

January 08, 2020

Dear Subcontractors,

HII San Diego Shipyard Inc. (SDSY), a subsidiary of Huntington Ingalls Industries, is pleased to provide you with this Guidebook, which is intended to answer many of your frequently asked questions related to doing business with SDSY.

For purposes of brevity and clarity this Guidebook is not meant to cover all possible questions or situations. Please continue to contact me regarding those situations not specifically addressed, or for any questions or concerns you may have.

It is our hope that this Guidebook will help to make SDSY and its Subcontractors establish a more cohesive, productive and profitable relationship.

Please contact the Subcontractors Manager at (619) 234-8851 Ext. 515 with any questions or assistance regarding this guidebook.

Sincerely,

Subcontracts Manager  
HII San Diego Shipyard Inc.

# Subcontractor Guidebook

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## **Business Conduct and Ethics Program**

### **Standards of Business Conduct**

The Standards of Business Conduct Handbook is available in the SDSY Training Office or by contacting the Training Coordinator at (619) 234-8851, ext. 291.

### **Reporting Procedures**

Violations, suspected violations, or concerns may be addressed to the SDSY Business Conduct (BC) Representative using the following phone numbers or by visiting the Human Resources Office.

Contact the SDSY Business Conduct Officer:

#### ***Mail or drop off***

Business Conduct Officer  
HII San Diego Shipyard Inc.  
1995 Bay Front Street  
San Diego, CA 92113-2122  
Marked "Confidential"

#### ***Call the HII Openline***

Huntington Ingalls Industries (877) 631-0020

(Calls can be made anonymously)

#### ***Web Reporting or Email***

A web reporting system which may be accessed at:

<https://hii-openline.alertline.com/gcs/welcome>

Or by email: [reportmisconduct@hii-co.com](mailto:reportmisconduct@hii-co.com).

**The Openline is available 24 hours/day and 7 days a week** the ethics reporting procedures are open to all persons who have business with SDSY, including all Subcontractors.

## **Subcontractor Performance Evaluation**

### **Purpose**

Establish a process that complies with government contracting goals for ensuring quality workmanship and effective controls to manage subcontractors. Provide the subcontractor real time feedback on workmanship. Provide Contracts, Estimating, Program Management and Quality Assurance objective metrics for evaluating the best value subcontractors for future procurements.

### **Scope**

This procedure applies to accomplishing performance evaluations for all subcontractors performing contracted production work.

### **Responsibility**

Upon completion of Availability, Contracts sends out a copy of QA Form 130, Subcontractor Performance Evaluation, to each evaluator (Program Manager, Planner, Contracts, Environmental, Health & Safety, Material Support, Quality) to assess, monitor, and evaluate each subcontractor's ability to meet specified technical, quality, and contractual requirements.

A copy of the completed evaluation shall be provided to the subcontractor by Contracts.

### **Procedure**

At job completion, the subcontractor performance evaluation QA Form 130 form gets sent out to all relevant parties (PM, Planner, Contracts, EH&S, Material Support, Quality, Logistics) and includes the following subjects:

1. Technical comments, quality of product provided to customer
2. Schedule comments, meeting customer's time constraints
3. Management comments, work control effectiveness.

At a minimum, each subcontractor shall be evaluated once per SDSY contract, as defined by the use a four digit job number. Evaluations may be completed more frequently if deemed necessary to ensure satisfactory performance by the Subcontractor.

Quality Assurance is responsible for coordinating subcontractor improvement and corrective/preventive actions. Specific issues and concerns identified via Quality are forwarded to Contracts and Material Support for timely action.

## **Non-Conforming Product and Subcontractor Control**

The SDSY Quality Manager is responsible for establishing evaluation criteria, based on customer quality requirements, for applying the data obtained during the subcontractor evaluation process for subcontractor selection, and for determining the level of control required for subcontractors, to ensure that purchased products conform to all specified requirements.

### **Procedure**

1. Evaluation Criteria
  - a. Subcontractors are selected on the basis of their ability to meet technical requirements, schedule requirements, and cost requirements.
  - b. In addition, the criticality and complexity of the product to be purchased must be considered when weighing the importance of these variable requirements.
2. Subcontractor Evaluation
  - a. Subcontractors are evaluated by reviewing Subcontractor Evaluation forms
  - b. Records of the results of evaluations and any necessary actions arising from the evaluation, e.g. onsite audit, shall be maintained
  - c. Subcontractor Evaluation Forms are sent
3. Subcontractor Control
  - a. Subcontractor performance is evaluated by each Program Management Organization group (Program Manager, Contract Administrator, Quality Assurance, Planner/Scheduler, Environmental and Safety) by, as a function of timeliness, accuracy and product quality. Discrepancies are documented using SDSY Corrective Action Response (CAR) Database
  - b. Subcontractors are evaluated on compliance with contract requirements, effectiveness of recommended solutions, meeting scheduled dates and milestones, meeting contractual obligations of Terms and Conditions, communicating contractual concerns, response to Change Order pricing, regulatory compliance and quality

### **Purchasing Information**

1. Purchase Orders may include, as required, the following:
  - a. The type, class, grade, special requirements, or other precise identification
  - b. Identification of the applicable specifications, drawings, performance criteria, process requirements, inspection instructions and other relevant technical data including the effective revisions of those documents and any approval or qualification requirements pertaining to the product, procedures or personnel
  - c. The applicable quality management system standard to be applied and rights for access by representatives of SDSY and its customers for audit or verification activities
  - d. Any requirements for qualification of personnel
  - e. Other information that will be needed by the Subcontractor to provide a product that

- f. meets any contractual or regulatory requirements that may apply
- f. Requirements for the preparation, completion and/or submittal of pertinent quality records and documentation
- g. Control requirements for a process, where that process affects product conformity with requirements
- h. Any subsequent changes to ordering data shall ensure inclusion of appropriate quality requirements

### **Verification of Purchased Product**

Purchased product is verified at Shipping and Receiving with the Receipt Inspection Procedure and discrepancies are documented using the SDSY Material Problem Report Database.

## **Estimating**

All subcontractors are required to provide their quotes in the same format as required by the SDSY Proposal Manager. SDSY will provide the format upon requests. All quoted paragraphs, standard items, part numbers, and/or exclusions must be clearly identified in the quotation.

Upon SDSY award, SDSY Contracts Department will contact the Subcontractor and a purchase order will be issued providing Ship name, Work Item requirements, Period of Performance and/or any exclusions.

## Subcontractor Insurance Requirements

1. During the period of performance of this Order, Subcontractors and its subcontractors shall, at their sole cost and expense, procure and maintain Workers' Compensation insurance coverage as required by the most current laws of the state or foreign jurisdiction in which the work is performed.
2. Seller shall also maintain, at its sole cost and expense, Employer Liability insurance in the amount of \$1,000,000.
3. Insurance coverage described herein must be in place and effective prior to commencement of any activity that is the subject of this Order and Seller shall provide evidence that the required insurance is in place in the form of a certificate of insurance (COI). COIs are only required to be submitted for the following:
  - a. Whenever performance requires work on a Government installation, Buyer's premises or premises under the care, custody or control of Buyer or Buyer's customer, Seller and its subcontractors shall, at their sole cost and expense, procure and maintain Comprehensive General Liability Insurance and Workers' Compensation insurance.
  - b. Whenever performance requires driving onto a U.S. Government installation, Buyer's premises or premises under the care, custody or control of Buyer or Buyer's customer, Seller and its subcontractors shall, at their sole cost and expense, procure and maintain the automobile insurance coverage with a Combined Single Limit \$2,000,000 bodily injury and property damage covering all owned, hired and non- owned vehicles.
  - c. Seller shall maintain appropriate coverage under the Longshore and Harbor Workers' Compensation Act if any Seller employee will be within the production environment on the premises of Buyer.
  - d. Seller shall maintain Defense Base Act Workers' Compensation if work is being performed on a U.S. military base on foreign soil.
  - e. Whenever Seller provides design and/or engineering services, Seller shall, in addition to the other applicable insurance noted herein and at its sole cost and expense, procure and maintain professional liability (errors and omissions) insurance coverage in the minimum limits of \$1,000,000.
  - f. When the Order invokes milestone payments Seller shall, at its sole cost and expense, procure and maintain Comprehensive General Liability Insurance and Workers' Compensation insurance.
  - g. When the Order includes ship-in-place terms, Seller shall, at its sole cost and expense, procure and maintain Comprehensive General Liability Insurance and Workers' Compensation insurance.
  - h. When, as part of the Order, Buyer provides Seller material, Seller shall, at its sole cost and expense, procure and maintain Comprehensive General Liability Insurance and Workers' Compensation insurance.
  - i. When the Order is for transportation, handling and/or disposal of asbestos, radiological or any other hazardous waste, material or substances, Seller shall, at its sole cost and expense, procure and maintain Comprehensive General Liability Insurance and Workers' Compensation insurance.
  - j. When the Order is for tugs and ship towing services, ship pilots or crews, Seller shall, at its sole cost and expense, procure and maintain Marine Liability Insurance, Workers' Compensation insurance, and appropriate coverage under the Longshore and Harbor Workers' Compensation Act.
  - k. When the Order is for facility construction/renovation projects or excavation services, Seller shall, at its sole cost and expense, procure and maintain Comprehensive General Liability Insurance and Workers' Compensation insurance. Builders Risk Insurance is also required.
4. When Comprehensive General Liability is required it shall have at a minimum Combined Single Limit of \$2,000,000 bodily injury and property damage. Coverage shall include but not necessarily be limited to, premises and operations, products and completed operations and contracts.
5. For Orders stated in subparagraph (C) where a COI is required for Comprehensive General Liability and/or Automotive Liability, insurance coverage shall name Buyer as an additional insured.



6. Coverage shall not exclude claims brought in the United States and all insurance required as a part of this Order shall be placed with insurance companies that are authorized to do business under the laws of the state or states in which the work is being performed and shall be in a form reasonably acceptable to Buyer.

All coverage required hereunder shall be primary and not contributory to any other insurance available to Buyer, and Seller's insurers shall provide a waiver of subrogation in favor of Buyer for each required coverage hereunder. Seller waives statutory immunity from workers' compensation as respects the additional insured requirements for Comprehensive General Liability only.

