (Emergency Generator Repair), Contractor shall provide a twelve (12) month labor Warranty on defective Workmanship performed by Contractor.

Contractor shall guarantee all parts, material, equipment and Workmanship entering into the Vessel and furnished by it, or on its account, against defects in material or Workmanship, or latent defects which may develop within twelve (12) months after Delivery of the Vessel, in addition to any vendors' or manufacturers' warranties. Any items of material, equipment or Workmanship found defective or equipment found not to operate in accordance with the requirements of the Contract, shall be repaired or replaced without expense to Owner. In addition to the Warranty being provided by Contractor hereunder on all Project work, materials and components, but not in lieu thereof, Contractor shall obtain warranties from vendors, suppliers, and Subcontractors equivalent in scope and duration to the warranties being provided by Contractor. All such warranties shall be made for the benefit of Contractor and Owner.

If at any time within the Warranty Correction Period there shall occur any Warranty Deficiency not critical to continued Vessel operations, upon notification by Owner of such matter, said Warranty Deficiency shall be made good to the Technical Requirements: (a) by Contractor or at Contractor's direction within ten (10) days of such notification if the Vessel is within a practical distance of Contractor's facility; (b) by the Owner if the Vessel is beyond a practical distance from Contractor's facility or (c) by the Owner if Contractor does not correct such matter within ten (10) days of notification when the Vessel is within a practical distance of Contractor's facility. When the Vessel is within a practical distance of Contractor's facility, work associated with the correction of a Warranty Deficiency shall be conducted at such location as designated by Owner. Owner shall have the right to return the Vessel to Contractor's facility for such work. In the event the Warranty Deficiency prevents the Vessel from continuing its operations, Owner shall be allowed to have the Warranty Deficiency corrected on an emergency basis even if the Vessel is within a practical distance of Contractor's facility.

For the determination of any underwater Warranty Deficiencies, Owner may drydock the Vessel or carry out an underwater survey during the Warranty Correction Period. If an underwater Warranty Deficiency is discovered, the identification and/or correction of which requires drydocking, Contractor, in addition to the cost of the correction of the Warranty Deficiency, as provided in this Section, shall also pay for the drydocking haulout, days on drydock, and Temporary Services first by use of funds from the amount of the Contract Retainage, and second, if unspent Contract Retainage has diminished to less than Twenty Five Thousand Dollars (\$25,000), by Contractor's payment to Owner or to the appropriate drydocking facility if requested by Owner.

To verify the amount of Contractor's liability for the costs of correction of a Warranty Deficiency which Owner has caused to be corrected by another shipyard or ship repair contractor, Owner shall provide Contractor with a copy of all invoices associated with said correction. In all instances where Owner has performed such corrections itself, Owner shall provide the Contractor with appropriate time and cost data for Owner, as well as receipts for any associated materials procured.

At the end of the Warranty Correction Period, Contractor agrees to transfer and assign to Owner, as to any item of material, equipment and machinery installed in the Vessel, the warranty rights of Contractor against the supplier of such items where, the supplier's warranty extends beyond the Warranty Correction Period.

If in the opinion of Owner, the repair of Warranty Deficiencies requires that the Vessel be removed from service, the Warranty Correction Period for the Vessel shall be adjusted to cover a period extending for a period of time equal to the number of calendar days (or partial days) which the Vessel was out of service due to the repair of the Warranty Deficiency. In all cases, upon the correction of a Warranty Deficiency, the Warranty Correction Period with respect to the piece of equipment or other item on which the repair was made shall be adjusted to cover a period extending to twelve (12) months from the date of repair of such item was completed. In all events, the maximum Warranty Correction Period for any equipment or other item shall be twenty-four (24) months.

Should any disagreement arise in connection with Warranty Deficiencies, it shall be subject to the Dispute resolution process herein.

The rights and remedies provided in this Section are in addition to, and not in substitution of, any rights and remedies which Owner might have as a matter of law or otherwise under the Contract documents or in law or equity. The failure of Owner to exercise the rights and remedies conferred upon it hereunder, shall not constitute a waiver of any of its rights or remedies at any subsequent time. Owner specifically reserves to Owner all other written, oral, implied, statutory and common law warranties arising from performance of the Contract Work.

The Contractor has no warranty obligation for services, equipment or materials provided by UW as Owner furnished. However, the Contractor shall warrant all Services and Workmanship required to install Owner Furnished Equipment.

## **Prevailing Wage Provisions**

Contractor shall pay the prevailing rate of wages to all workers, laborers, or mechanics employed in the performance of any part of the work of this Contract in accordance with RCW 39.12 and the rules and regulations of the Washington State Department of Labor and Industries. The schedule of prevailing wage rates for the locality or localities of the work, is determined by the Industrial Statistician of the Department of Labor and Industries. The website listing applicable prevailing wage rates is located at: <https://lni.wa.gov/licensing-permits/public-works-projects/prevailing-wage-rates/>. It is Contractor's responsibility to verify the applicable prevailing wage rate(s).

Statement of Intent to Pay Prevailing Wages: Before payment is made by UW to Contractor for any work performed by Contractor and Subcontractors whose work is included in the application for payment, Contractor shall submit, or shall have previously submitted to UW, a Statement of Intent to Pay Prevailing Wages, approved by the Department of Labor and Industries, certifying the rate of hourly wage paid and to be paid each classification of laborers, workers, or mechanics employed upon the Project by Contractor and Subcontractors. Such rates of hourly wage shall not be less than the prevailing wage rate.

Affidavit of Wages Paid: Contractor shall submit to UW an Affidavit of Wages Paid, approved by the Department of Labor and Industries, for Contractor and every Subcontractor, of any tier, that performed work on the Project.

Disputes: Disputes regarding prevailing wage rates shall be referred for arbitration to the Director of the Department of Labor and Industries. The arbitration decision shall be final and conclusive and binding on all parties involved in the dispute as provided for by RCW 39.12.060.

Statement with Pay Application; Post Statements of Intent at Job Site: Each application.

Contractor to Pay for Statements of Intent and Affidavits: In compliance with chapter 296-127 WAC, Contractor shall pay to the Department of Labor and Industries the currently established fee(s) for each statement of intent and/or affidavit of wages paid submitted to the Department of Labor and Industries for certification.

Certified Payrolls: Consistent with WAC 296-127-320, Contractor and any Subcontractor shall submit a certified copy of payroll records if requested.