If you have any questions regarding the insurance requirements, please contact the Subcontractors Manager at (619) 234-8851, ext. 515

An emailed insurance certificate is acceptable. Certificate Holder is as follows:

HII San Diego Shipyard Inc.  
1995 Bay Front Street  
San Diego, CA 92113

## Environmental, Health, & Safety for Non SDSY Employees

All Visitors/Subcontractors are required to wear long pants, hardhat, OSHA approved eye protection, and leather shoes while within the SDSY production area. Visitors walking within the yellow lined paths require a hard hat, safety glasses and closed toe shoes. Leather shoes with a distinctive heel are required on board any ship. Production areas in the SDSY facility are defined as the areas beyond the electric gate, the ramp gate, or the North Gate. Unescorted visitors not complying with this standard may be asked to leave the SDSY facility.

Subcontractors must take immediate action upon identification of any health or safety issue that affects personnel or property. All subcontractors must notify the SDSY Health and Safety department and Contracts department of any accident involving injury or property damage while in the facility.

SDSY equipment can only be operated by SDSY employees. This applies, but is not limited to, trucks, forklifts, man lifts, and cranes.

This policy provides the criteria to ensure a safe, healthy working environment for non SDSY employees conducting business with SDSY.

This policy applies to all non-employees of SDSY as specified below, and is in effect at all SDSY work sites.

This policy is in effect for new contracts from the date of this policy. Current Subcontractors working under existing contracts have six months from the date of this policy to comply with the requirements found in this document.

This policy is only a guide and represents only the most common situations and procedures. Further guidance is available in the SDSY Safety Policies and Procedures Manual and in the Federal and State of California Directives.

### References:

1. Code of Federal Regulations 29 CFR 1910 Occupational Safety and Health Standards
2. Code of Federal Regulations 29 CFR 1915 Occupational Safety and Health Standards for Shipyard Employment
3. California Code of Regulations Title 8 Section 3203 (8 CCR 3203), Injury and Illness Prevention Program (IIPP)
4. NAVSEA Standard Items, Current Year
5. SDSY Environmental Policy EC-01 Environmental Requirements (General)
6. SDSY Health and Safety Policy HSM-007 SDSY Fire Prevention Plan
7. SDSY Health and Safety Policy HRP-005 Corrective Action and Progressive Discipline

### Responsibility

The SDSY Health and Safety department administers this policy. Prior to issuing a purchase order for work conducted for, or on behalf of, SDSY, the Material Support department issues HSF-014 Form, Contractor EH&S Pre-Performance Questionnaire, to the party receiving the purchase order, collects the documents required by that form, and forwards the documents to the Health and Safety department.

The SDSY Health and Safety department reviews documents required by HSF-014 Form and forwards the results of the review to the Material Support department in a timely manner. The SDSY IT department  
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places the current version of this policy and the current version of HSF-014 Form on the company internet. SDSY employees requesting access for a Subcontractor or visitor ensure that the Subcontractor or visitor is aware of this policy.

## **Definitions**

Agreement for Boat Repair (ABR) - A company that holds a certification in boat repair as issued by NAVSEA.

Contract employee – An individual worker hired through a Subcontractor to perform specific duties for SDSY. Contract employees are occasionally referred to as temporary workers or leased workers.

ContraSubcontractor: a company hired to provide material and services or perform specific duties within the SDSY facility that does not affect work for a SDSY customer.

Material Subcontractor: a company who provides products or material that may affect customer quality for SDSY.

Subcontract (Subcontractor): a company hired through the contracting process to perform specific duties that may affect customer quality within the SDSY facility or off-site, as spelled out in the contract.

Master Ship Repair (MSR) – A company that holds a certification in ship repair as issued by NAVSEA.

Third Party, AIT – An organization or individual hired directly by the U.S. Government outside the normal SDSY contracting process. A third party has no contractual obligation with SDSY but must adhere to this procedure.

U.S. Government Employee – Is an employee who is paid directly by, and is on the payroll of, the United States Government. Government employees are either civilian employees or military employees. Military employees are also referred to as Ships Force, although they may or may not be attached to a specific ship.

Visitor – A company or individual visiting the SDSY facility that may or may not have a direct contractual obligation to SDSY.

## **Procedure**

Information in Form HSF-014, Contractor EH&S Pre-Performance Questionnaire, must be submitted prior to awarding a purchase order for review by the SDSY Health and Safety department. If a subcontractors' scope of work changes, a new form shall be submitted for review by the SDSY Health and Safety department. Exceptions to this policy may be made, in writing, on a case-by-case basis by the Health and Safety department.

**Note: All non SDSY employees must adhere to the General Requirements of this Policy. Failure to do so may result in removal from the facility and cancellation of any/all contract(s).**

All companies conducting business with SDSY are to ensure their employees are trained on this policy before entering the SDSY facility and before commencing work for SDSY, and annually thereafter. SDSY reserves the right to review training records pertaining to this policy.

All companies conducting business with SDSY are to ensure their Subcontractors are trained on this policy

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before entering the SDSY facility and before commencing work for SDSY, and annually thereafter. SDSY reserves the right to review training records pertaining to this policy.

All non SDSY employees must comply with all federal, state, and local EH&S regulations while working for SDSY in any capacity or at any location.

All non SDSY employees must follow the SDSY Environmental requirements.

All non SDSY employees must follow the SDSY Security requirements.

All non SDSY employees, including contract employees, will be apprised of site-specific health and safety requirements. This orientation includes SDSY EH&S Policies and Procedures, emergency procedures and evacuation procedures.

All non SDSY employees must report unsafe working conditions to the SDSY Health and Safety Office immediately.

All non SDSY employees must take immediate action upon identification of any health or safety issue that affects personnel or property. All non SDSY employees must notify the Health and Safety department and Contracts of any accident involving injury or property damage during the course of fulfilling the contract.

All non SDSY employees must immediately notify both the Health and Safety department and Contracts upon receiving any Notice of Violation, Notice to Comply, citation, or other enforcement document from any regulatory agency while on SDSY property or while performing work for SDSY.

All non SDSY employees must either have a site-specific Fire Prevention Plan on file with the Health and Safety department or must certify they will operate under the SDSY Fire Prevention Plan (Ref 3.12) before beginning work. This certification must be renewed annually.

Material Safety Data Sheets (MSDS) for hazardous materials to be used on site must be approved by the Environmental and Health and Safety departments before the material is brought into the facility.

All non SDSY employees must maintain their working areas in a clean and safe manner. All trash and debris must be removed daily and the area broom-cleaned at the end of the shift.

No SDSY equipment is to be operated by anyone other than SDSY employees. This applies, but is not limited, to trucks, forklifts, man lifts, and cranes.

### **No Smoking Policy**

It is the policy of HII SDSY to prohibit smoking and vaping on all company premises to provide a safe and healthy work environment for all employees. Smoking is defined as the "act of lighting, smoking or carrying a lighted or smoldering cigar, cigarette or pipe of any kind." Vaping refers to the use of electronic nicotine delivery systems or electronic smoking devices such as e-cigarettes, e-pipes, e-hookahs and e-cigars.

HII SDSY's smoke-free policy is a way of protecting the health of everyone involved with the organization. The smoke-free policy applies to all management, employees, subcontractors, U.S. Navy personnel and visitors.

Any initial infraction of the smoking policy will result in immediate removal of the offending individual

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from the SDSY facility. Subsequent violations may be cause for permanent removal of the offending individual and his/her company.

### **Personal Protective Equipment**

SDSY attempts to remove workplace hazards through engineering and administrative controls before requiring the use of PPE. However there are job assignments that require the use of PPE.

All non SDSY employees are specifically required follow Code of Federal Regulations 29 CFR 1915 Subpart I, Personal Protective Equipment (PPE) and wear proper PPE while in any production area. This equipment includes, but is not limited to: hardhat, appropriate eye protection, hearing protection, and leather shoes. Leather shoes with a distinctive heel are required on board any ship. Tennis shoes are expressly prohibited unless worn by visitors, and then only within the PPE-Free zones. Production areas in the SDSY facility are the areas beyond the electric gate, the ramp gate, or past the North Gate. This requirement is in effect whether the individual is working or is in transit.

### **Master Ship Repair (MSR), Agreement for Boat Repair (ABR)**

All MSRs and ABRs, as well as their contractors, Subcontractors, contract employees, Subcontractors and visitors must adhere to all requirements herein.

### **Contractors**

Contractors must adhere to all requirements herein. Contractors working at SDSY or for SDSY must fill out Form HSF-014; Contractor EH&S Pre-Performance Questionnaire This form must be approved by the Health and Safety department before proceeding with work. This form, along with the required documents, must be submitted. When there is a change to the contractors' scope of work, a new form shall be submitted for approval.

### **Contract Employees**

Contract employees must adhere to all requirements herein.

### **Subcontractors**

Subcontractors must adhere to all requirements herein.

Subcontractors must fill out Form HSF-014; Contractor EH&S Pre-Performance Questionnaire. This form must be approved by the Health and Safety department before proceeding with work. This form, along with the required documents, must be submitted. When there is a change to the contractors' scope of work, a new form shall be submitted for approval.

### **Visitors**

All visitors are required to wear long pants, hardhat, OSHA approved eye protection, and leather shoes while within the SDSY production area, unless they are within the PPE-Free Zones. Closed-toed shoes are required even within the PPE-Free Zones. Leather shoes with a distinctive heel are required on board any ship. Production areas in the SDSY facility are defined as the areas beyond the electric gate, the ramp gate, or the North Gate.

SDSY employees authorizing onsite visitors are responsible for the visitor's compliance with this standard. Any SDSY employee escorting a visitor who is in non-compliance with this standard may be cited.

Unescorted visitors not complying with this standard may be asked to leave the SDSY facility.

## Safety Policy

The SDSY Safety Policy is of the utmost importance to every SDSY employee, contractor, and Subcontractor, regardless of job. This policy, which represents management's continued commitment to a safe working environment, requires complete team cooperation in achieving this goal.

The SDSY Management Team, which includes all levels of supervision, ranks safety equal in importance to productivity and product quality. Safety must also be of equal importance to our Subcontractors as they are part of "Our Team". SDSY management believes that:

**All injuries can be prevented.** Prevention of all injuries is a realistic goal. Each employee, supervisor, Subcontractor has the responsibility for the wellbeing of all employees and cannot be effective without fully accepting this principle; it is possible to protect against all operating hazards. No matter what the exposure, an effective safeguard can be provided;

**It is the responsibility of the SDSY Management Team** to provide a safe working environment in which the employees can perform their job assignments. All employees must be aware of each task's safety requirements and must assure that no employee is given a job assignment without first determining that the employee can perform his or her duty under safe conditions;

**It is the responsibility of the SDSY Management Team** to look for better and safer ways to perform a job;

**It is the responsibility of the SDSY Management Team** to provide ongoing education and training for all employees and Subcontractors so they can learn and further enhance safe working habits;

**It is the responsibility of all employees** to comply with safety standards, rules and regulations.

**It is the responsibility of all employees,** when they are adequately trained and instructed, to work safely and ensure a safe working environment for themselves and their fellow team workers;

**It is the responsibility of all employees** to refrain from tampering with or abusing safety devices.

Accidents are costly, not only in terms of human pain and suffering, but also in terms of productivity and efficiency to SDSY Team operations, which include all employees and Subcontractors. These costs have a direct impact on the SDSY Team's competitive edge within the ship repair industry. Only if management and employees together give safety the attention it requires to avoid injuries can the future wellbeing of Team SDSY with its employees and Subcontractors be assured.

Subcontractors will be evaluated based on their past performance in meeting these guidelines.

These evaluations may be utilized for assessment of further participation in the SDSY Team.

**HII SAN DIEGO SHIPYARD INC.  
HEALTH, SAFETY AND MEDICAL POLICY**

HII San Diego Shipyard Inc. (SDSY) and its management are committed to health, safety, and medical excellence through programs and expertise that protect employees, contractors, visitors, the community and natural resources. HII San Diego Shipyard (SDSY) believes compliance with legal, regulatory and company requirements regarding health, safety and medical regulations is a beginning point, not an end point, and thus it is the policy of SDSY to take appropriate and proactive actions to prevent injuries and illnesses, provide the best quality medical care to our employees and provide a high quality work environment for the protection, wellbeing and safety of our employees, contractors, visitors and the community. It is the policy of SDSY to solicit employee involvement and seek new and innovative ways to continually improve our programs. This policy is an integral part of all operations and is available to the public.

## **Subcontractor Safety Guidelines**

### **1. General**

#### **Responsibility for the safety of Subcontractor employees and individuals working nearby:**

- a. Each Subcontractor, their supervisors and managers are responsible for the safety of those individuals working for them and any other employees working in the vicinity. **ALL** Subcontractor employees must have a thorough knowledge of the contents of this handbook
- b. The need to warn individuals working in the general vicinity of their work area, of any hazards that may be generated by work activity, is the responsibility of the Subcontractor supervisor or manager
- c. Work processes that could affect others in the vicinity must be scheduled with the ship superintendent and all individuals who could be affected must be warned and removed from the potentially dangerous area
- d. Regular inspections of your work area must be conducted to ensure that no hazardous conditions exist
- e. All unsafe conditions work practices must be corrected immediately
- f. Each Subcontractor must ensure that all of their employees are in full compliance with Federal OSHA, CAL/OSHA, NAVSEA Standard Items and SDSY safety rules, regulations, policies and procedures
- g. It is the responsibility of **ALL** Subcontractors to notify SDSY of any unsafe condition(s) noted in their work areas which they deem is beyond their control. Any reference material needed to conform to the foregoing is available for review in the SDSY Safety Office

### **2. Emergency Reporting Procedures**

#### **a. Fire**

- 1) An emergency "Red Phone" is stationed on each vessel or ship, either at the quarterdeck or adjacent to the brow, and throughout the ship
- 2) To report an emergency:
  - a) Pick up emergency phone – No need to Dial
  - b) Give all requested information to Security, including the EXACT location (pier, ship, space) of the fire; what is burning and what stage the fire is in. The security officer will also need your name and telephone number from which you are calling, if you aren't calling from a red phone

- c) Security will activate the SDSY Emergency Response Team
  - d) Do not hang up until Security hangs up first
  - e) Stand by to direct emergency response personnel to the location of incident
- 3) You may also use any yard telephone and dial the Fire / Emergency number ext. 218
  - 4) All Subcontractors must furnish their Fire Safety Plan and comply with 29 CFR 1915.501 (d)(2) "Contract employer responsibilities"

**b. Injuries**

- 1) The reporting procedures are identical to those shown above in section 2a for a fire
- 2) The Medical Department can be contacted directly by simply dialing the Medical Emergency number ext. 229 or Security at ext. 218
- 3) It is of paramount importance that you have the exact location of the emergency so that the emergency response team will be able to promptly find it. If possible, be prepared to meet or have somebody meet the emergency responders at the brow to guide them to the scene

**c. Alarms**

- 1. When an alarm goes off, stop what you are doing and listen for the verbal message that will follow. At that time, do exactly as directed
- 2. Do not automatically try and exit the ship. Do not leave until you are directed to leave the ship. At that time, walk in an orderly manner to the brow and exit the vessel
- 3. If directed to leave the ship, immediately hold a muster of your employees in a pre-designated location. Within the SDSY facility these muster points are in the lay-down area and in the South parking lot, as shown in Appendix D. If any of your personnel are missing, notify a SDSY representative located on the pier or at the muster point so that a search can be initiated. Do not return to the ship unless directed to do so by the SDSY representative

**3. Confined Space Procedures / Permit for Hot Work in Enclosed Spaces**

- a) Definition: A confined space on board any vessel is a space that has one or more of the following characteristics:
  - 1. Has limited access;
  - 2. Cannot be ventilated by natural ventilation;
  - 3. Was not designed for human occupancy
- b) At SDSY, these spaces are identified by a color-coded log (Gas free Entry) and/or a Marine Chemist Certification posted at the space access or tank top
- c) Most of these spaces are initially certified by a Marine Chemist
- d) A Shipyard Competent Person will update the Marine Chemist certificate on a daily basis documenting the information on the Gas Free Entry Log
- e) **DO NOT** enter any confined space unless there is a current Marine Chemist Certification and a Gas Free Entry Form posted which has been inspected and signed off within the past 24 hours confirming that it is safe to enter that space. Always follow other written instructions on the Marine Chemist Certification and / or Confined Space Log with regard to restrictions and personal protective equipment (PPE). **NOTE:** It is okay to enter a confined space if only the Marine Chemist certification is posted, as long as it's within 24 hours of the certification being written. Otherwise a space must have both the Marine Chemist certification and the OSHA Form 74 log (Gas Free Entry)



- f) If you plan to conduct hot work in a confined space you must check to ensure that the space has been certified by the Marine Chemist as “Safe for Man (or workers) and “Safe for Hot Work”

**4. Hazard Communication**

- a) All Subcontractors using any hazardous materials within the SDSY facility must have those materials approved by the SDSY Environmental, Health and Safety Department before bringing the material onsite
- b) Each Subcontractor must ensure that all Material Safety Data Sheets (MSDS) are immediately available to all of his / her employees and that they are aware of the MSDS location for every chemical compound that is being used at the SDSY facility
- c) SDSY Subcontractors must ensure that the contents of every MSDS have been explained to their employees using the chemicals
- d) All Subcontractors using any hazardous materials must store these materials in the proper manner as prescribed in Code of Federal Regulations 29 CFR 1910
- e) All chemical containers shall be labeled as to their contents. It must list, as a minimum, the name of the manufacturer, the trade name of the chemical, the prevalent hazards of the chemical, the target organ and the personal protective equipment required and any other special handling requirements
- f) All Subcontractors generating any hazardous waste must store the waste in the proper manner as prescribed in Code of Federal Regulations 40 CFR 465
- g) All SDSY MSDS are available at the SDSY Safety Office located in Building 1 on the second floor and can be reached on any yard phone at ext. 214, 216, or 219

**5. Fire Protection Requirements**

- a) Fire safety and protection is a priority at SDSY. All Subcontractors shall develop and establish a Fire Prevention Plan which follows, and is approved by SDSY in accordance with Federal OSHA regulations 29 CFR 1915 Subpart P and NAVSEA Standard Items. Alternately, Subcontractors may use the SDSY Fire Prevention Plan as their own, in which case the Subcontractor must certify their employees have been trained on the requirements of the SDSY Fire Prevention Plan
- b) No containers of hazardous, flammable, or combustible materials may be left open
- c) All materials brought aboard the ship, for the purpose of encasing or protecting equipment and materials shall be "Fire Retardant". Non-Fire retardant items include wood, paper, vinyl sheeting, cloth, burlap or any other covering
- d) Any chemical container brought into the shipyard and set aside or stored shall be on a pallet and inside of a proper containment vessel
- e) Compressed gas hoses (oxy/gas) shall not be left unattended in confined spaces or Charged compressed gas hoses shall be left unattended for more than 15 minutes in an enclosed space. Gas shall be secured and bled off from the hoses. Compressed gas hoses shall be visually checked from the point of work to the manifold having a hand over hand visual inspection performed. A two-minute drop test shall be performed every time a hose is connected to the manifold, at a minimum every shift. Identification washers shall be used at all times

**6. Hot Work / Hot Work Notices**

- a) Hot work is any process that produces heat, sparks and flames. This includes but is not limited to grinding, welding, cutting, etc.
- b) All hot work being performed must have a Hot Work Notice completed and approved. The notice must be posted at the site of the work or the access of the space
- c) All combustible and flammable materials must be removed from all affected areas

- d) including paint, lagging, etc., or protected from the hot work if not able to remove  
On board United States Navy vessels the trade supervisor must submit a *Hot Work Notice* at least 30 minutes and no more than 24 hours *PRIOR* to doing hot work, as per NAVSEA Standard Item 009-07
- e) A designated Ship's Representative shall sign the hot work request. A copy of the request is to be retained by the initiator and posted at the site of hot work and in some cases at the entrance to a space. **DO NOT** begin any hot work until this has been accomplished
- f) Prior to submitting the Hot Work Notice, you must physically inspect the area(s) in which the hot work is to be performed to ensure:
  - 1) That the area is free of materials such as flammable and/or combustibles that could catch on fire
  - 2) That all machinery and other equipment that could be damaged by hot work have been adequately protected
  - 3) That you have determined how many Fire Watches will be required.
    - a) All areas that could be affected by the hot work must have a Fire Watch posted
  - 4) That you have inspected the other side of any deck, overhead, or bulkhead for anything that could be affected by your hot work. Ensure that all flammables and combustibles are removed including but not limited to paint, insulation, etc.
- g) Fire Watches shall be utilized in all areas where hot work is being performed and the affected adjacent spaces
- h) All Fire Watches must be trained to the requirements of 29 CFR 1915.508 and have identification stating such, including the date of training and the expiration date of the training
- i) Fire Watches must be equipped with a FULL fire extinguisher and must be trained on how to use it. Carbon dioxide (CO<sub>2</sub>) extinguishers are tested by weight. The bottle can be verified as FULL by checking the intact seal at the pin and handle. A Fire Watch may have a plastic squirt bottle containing water and labeled as such for spot fires
- j) Fire Watches cannot be utilized for any other job except fire watching

## 7. **Electrical Safety**

- a) All Subcontractors must adhere to the standards of 29 CFR 1910 subpart S.
- b) All Subcontractor employees have the responsibility to:
  - 1) Obey electrical warning signs and barriers
  - 2) Operate electrical equipment in the proper manner and sequence. Do not take shortcuts
  - 3) Not operate switches, circuit breakers or other electrical devices that are identified as being out-of-service or not to be operated
  - 4) Not remove or bypass any safety devices
  - 5) Report inoperative safety devices to your supervisor and the SDSY Health and Safety department immediately
  - 6) Subcontractor Employees must immediately report any unsafe electrical conditions to their supervisor and the SDSY Health and Safety department. Unsafe electrical conditions include but are not limited to:
    - a) Frayed wiring or damaged insulation
    - b) Missing or damaged bulb guards
    - c) Broken or missing bulbs
    - d) Temporary receptacle boxes lying in water
    - e) Lines lying unprotected against sharp edges

- f) Damaged receptacle boxes, including light switch boxes
- 7) Subcontractor employees must report all electrical incidents (shock, injury or near-miss) to:
  - a) Their supervisor
  - b) The SDSY Health and Safety Department
  - c) Only authorized and qualified employees or contractors shall perform maintenance or repair work on any electrical equipment, system, or tool
  - d) Only electrical equipment, systems, tools, products, and materials that have been approved, listed, labeled, or certified as conforming to a nationally recognized standard shall be used (e.g. UL, FM, CE)
  - e) All electrical equipment, systems and tools shall be used and maintained in accordance with the manufacturer's specifications and recommendations and used only for their intended purpose
  - f) All electrical equipment, including welding units, must be properly grounded. Do not use the support rails or other parts of the overhead cranes as grounds
  - g) All electrical equipment and systems shall be treated as energized until tested or otherwise proven to be de-energized and locked out from their energy source.
  - h) De-energizing electrical equipment and systems is a potentially hazardous task; therefore only authorized lockout / tag-out employees shall de-energize electrical equipment and systems and only while using approved safe work practices and procedures
  - i) Portable lighting systems (light stringers, drop lights) must have operating light bulbs in each socket. All bulbs must be protected by bulb guards
  - j) The use of screw-in electrical plugs that use light sockets as a power source is prohibited
  - k) HII San Diego Shipyard has conducted a Flash Hazard Analysis on the most critical electrical stations within the facility. Based on the results of that analysis Flash Hazard Boundaries, Prohibited Approach Boundaries, Restricted Approach Boundaries and Limited Approach Boundaries have been established. Each of these stations is marked with this information
  - l) Only qualified employees may cross a Limited Approach Boundary
  - m) Hazardous materials or hazardous waste should never be placed within the Limited Approach Boundary

**8. Lockout / Tag-out**

- a) Lockout / Tag-out is to ensure that "ALL" sources of energy are secured. Some equipment may have multiple sources of energy
- b) Tag-out for the repair of any system or circuit on board United States Navy ships, whether in the shipyard or any Naval Station is performed through the ship, using 29 CFR 1910.147 1915.89, The Control of Hazardous Energy (Lockout/Tag-out), the Navy Tag-out System as specified in the Tag-out User's Manual (TUMS) and NAVSEA Standard Items 009-24. It is imperative that all employees working on any energized system, or any system that could possibly be energized from any source, be very familiar with the above requirements
- c) On commercial vessels that are manned, tag out will be accomplished utilizing the ship's

- d) tag out system as long as it meets the requirements of 29 CFR 1910.147 1915.89
- d) On unmanned commercial vessels, tag out will be accomplished after coordination with the assigned lead ship superintendent and SDSY Safety Department
- e) The Lockout / Tag-out on the landside of the shipyard is performed only by SDSY qualified personnel per 29 CRF 1910-147
- f) UNDER NO CIRCUMSTANCES, ONBOARD A VESSEL OR LANDSIDE, IS ANY SUBCONTRACTOR TO REMOVE A LOCK OR TAG THEY HAVE NOT PERSONALLY PLACED, UNLESS PRIOR APPROVAL HAS BEEN AUTHORIZED BY THE HEALTH AND SAFETY OFFICE
- g) Any machinery or equipment that is being repaired should be locked out, tagged out and/or blocked out, when required. All energy should be released to a "ZERO" mechanical state. That is, all possible sources of energy must be locked and tagged out

#### 9. Electric Tools

- a) All electrical tools must be in good condition and be grounded or double insulated
- b) Employees must be trained on the proper use of the specific power tool before using that tool
- c) Tools must be checked prior to use to ensure that the tool is in good working order
- d) Safety switches and guards shall not be removed, taped down, or altered in any way to prevent them from operating as designed by the manufacturer
- e) All electrical cords and extension cords shall be in good repair without breaks in the insulation or exposing wire. All extension cords prongs shall be in place
- f) Power tools must not be raised or lowered by their power cords
- g) When plugging in power tools or extension cords, make sure your hands are dry and the cords are dry
- h) Any power tool or extension cord damaged during operations must be immediately replaced

#### 10. Personal Protective Equipment (PPE)

It is the intention of SDSY to remove workplace hazards through engineering or administrative controls where possible. However there are times when these controls are not feasible and Personal Protective Equipment (PPE) must be used. Some of the more common personal protective equipment and when it is required are listed.

- a) **Hard Hat:** At SDSY hard hats are required to be worn at all times beyond the electric gate, the ramp gate, and the North gate. They are required on board all ships, in the shipyard, on the roadways and in all production areas. They are not required in offices, in enclosed vehicles, and designated lunch areas. They are not required to be worn to and from the gates when coming to or leaving work at the beginning or end of the work shift, nor are they required during the normal SDSY lunch periods as long as work is not being conducted in the area
  1. Metal hard hats shall not be worn. Hard hats must comply with American National Standards Institute (ANSI) Standards Z-89.1 & Z-89.2
- b) **Industrial Safety Glasses with Side Shields:** These are required to be worn at all times beyond the electric gate, the ramp gate and the North gate. They are required on board all ships, in the shipyard, on the roadways and in all production areas. They are not required in offices, in enclosed vehicles and designated lunch areas. They are not required to be worn to and from the gates when coming to or leaving work at the beginning or end of the work shift, nor are they required during the normal SDSY lunch periods as long as work is not being conducted in the area
  1. Industrial safety glasses with side shields must conform to ANSI Z-87.1 standards
  2. Those individuals who require prescription glasses must obtain industrial safety glasses with side shields in their prescription, or wear mono-goggles or other

- 3. approved cover glasses over their street glasses
- 3. Dark shaded or mirrored lenses may not be worn below decks, inside of any vessel, or after sunset
  - a) Exception: Safety glasses with a number three shade lens shall be worn for all brazing and firewatch operations
- 4. When working overhead, grinding, wire brushing or other similar work, a face shield must be used. Safety glasses shall be worn under the face shield
- c) **Respirators**
  - 1. Subcontractor must have an approved Respiratory Protection Program as required in 29 CFR 1910.134. Employees utilizing respirators must be qualified and undergo annual respiratory fit testing procedures, and meet all requirement for the use and wearing of respirators established by OSHA in 29 CFR 1910.134
  - 2. Respirators are required and must be used in areas where there are emissions in the forms of vapors, fumes, smokes, dusts, etc. Examples of processes include but are not limited to hot work, painting, cleaning with solvents, abatements, etc.
  - 3. Only NIOSH approved respirators shall be utilized. The use of dust masks are not permitted due to the lack of protection they provide and do not follow under the respiratory protection program
- d) **Clothing**
  - 1. Shirts must cover the entire torso and have at least 1/2 sleeve. No tank tops or muscle shirts are allowed
  - 2. Trousers must be full length and cover the entire legs
  - 3. All clothing must be in good repair, without major holes or tears
  - 4. Clothing displaying / depicting graphic material, such as pornographic, discrimination or violence in nature shall not be permitted
- e) **Shoes**

Shoes must be all leather and cover the entire foot. Any plastic, vinyl or other synthetic coating is not allowed. There must be a well-defined, independent heel of at least 1/4 inch and no more than 1 1/2 inches. Athletic foot attire or open toed shoes are not permitted
- f) **Safety Harness (with lanyard)**
  - 1. A safety harness must be worn any time an employee is exposed to a fall hazard of five feet or more, or within six feet of an unguarded edge with a fall of more than five feet unless the employee is protected from falling by some sort of guard system (lifelines, guardrails)
  - 2. When operating an aerial lift, the harness lanyard must be hooked onto the attachment point of the basket. When operating over water a personal floatation device is required to be worn and the lanyard must be disconnected
  - 3. When climbing a mast, stack or other similar object, the harness must be attached to the fall arrest system center post, if so equipped, utilizing the ship's attachment
- g) **Face Shield**

Face shields must be worn when grinding, wire brushing, working in the overhead, working with chemicals that could splash on the employees face, or any other similar activities. Safety glasses are required to be worn under the face shield
- h) **Gloves**
  - 1. Leather or cloth gloves should be worn whenever the employee is handling

material that is rough or otherwise abrasive

- a) Leather gloves should be worn when handling hot or potentially hot metal
- b) Rubber, butyl, nitrile or other approved gloves are required when handling certain chemicals. Employees shall refer to the MSDS for specific type
- c) There are many other types of gloves that protect against specific hazards and these should be used depending on the type of hazards
- d) Gloves should not be worn when working on or near rotating machinery

i) **Hearing Protection**

- 1. Companies must have an approved Hearing Protection Program as required in 29 CFR 1910.95 and 8 CCR 5097, 5098
- 2. Hearing protectors must be worn in all areas where the decibel rating is above 85db. This is roughly equivalent to traffic noise on a busy street
- 3. Hearing protection is required on board all ships, when working in most shops and when working around an operating crane or machinery. Other areas may be posted as requiring hearing protection
- 4. Hearing protection levels are:
  - a) Single Protection: The use of either an earplug or ear muffs in a common noise environment. Simple Rule: If you cannot have a conversation with a person arm length apart then it is needed
  - b) Double Protection: The use of both ear plugs and ear muffs in extremely noisy environments. Simple Rule: If you are standing next to a person and have to yell to be heard then both are required
- 5. The use of earphones or headphones in lieu of hearing protection is prohibited

j) **Personal Floatation Devices (PFD)**

- 1. PFDs (a.k.a. life jackets) shall meet the requirements under OSHA regulation 29 CFR 1915. 158 (a)
- 2. Any employee working over the water at any height including scaffolding, aerial lifts, etc. shall wear PFDs. Also PFDs are to be worn when working on the waterside of the pier quay walls for diving operations, equipment set-ups including scaffolding, and any other job assignment exposing an employee to the potential of falling into the water

k) **Welding Hoods**

- 1. Welding hoods used at SDSY must be a full sized hood that connects to the hard hat. Soft hat welding is not permitted at SDSY other than in shops. Welding hoods must be in good condition and undamaged
- 2. If the area to be welded is so tight and close that the welder cannot get in position with a full size hood and hardhat, a leather sock hood may be used. As soon as the welding has been completed, the employee must wear a hard hat

This is not intended as a complete list of PPE required, but is only the most commonly used. Any modification of safety equipment is not authorized. Any equipment so modified will be removed from the shipyard and violators subject to disciplinary action

**11. Blood borne Pathogens**

- a) Any Subcontractor whose employees have the potential of occupational exposure to blood or other potentially infectious materials, such as CHT, or who has first aid requirements, such as electrical or security, must have a written Exposure Control Plan designed to eliminate or minimize employee exposure, as required by 29 CFR 1910.1030 and 8 CCR 5193

- b) This program must also include the requirement for Hepatitis B vaccinations, or declination notices
- c) SDSY retains the right to review the Exposure Control Plan, including documentation of Hepatitis B vaccinations

**12. Ventilation Procedures and requirements**

- a) Whenever any airborne contaminant(s) is being generated, ventilation must be provided to exhaust the contaminant(s) to where it can be safely discharged
- b) Employees must know what jobs they will be performing while at SDSY. You must know that fumes, vapors, dusts or other contaminants that job will create or generate. Generally all hot work or chemical operations will require mechanical ventilation if being done in an enclosed area(s)
- c) If Hard duct ventilation is required for exhausting contaminant off the ship, contact the SDSY Ventilation Crew for the installation
- d) When ships ventilation is secured, subcontractors may set up blowers with lay flat ducting to provide fresh air to the space. Ensure the lay flat is properly strung and exhausts out to open air

**13. Ladder Uses**

- a) The use of furniture, buckets, equipment, etc. is not an authorized working /access platform. There are primarily two types of ladders used at SDSY, straight ladders and step ladders
  - 1) **Straight Ladders:** When used, these ladders must be secured to prevent top and bottom movement. The employee must face the ladder when ascending or descending the ladder. The employee may not carry anything that would prevent him / her from using both hands on the ladder. Utilize a rope to pass items between decks. If you must carry something while using the ladder, use a shoulder bag or strap. The ladder must extend a minimum of three feet beyond the top of the platform or deck for safe access
  - 2) **Step Ladders:** Must not be used to access a platform. Do not step on the top two steps. Don't extend yourself out to the sides. Do not stand on the ladder and another object at the same time. The use of two ladders and planks between them is forbidden
- b) **Metal Ladders:** May not be used on board ships or other area with electrical hazards
- c) Ladders may not be used at any time on any type of scaffolding platform.
- d) The use of ladders with broken or missing rungs or steps, broken or split side rails, or other faulty construction is prohibited
- e) Anytime an employee is working on a ladder next to a fall area or above guardrails a body harness and lanyard shall be utilized
- f) The use of furniture, buckets, equipment, etc. in place of a ladder or stepladder is expressly forbidden

**14. Scaffolding and Staging**

- a) Scaffolding utilized on SDSY availabilities shall only be erected, dismantled, altered or modified by a scaffold competent person employed by the scaffolding company hired for that job
- b) Access to scaffolding shall only be accomplished at the designated installed ladder
- c) A status tag shall be hung at the access point. A "green" tag denotes a safe scaffold structure. A "red" or "no" tag represents an unsafe scaffold and only scaffolding personnel are allowed to access
- d) Personnel working on scaffolding and staging over water must wear a personal floatation device

- e) Personnel working outside the confines of a scaffold platform must wear a safety harness and hook into a hard point that is not part of the scaffold structure
  - f) All work performed on a scaffold over water or near the edge must be contained to prevent materials and debris from falling into the water and on other employees
- 15. Communication Requirements**
- a) Ensure that your employees communicate with others around them about any potential hazard(s) they may create or that they observe. Also, these should be reported to the group that is responsible for correcting the hazard
  - b) Any accident or injuries that are incurred while working on a SDSY job must be reported to the Security Department immediately by phone at (619) 234-8851, at ext. 218. In addition, a formal written report of the incident and/or injury as well as the investigation of the accident showing cause must be provided to the Health and Safety Department within 24 hours
  - c) The report must be on the SDSY Subcontractor Accident Report form or one that covers the same information.
- 16. Identifying Asbestos-Containing Materials (ACM)**
- a) Assume all construction surfacing and flooring materials, thermal systems insulation, roofing and siding, acoustical materials, gaskets, armor cabling, brake pads and clutch plates contains asbestos unless otherwise identified as such by a qualified inspector.
  - b) Only California State Certified Asbestos Inspectors or Consultants, AHERA Certified Asbestos Inspectors, and OSHA "Qualified" Persons are considered qualified inspectors
  - c) Only Asbestos "Qualified" Inspectors may make these inspections and collect bulk samples for asbestos analysis. Inspectors may or may not require bulk sample collection and analysis, depending on the Qualified Inspector's opinion
  - d) Bulk samples of materials shall be taken to an outside laboratory certified in testing for asbestos
  - e) Documentation of ACM inspections must be in writing with a copy being provided to the SDSY Safety Department
- 17. Lead and Heavy Metals Program**
- a) Subcontractors will be required to submit the SDSY Safety Department a Lead Heavy Metals Work Health and Safety Plan for approval when their trade-related activities will disturb lead and/or heavy metal containing surface coatings
  - b) Suspected materials shall be sampled and sent for testing by an outside laboratory. A copy of those results will be provided to the SDSY Safety Department prior to the start of work
- 18. Rigging Requirements**
- a) Only approved, standard-rigging techniques shall be allowed. If you have not been trained in good rigging practices, then DO NOT attempt the job. Incorporate the assistance of a qualified and experienced Rigger
  - b) All rigging equipment must be inspected prior to use and used only in the fashion that it was designed to be used
  - c) All chain falls and come-a-longs must be hooked in a straight-line pull only. No load line chain may be wrapped around the load. Only approved shackles, slings, beam clamps and approved pad eyes may be used
  - d) Never overload a piece of rigging equipment. Do not use a handle extender (a.k.a. cheater bar) on any come-a-long
- 19. Motorized Equipment**
- a) All vehicles with the driver's view directly blocked to the rear shall be equipped with a properly working back up alarm. In addition, when backing down any pier or other



highly congested area, a ground guide /walker must be used

- 1) All vehicle safety equipment is required to properly work, such as the horn, lights, brakes, etc.
  - 2) Fork Lifts: Subcontractor personnel shall not operate Forklifts owned or leased by SDSY. Any materials requiring the use of a fork lift for movement shall have arrangement made through the SDSY Ship Superintendent
  - 3) High Reach Equipment: To operate an aerial lift or scissor lift in the SDSY facility, the operator shall have attended and passed the aerial lift training class, and maintain a current Operator's License. Licenses are valid for two years from the date of issue. Arrangements for attending the class can be made by contacting the Program Manager, Ship Superintendent, or through the SDSY Production Control Center
  - 4) Bicycles: Bicycle use within the facility is limited. Bicycles must be in good working order and must have the name of the company attached to the bike. Bicycles operated during darkness must have a light. Bicycles shall not be ridden or left on any pier. They must be placed in the appropriate racks located throughout the facility. The use of portable radios, phones, headphones, or other devices that would distract the bicyclist are prohibited. Bicycles not meeting these requirements are subjected to confiscation
  - 5) ALL vehicles, including bicycles, are subject to the rules denoted by the California Vehicle Code and the rules established for the SDSY facility
- b) The maximum allowed speed limit in the SDSY Facility is 5 miles per hour.
  - c) Drivers may not pass under suspended loads
  - d) Motorized equipment, shall not be left unattended while running, must be left unlocked with the keys in the ignition. Diesel powered vehicles shall not idle for more than five minutes.
  - e) Vehicles may not park in the fire lanes at any time

**20. Use of Air, Gas and Water**

- a) All gas hoses used at SDSY are to be in good repair, free from cuts, nicks and holes. There shall be no leaking around the connectors
- b) The use of any compressed gases from a manifold or bottle anywhere in the facility must place an identification washer at the manifold connection. The washer must identify the company and the worker's badge number
- c) All compressed gas hoses must be disconnected and the washer removed at the end of each shift, or when not in use
- d) Compressed gas hoses are not allowed to run through fire boundaries or left in any confined space
- e) Compressed gas hoses (oxy/gas) shall not be left unattended in confined spaces or unattended for more than 15 minutes in an enclosed space. Gas shall be secured and bled off from the hoses. Compressed gas hoses shall be visually checked from the point of work to the manifold having a hand over hand visual inspection performed. A two-minute drop test shall be performed every shift and every time a hose is connected to the manifold. Identification washers shall be used at all times
- f) All Chicago type fittings / couplings must be secured with a safety clip inserted through the holes in the flange. If a safety clip is not available, then a piece of wire may be used and twisted off
- g) Compressed gas, air and water hoses shall not be crimped off at any time to attach or remove any type of tool or device, or to secure flow, nor will it be left in that condition.

A quick disconnect or valve must be used or pressure must be secured at the source, released and the hoses detached

**21. Ergonomics**

- a) SDSY encourages all Subcontractors to have a viable ergonomics program, which should include:
  - 1) Evaluating new tools for ergonomic risk hazards
  - 2) Using knee protection where required
  - 3) Using long-handled tools where available
  - 4) Using portable benches and stools where feasible, and
  - 5) Using vibration gloves with vibrating tools and equipment

**22. Eating, Drinking or Smoking**

- a) Eating, drinking and smoking is prohibited on board ships. Any eating or drinking shall be accomplished on the piers or designated areas. Water fountains shall be provided for employees or they may bring a plastic bottle, containing water only, on board labeled with their name and badge number.

**23. Federal, State, County or City Agency Inspections**

A SDSY Safety Department representative must accompany all inspections conducted by an outside agency. The foregoing is only a guide and represents only the most common situations and procedures. Further guidance is available in the SDSY Safety Policies and Procedures Manual and in the Federal and State of California Directives.

## Subcontractor Environmental Requirements

### Environmental Policy

SDSY is committed to maintaining a healthy environment for its employees and for the citizens of our community. Accordingly, it is the policy of the company to comply with all applicable environmental laws and regulations, and minimize environmental risks, emissions to the air and water, and the generation of waste. The company will establish environmental objectives to support our commitment to continual improvement and pollution prevention.

This policy is available to the public, and is communicated to employees through the acronym "SOAR", which summarizes the key points of our environmental policy.

- S – Stop Pollution
- O – Obey Rules
- A – Always Improve
- R – Reduce Waste

### Environmental Guidelines

#### Hazardous Materials

All Subcontractors shall be responsible for understanding the hazards of particular materials with which they are working (Read the MSDS.) All containers of hazardous material shall be properly labeled with the character of the material, including hazards. Subcontractors shall ensure that the materials they bring onto the SDSY facility have MSDSs and that they are available to employees on site.

Hazardous material liquids shall have tight fitting lids and be closed at all times when not in use. Storage of hazardous liquids shall be provided with secondary containment if staged for more than 12 hours, or immediately if staged near storm drains or on piers.

#### Hazardous Waste

Hazardous wastes do not have MSDSs that identify the hazards of the materials in question if those materials have undergone any change or have been mixed with other materials. Additionally, hazardous wastes have specific handling and storage requirements which differ from those required of hazardous materials. For these reasons, particular attention is given to the management of hazardous waste. Some of these requirements include:

1. Hazardous waste shall not be accumulated (stored) for more than 90 days. The 90-day clock starts running as soon as any material is placed into the waste container. As soon as waste has been placed into a container it must have a label affixed to it. When a container is full it shall be scheduled for disposal as soon as practical.
2. All containers must have a 90 day accumulation label which includes the following information:
  - a) The name and address of the generator
  - b) The words "Hazardous Waste"
  - c) The contents, composition, and physical state of the waste
  - d) The hazardous properties
  - e) The accumulation date
3. All hazardous waste containers shall have their lids and rings affixed
4. All waste shall be evaluated for compatibility prior to storing or disposing of dissimilar

materials.

5. Empty drums/containers shall be labeled as ("Empty".) If an empty drum/container previously contained waste, the nature of that waste shall also be identified
6. Hazardous waste shall not be transported to or from off-site jobs and the SDSY facility. Hazardous waste generated at these off-site locations must be manifested /transported from the location where the waste was generated directly to a Treatment, Storage, and Disposal Facility (TSDF). Subcontractor environmental personnel shall arrange for, and coordinate with, SDSY environmental personnel for the pick-up of waste from these job sites
7. In no case shall hazardous waste be placed into trash dumpsters. This includes such wastes as oily rags, aerosol cans, paint chips, and abrasive blast grit
8. Abrasive blast (sandblast) grit shall be labeled as "Excluded Recyclable Material" and shall be handled with the same degree of care as all other hazardous waste. This includes the requirement to immediately cleanup abrasive blast grit which may be accumulating on pallets, equipment, under abrasive blast pots, and on or near the dry docks where abrasive blasting activity is taking place
9. SDSY shall direct which TSDFs and abrasive recycling facilities may be utilized for the disposal of all hazardous waste generated by SDSY

### **Water Quality**

Discharges to San Diego Bay from the shipyard are regulated through a permit issued by the Regional Water Quality Control Board. This permit is known as the National Pollutant Discharge Elimination System or NPDES program. This program controls the discharges from SDSY to the receiving water (San Diego Bay.)

One of the requirements of the NPDES permit is to establish and implement Best Management Practices or BMPs. These BMPs are designed to protect San Diego Bay from pollution resulting from SDSY ship repair operations. These BMPs establish methods for containment of pollutants, storm water control, and general housekeeping. This BMP program includes a process to review and improve the effectiveness of techniques used to prevent pollution. Copies of these BMPs should be maintained by all Subcontractors and should be referenced when conducting any activity which may cause pollution. A copy of the SDSY BMPs is attached for your use.

Storm water management is everyone's responsibility. The storm water management program focuses on housekeeping, pollution prevention, and pollution control. More formally, this program is called the Storm Water Pollution Prevention Plan or SWPPP and an associated Monitoring Plan. These plans describe the methods of control, as well as the monitoring activities, to be employed to ensure that the environment is being adequately protected. The primary ingredient to a successful storm water program is housekeeping and prevention of storm water from coming into contact with industrial activity. Therefore all Subcontractors shall do their part to keep their areas of production clean at all times in order to eliminate possible pollution pathways to San Diego Bay.

### **Air Quality**

San Diego Air Pollution Control District (APCD) Rules require permits for all devices, equipment, or processes that emit or could emit pollutants unless specifically exempted.

Copies of all permits need to be given to the Environmental Affairs Department. It is imperative that all

Subcontractors operating such equipment know and understand the conditions identified on their permits. Non-compliance with permit and operating conditions is a violation of law. Examples of permitted equipment or operations include spray painting, abrasive blasting equipment and diesel engines >5bhp. Prior to conducting Marine coating operations for a SDSY job at any site, the contractor must obtain a copy of the site Marine Coatings Operation Permit and abide by those conditions.

Emission control is especially important in the case of paint and solvent due to the volatile organic compounds (VOCs) associated with these products. In all cases, Contractors must record the use of VOC emissions containing chemicals daily, and shall be reported to the Environmental Affairs Department by the 10<sup>TH</sup> of the following month, in the required format, for all such chemical used at SDSY. For VOC containing chemicals used on SDSY jobs at other locations those reports are to be submitted directly to the host site by the 10<sup>th</sup> of each month.

### **Reporting of Releases of Hazardous Materials/Waste**

The SDSY facility is regularly inspected to ensure that all Subcontractors, employees and customers are all doing their part to protect the environment. Identification and reporting of incidents involving hazardous materials is an important part of the environmental program at SDSY.

SDSY has a legal responsibility to document and report spills and releases of hazardous materials and waste. More importantly, the prompt reporting of these incidents can save lives and protect the environment. It is for these reasons that all Subcontractors are required to report releases and spills of hazardous materials or waste to Environmental Affairs as soon as possible. Subcontractors using the absorbent materials maintained on their job site can readily clean small spills of oil and other lubricants. If you are unfamiliar with the spilled material or are in any way unsure of the situation, call environmental affairs for support.

All environmental emergencies shall be reported to Security at ext. 218. For non-emergencies you may call 510.

**SDSY has a progressive recycling program, all subcontractors are required to ensure their personnel are segregating recyclables and placing the recyclable material in the appropriate container. SDSY takes recycling very seriously. Failure to properly participate in SDSY's recycling program or improper disposal of any waste may include minor disciplinary action such individual removal from the facility, up to revocation of active contracts and prohibition from future contracts.**

### **Additional Resources**

The following is a list of environmental programs and information available for use as necessary to ensure that activities conducted by Subcontractors are protective of the environment:

1. SDSY Environmental Management System Manual
2. National Pollutant discharge elimination System (NPDES) permit
3. Best Management Practices (BMP) Plan
4. Storm Water Pollution Prevention Plan (SWPPP)
5. Storm Water Monitoring Plan (SWMP)
6. Storm Water Diversion System Operating Plan
7. Hazardous Materials Business Plan for Emergency Response
8. Spill Prevention Control and Countermeasures Plan (SPCC)
9. Industrial Wastewater Management Plan

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10. APCD equipment permits
11. SDSY MSDS system
12. SDSY Hazard Communication System (Chemical Safety)
13. "Crafting Quality Environments" training materials

## Security

### Subcontractor's Security Guidelines

1. Subcontractors currently unapproved on the Subcontractor Status List will be denied access to the facility until they resolve issues pertaining to their unapproved status.
2. All Subcontractor personnel are required to display a SDSY ID badge starting January 1<sup>st</sup> of 2016.
3. All non-SDSY visitors coming into SDSY are required to obtain a SDSY badge while working at SDSY.
4. All pedestrians, including those with bicycles, are required to enter and exit through the Main Gate. Bicycles are not authorized on the piers and must be parked in the bicycle racks at the entrance of Main gate.
5. Subcontractor company vehicles will be allowed in the facility to load and unload supplies. Subcontractors are not authorized to park in SDSY parking lots without a parking permit.
6. No vehicles are allowed on the piers.
7. THE MAXIMUM SPEED LIMIT AT SDSY IS 5 MPH.
8. All vehicles, tool bags, and personal effects are subject to search upon entering or departing SDSY.
9. Material will be unloaded in the loading zones only and the SDSY material movement system utilized.
10. Personnel must check in with the Security Department prior to bringing photographic equipment within the facility.
11. A Material Transfer Chit (MTC) is required for SDSY property taken offsite by a SDSY employee.

### Classified Contracts

If access to classified information is required a security requirement clause and a contract security classification specification shall be incorporated in the solicitation and the subcontract. Subcontractors must possess an appropriate Facility Clearance Level (FCL) and employee must possess the appropriate Personal Clearance Level (PCL), if possessing of classified information will be required, safe guarding capability is required.

- If access is not required during the pre-award phase an FCL is not required to receive a solicitation

- If access is required during the pre-award phase all prospective subcontractors must possess the appropriate FCL and PCL

#### Prospective subcontractors without an FCL

- Subcontractors cannot request an FCL for themselves. A government contracting agency or a presently cleared contractor must sponsor them
- Request must be based on a bona fide procurement need for the prospective subcontractor to have access to classified information

### **No Foreign Nationals**

On contracts that are designated “No Foreign Nationals,” access is restricted to U.S. citizens only.

### **Access to Specification and Drawings**

Subcontractors who wish to obtain access to Specifications and Drawings for bidding purposes must complete and return the Certification of Export Control Compliance set forth below. These specifications, drawings and other documents provided during the bidding process contain technical data whose export are restricted by the ARMS Export Control Act (Title 22, U.S.C. Section 2751, et seq.) or Executive Order 12470. Violation of these export laws are subject to severe criminal penalties. Export of restricted data occurs when it is provided-to, or viewed by, a “Foreign Person” within the meaning of the above export control laws. Completion and return of this Certification is also required to obtain a password in order to access the San Diego Ship Repair Subcontractor On-Line Specification and Drawing web site.

### **Security and Visit Requests**

When hired as a subcontractor for SDSY and there is a need for your employees to board and work on a vessel, a visit request must be submitted electronically to the Security Department. All visit requests must include the verbiage “All employees have been certified through E-Verify”. Please call (619) 234-8851 ext. 215 or 217 for more information. The SWRMC –Contractor visitor Request form can be downloaded from the Southwest Regional Maintenance Center (SWRMC) website <http://www.swrmc.navy.mil/visitors.html> The Contractor Visitor Request form must be sent to SDSY as soon as possible but at least 7 business days prior to your employees accessing the vessel.

All information must be complete on the Contractor Visitor Request form. If any of the requested information does not apply, please mark with N/A. Certificate of Naturalization # or Passport # must appear for all employees born outside of the United States who are now US citizens. Alien Registration # must appear for all employees who are not US citizens.

Nuclear vessels require Radcon Training. Each employee submitted for access must have completed Radcon Training and that date must appear on the Visit Request Form the date must be month/day/year. Radcon Training is valid for one year. Refresher course is available and must be taken yearly. If you have any questions on how to get the required training, please feel free to contact SDSY Training Department at extension 291. All employees submitted for access to a nuclear vessel must be US citizens.



If you have any questions, please contact the Facilities Security Officer, at (619) 234-8851 ext. 215.

### **Additional Security Requirements for Access to SDSY Premises**

SDSY access requirements apply to all visitors, subcontractors, third parties and any other non-SDSY employees requesting access to SDSY as described below.

A. Subcontractors/Vessel Personnel

1. All subcontractors are required to have valid photo employee ID badges from their company prior to entry. Security issues a SDSY ID badge for any Subcontractor who is U.S. Person Subcontractors for Navy vessels are pre-approved by each Navy Vessel and a list is provided to security prior to the arrival of any Subcontractors.
2. While at the facility all subcontractors/vessel personnel must possess a SDSY ID badge and must be visible at all times and present it upon request by security/competent authority/government representative.

Note: If the arrival of Subcontractors, contractors, or pilots is not pre-arranged, entry is prohibited until the need to enter is verified by proper authority.

B. Truck Drivers/Passengers

1. Truck drivers and passengers are required to have a valid photo employee ID badge from their company. SDSY will issue a SDSY ID badge once it's been verified the person/driver is a U.S. person. They must either be pre-approved or on a valid Subcontractor or contractor access list. All SDSY deliveries are allowed access to shipping and receiving after verification of U.S person and a SDSY badge is issued. Deliveries for the vessel are unloaded at the head of the pier where the vessel is docked. Once the cargo is unloaded, delivery personnel are required to leave the facility.

C. Visitors (all personnel not falling into other categories)

1. Visitors must be pre-approved and are required to have a valid photo ID for verification purposes. Visitors are then issued an escorted badge that must be worn in plain sight. While at the facility, all visitors are required to present photo ID upon request by any security personnel/cognizant government representative. The visitor must be escorted at all times; security contacts the cognizant individual to escort the visitor.
2. Visitors not scheduled in advance are denied entry until the proper authority authorizes the visit.

3. Children will not be granted access to SDSY unless pre-approved by SDSY management or the facilities security officer.

D. Deliveries

1. All deliveries are spot checked by security at the Main Gate. If the delivery is for a vessel, Security checks the delivery sender against access lists for approved Subcontractors and contractors. All Subcontractors and contractors will need to present a SDSY ID badge before entering SDSY premises. Deliveries for vessels are offloaded at the head of the pier where the vessel is docked and screened by the roving security officer. Deliveries to the shipping and receiving department are screened by shipping and receiving. Signs are posted advising personnel of this requirement at the Main Gate. This does not include cargo containers.
2. Arrival of deliveries from Subcontractors/contracts not on pre-approved access lists must be scheduled in advance. Where not scheduled in advance, deliveries are prohibited entry to facility until approved by a competent authority or Subcontractor/contractors will need to be escorted by SDSY personnel or ship's force

### **Parking Regulation**

- A. Vehicles without parking passes will not be permitted to park in SDSY parking lots. Parking passes are issued only by the Facilities Security Officer.
- B. Vehicles with parking passes are only to be parked where instructed by the Security department.

### **Camera Pass and Authorization**

- A. A request for a camera pass is required to be submitted on the Visit Request Form.
- B. Personnel must check in with the Security Department prior to bringing equipment within SDSY.
- C. Individuals found with photographic equipment prior to approval will be barred from the facility.

### **Search Requirements**

All persons, packages and vehicles entering or leaving the facility are subject to search by Security personnel. Signage is posted in clear view of anyone entering the facility stating that all vehicles entering or leaving the facility are subject to search.

## **Workplace Violence Prevention Program**

- A. SDSY does not tolerate any threats, intimidation or acts of violence. The company is dedicated to providing a safe workplace for employees and visitors and maintains compliance with applicable laws and regulations. The company is committed to furnishing a work environment that is free of acts of violence, the threat of violence or employee intimidation at all company elements.
- B. Employees, subcontractors, contract labor, visitors and anyone else on SDSY premises are prohibited from creating and contributing to circumstances which create or result in an abusive or violent workplace environment.
- C. Notify SDSY Security of any reports of threats, intimidation or acts of violence.

## **Gate Pass Instructions**

To ensure only authorized material, tools and equipment are removed from SDSY facilities, all equipment and material must be identified and all required forms (provided by SDSY Security) must be properly completed and approved by SDSY Security prior to exiting the SDSY facility. Note that Team member superintendents and/or Ship Managers are required to sign form SECF-032, Gate Pass, for subcontractor equipment and material brought onto SDSY facilities in performance of any subcontract, and Subcontractors are required to present the completed/signed form SECF-032 to SDSY Security before exiting.

SDSY Security will inspect all gang boxes for all companies working within the SDSY facility, and will seal it after inspection. After SDSY Security applies a seal, the gang box may not be reopened without re-initiating this process.

## **Policy for Suppliers Unescorted Access to SDSY Facility**

It is a SDSY policy to ensure that suitable checks (conducted in a manner fully compliant with applicable national laws, national regulations and contractual obligations, and appropriate to the work that the individual will undertake) are applied to all employees prior to recruitment and to any contractors either located on or requiring unescorted access to SDSY. Verification of the following elements is required as a minimum:

- A. Identity and right to Work Verification (Criteria: A successful I-9/E-Verify System check)
- B. Criminal conviction check, to the extent permitted by applicable law, for a minimum of previous seven years for each country lived in (Criteria: No record of misdemeanors, occurrence greater than seven years prior, then the Supplier may choose to provide an explanation of the event to SDSY. SDSY will review the explanation against security requirements.
- C. Education verification for decreed positions only; and
- D. Employment verification for a minimum of three years of employment history (Criteria: Employment history is confirmed as presented)
- E. DMV history check in the state of current license
- F. Denied Party Screening, Background Investigations.

In order to confirm compliance with this policy, SDSY's Security Department is required to receive the verification of compliance from all of its suppliers whose personnel will be requiring a SDSY ID badge to access SDSY.

# Invoicing Procedure

## Purpose

This instruction provides the steps for approving progress payment invoices at 25%, 50%, 75%, and 100% and for completion and routing of Certificates of Completion (COCs) Form BIMS CF-100. It also establishes responsibilities and time frames for each group responsible for approving completion of work and payment for subcontractors.

## Scope

Applies to Accounts Payable (A/P), Quality Assurance (QA), Program Management, Contracts, Environmental Health & Safety (EH&S), SDSY NPA Representative (GFM/PTD), Material Support, and Facilities.

## Procedure

**PROGRESS PAYMENTS:** The following is applicable to all firm-fixed-price subcontractor invoices requesting progress payments.

Subcontractors submit invoices properly identifying the Purchase Order number and/or ship as well as the percent invoiced (25%, 50%, 75%, etc.) to Contracts and/or Accounts Payable. Invoices may be e-mailed, faxed or mailed. Only one copy of the invoice is required.

- 1) Invoicing on individual line items is accepted at the Contract Administrator's discretion.
- 2) Progress payment percentages are 25%, 50%, 75%, etc. and are contingent on the Contract Administrator's approval.

Accounts Payable and/or Contracts stamps the invoice (25%, 50%, 75%, etc.) and obtains the required signatures from Contracts Administrator and Program Management (authorizing email from Program Management is acceptable and shall be attached to invoice, if received). If there is disagreement with the percent invoiced, the documents are immediately returned to the subcontractor with an appropriate explanation.

After the required signatures are obtained, Accounts Payable pays the invoice per the pay cycle policy. A Certificate of Completion (COC) Form BIMS CF-100 is not required for progress payments on subcontractor purchase orders.

**100% PAYMENTS:** The following is applicable to all firm-fixed price subcontractor invoices for 100% payment of a Purchase Order.

A COC Form BIMS CF-100 is required for 100% payment of Purchase Orders that do not specify "No Certificate of Completion Required". COC Form BIMS CF-100 is provided with the purchase order. In addition, this form is available in the Contracts Department upon request.

The COC Form BIMS CF-100 is submitted to Contracts where it gets logged into the CoC Log to initiate the routing process.

The parties responsible for the 100% COC Form BIMS CF-100 (Program Management,

Subcontracts Manager, Contracts Administration, Quality Assurance, SDSY NPA Representative (GFM/PTD), and Environmental Health & Safety) are contacted by Contracts by e-mail or voice mail (or both) for approvals.

Each functional area required to sign the COC Form BIMS CF-100 ensures the subcontractor has met their obligations relative to the functional area; e.g., QA ensures the subcontractor has met all quality assurance requirements, inspections, and reports. Any incomplete contract requirements are reported to Contracts to notify the subcontractor of the deficiencies.

If there are no deficiencies, the person(s) responsible for signing the COC Form BIMS CF-100 do so and return to the Contracts office (central location). Contracts notifies the subcontractor (by email or voicemail (or both)) that the 100% COC Form BIMS CF-100 is complete and is being submitted to Accounts Payable (if invoice is attached) for processing, or requests that invoice be submitted for prompt payment. It is the subcontractor's responsibility to turn in the invoice(s) corresponding to 100% PO billing to Contracts and/or Accounts Payable.

For COCs Form BIMS CF-100 where the subcontractor has not fulfilled their obligation the Contracts Administrator notifies the subcontractor's senior management of the areas of deficiency and the additional information needed to complete the COC Form BIMS CF-100. Contracts Administration annotates the COC Form BIMS CF-100 with the date and time of notification. If the subcontractor does not respond within seven days, the COC Form BIMS CF-100 is forwarded to the senior management for resolution.

In those instances where A/P receives a 100% invoice without the corresponding COC Form BIMS CF-100, A/P will place the invoice in Contracts inbox for review. Contracts will verify the information on the invoice is accurate and proceed accordingly for approvals.

Invoices are aged for payment from the later of, the date of invoice, or the date of the final signature on the COC Form BIMS CF-100.

## **Drug and Alcohol Policy**

It is SDSY policy to promote a drug and alcohol free work environment. To this end, all Subcontractors are to employ methods and institute policies to ensure a drug and alcohol free workforce. Additionally, Subcontractors are not to report to work in a condition that would impair their ability to perform their job duties efficiently and safely due to the influence of drugs or alcohol. The possession, sale, and/or distribution of restricted substances are prohibited. Any Subcontractor who violates this drug and alcohol policy may be barred from access to the SDSY facility and all contracts being performed by SDSY.

## Export Clause

### EXPORT RELATED REQUIREMENTS:

- (i) Export Compliance. Seller is advised that its performance of the purchase order may involve the use of or access to articles, technical data or software that is subject to export controls under 22 United States Code 2751 – 2796 (Arms Export Control Act) and 22 Code of Federal Regulations 120 – 130 (International Traffic in Arms Regulations) or 50 United States Code 2401 – 2420 (Export Administration Regulations) and their successor and supplemental laws and regulations (collectively hereinafter referred to as the “Export Laws and Regulations”). Seller represents and warrants that it is either 1) a U.S. Person as that term is defined in the Export Laws and Regulations, or 2) that it has disclosed to Buyer’s Representative in writing the country in which it is incorporated or otherwise organized to do business, or if a natural person, all citizenships and US immigration status. Seller shall not give any license(s) issued there under.
- (ii) Foreign Personnel. Seller shall not give any Foreign Person access to Technical Data, software or Defense Articles, or provide an unauthorized Defense Service as those terms are defined in the applicable Export Laws and Regulations without the prior written consent of Buyer. Any request for such consent must state the intended recipient’s citizenship(s), and status under 8 U.S.C. 1101 and 8 U.S.C. 11324 (the “Immigration and Naturalization Act”), and such other information as Buyer may reasonably request. No consent granted by Buyer in response to Seller’s request hereunder shall relieve Seller of its obligations to comply with the provisions of (i) above or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of (i) above, nor constitute consent for Seller to violate any provision of the Export Laws and Regulations.
- (iii) Indemnification. Seller shall indemnify and save harmless Buyer from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorney fees arising out of claims, suit, allegations or charges of Seller’s failure to comply with the provisions of this paragraph and breach of the warranty set forth in (i) above. Any failure of Seller to comply with the requirements or any breach of the warranty contained in this paragraph shall be a material breach of the purchase order.
- (iv) Subcontracts. The substance of this paragraph shall be incorporated into any subcontract entered into by the Seller for the performance of any part of the work under the Purchase Order.



## Program Management

The Program Manager (PM) or Ship Superintendent (SS) is the Subcontractor's production point of contact for all jobs.

During all availabilities (CMA, emergent, SRA, DPMA, or PMA) the Subcontractor must coordinate all material deliveries/pick-ups, for lift/crane support, etc. through the PM or SS. Work chits are required for these requests.

All Inspection Discrepancy Reports (IDRs) must be submitted to PM or SS for review prior to submittal to the government. Answered IDRs will be review by PM prior to distribution, typically in designated mailboxes in the Production office or trailer.

All Subcontractors will be notified of and expected to attend Daily Pier Meetings, normally conducted at 0700 each morning. Additionally, a weekly Production Update meeting is held. Subcontractor is expected to provide current job status, percent physical progress, and material availability for each work item. At this time any schedule changes will be noted.

Prior to contract start Subcontractor will be required to attend a Pre-Availability Meeting. At this meeting all issues will be discussed including milestones, meeting time frames, safety issues, specification review, quality assurance requirements, etc. Additionally, you will be asked to provide a preliminary production schedule. Information to provide includes start dates, completion dates, durations, interface issues, etc.

All overtime requests must be provided to the PM or SS by noon Thursday. All overtime (where additional compensation is requested) must be approved by PM, SS, or Contract Administrator prior to being worked.

Notification must be provided by 1300 when 2<sup>nd</sup> shift work is required.

No smoking, eating or drinking, except for water, is allowed on ships. A lunch area is provided on the pier apron, as are vending machines and microwave. A lunch truck is available prior to first shift and during lunch.

Parking in the yard is very limited and requests must be forwarded to the Security office.

Production shops are off limits. If entry is required for any reason, Subcontractor must be escorted by shop personnel.

### **SDSY Work hours:**

First Shift 0600 – 1430

Second Shift 1400-2230

Third Shift 2230-0630

## Quality Assurance

All pertinent quality assurance issues will be discussed during each Subcontractor's Approval Review and during each Pre-Availability Meeting. Upon issuance of a purchase order (PO) to your company, you may be contacted by your assigned Quality Assurance Representative to schedule a formal in-brief prior to being issued a Test and Inspection Plan (TIP). If PO is for growth work or additional material, or the like, QA may at its discretion issue the TIP without conducting this in-brief. You must be in receipt of a TIP for all work that requires test/inspections/reports prior to accomplishing work. The issues to be discussed include, but are not limited to, check point notification, Test Inspection Plan (TIP) input, and Corrective Action Requirements (CAR). Should you have any specific questions regarding quality assurance please contact the quality assurance department direct at (619) 234-8851, ext. 551.

Failure to provide or address the following issues may result in removal from contract, delayed payment processing or exclusion from the SDSY Approved Subcontractor List:

1. Failure to provide proof of personnel certification, training or other required documentation of ability to perform the assigned task
2. Failure to provide required records, procedures or instructions where required by specification
3. Incomplete or unanswered requests for audits, corrective or preventive action(s)
4. Objective Quality Evidence not received and/or accepted by SDSY, including
  - a. Check Point Forms
  - b. Required Reports
  - c. Inspection or Test Reports
  - d. Completed Test Memos
  - e. Corrective Actions Closed out/Accepted

## **EC-06 Best Management Practices**

EC-06 BMP can be found at: <https://tsd.huntingtoningalls.com/supplier-resources/cmsd-oasis>.

## General Requirements for Navy Ship Repair Subcontractors

Subcontractors doing ship repair work for SDSY must comply with the procedure outlined below, in addition to all purchase order terms and conditions:

1. All subcontractor personnel are required to have a valid company badge prior to being permitted access to the SDSY facility.
2. The subcontractor will contact the SDSY ship superintendent before commencing any work on board the ship. The subcontractor is not to communicate with the Supervisor of Shipbuilding, Conversion and Repair representatives without prior permission from the SDSY ship superintendent.
3. After the ship superintendent or his representative has checked out all areas in which work is to be accomplished, the Subcontractor(s) will be notified to proceed. A security list containing the name, badge number, social security number, date of birth, place of birth, citizenship and security clearance (if any) of all personnel must be provided via email to the SDSY security officer at least three (3) working days prior to any requirement to board any ship where work is required or to enter a SDSY facility. The VAR located on the Southwest Regional Maintenance Center (SWRMC) website may be used (SWRMC.navy.mil)
4. The Subcontractor(s) will ensure that he has all necessary specifications and drawings required to complete the job. If the Subcontractor cannot obtain such specifications and drawings, the SDSY ship superintendent shall be notified immediately prior to any work beginning.
5. In general, any question or problem concerning subcontractor's processing of work for SDSY shall be brought to the immediate attention of the SDSY ship superintendent or his representative.
6. The Subcontractor(s) will comply with the provisions of OSHA Regulations Part 1915.10 with regard to safety and health regulations for ship repairing. Maintain a current Log of Inspection by shipyard competent person (formerly OSHA-74) posted in all spaces requiring such safety precautions. While in the SDSY facility, hard hats, safety glasses, and leather shoes conforming to SDSY safety requirement must be worn by all subcontractor personnel. Subcontractor personnel must wear a photo identification badge at all times that conforms to SDSY security procedures.
7. You must comply with all applicable NAVSEA Standard Items of the fiscal year invoked on the work specification. A copy will be provided to you upon request. Submit welding procedures and supply certifications, when applicable. Duplicate documentation must accompany shipment. Forward completed test and inspection plans immediately following completion of work to the SDSY Quality Assurance. Standard items are invoked requiring certification and calibration of test and measuring equipment. Forward documentation verifying compliance with these requirements to SDSY, Quality Assurance, when required.
8. Your purchase orders for all work being sent from your plant to be accomplished outside of a 50 mile radius of the Contractors yard, will be delivered to SDSY Quality Assurance prior to any equipment leaving your facility. Purchase orders will include the name, address, and zip code of your Subcontractor that is to accomplish the work, along with copies of relative drawings, work specifications, and an accurate description of work to be accomplished. Your purchase order must pass along to your Subcontractor all contractual and quality requirements invoked on you by SDSY purchase order. If Government Source Inspection (GSI) is invoked, evidence of Government inspection must be evident on completed test and inspection documentation.
9. During performance on this order, your quality control or inspection system and manufacturing processes are subject to review, verification, and analysis by authorized Government

- representatives and the SDSY. Quality Assurance. Government inspection or release of product prior to shipment is not required unless you are otherwise notified.
10. The Subcontractor will comply with SDSY memorandum of company policy on providing and accomplishing Process Control Procedure (PCP) to meet the requirements of Standard Item 009-09. As part of this procedure, your proposed PCP(s) are subject to final acceptance by SDSY Quality Assurance. That department may recommend that specific changes be incorporated in the proposed procedure(s) as originally submitted by your company. Completed PCPs will be submitted to the SDSY Quality Assurance. Completed PCPs must include all objective Quality Evidence (e.g. training documents, checkpoints, required reports, etc.).
  11. Subcontractor shall maintain all required material certifications in an immediately available file (24-hour recovery) for a period of 1 year from delivery of the material ordered by buyer. Subcontractor shall continue to maintain such material certification in recoverable archives for an additional 5 year period.