



**Continental Maritime
of San Diego**

February 01, 2021

Dear Vendors,

Continental Maritime of San Diego (CMSD) is pleased to provide you with this updated Guidebook, which is intended to answer many of your frequently asked questions related to doing business with CMSD.

For purposes of brevity and clarity this Guidebook is not meant to cover all possible questions or situations. Please contact the Subcontractors Managers 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 CMSD and its Vendors 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,

Subcontractors Manager
Continental Maritime of San Diego



Vendor Guidebook
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Business Conduct and Ethics Program

The OpenLine Process

Open communication is especially important when our integrity as a company is compromised. The company's OpenLine process offers a confidential way to ask questions, voice concerns or report a suspected violation of the Code of Ethics and Business Conduct. Contact the OpenLine to raise concerns about:

- Time reporting (intentionally falsifying or misstating time)
- Mischarging (unallowable or shifting costs)
- Misuse of company resources/information
- Government overpayments
- Procurement fraud or contract fraud
- Bribery
- Gratuities
- Accounting issues
- Conflicts of interest (organizational, financial, personal)
- Customers or suppliers
- Quality/manufacturing
- Other ethical violations
- Export/import control compliance issues
- Retaliation

Continental Maritime of San Diego OpenLine: 877-631-0020

The toll-free number is answered 24 hours a day, 7 days a week, by an independent third party. OpenLine callers may identify themselves openly, remain anonymous or request confidentiality. Retaliation against any individual who in good faith reports a concern will not be tolerated.

Web reporting is also available at: <https://ethcomp.com/CMSD>. Emails can also be sent to openline@cmsd-msr.com. While the OpenLine is one alternative for reporting misconduct, any employee with a concern about misconduct such as fraud, waste and abuse can write directly to the Audit Committee at:

Chair, Audit Committee
Continental Maritime of San Diego
1995 Bay Front Street
San Diego CA, 92113

Material Support Department

All vendors are required to provide their quotes in the same format as required by the CMSD Purchasing Manager or a Purchasing Representative. CMSD will provide the format upon requests.

Upon CMSD award, a CMSD Purchasing representative will contact the Vendor and a purchase order will be issued.

CMSD

If vendor is required to deliver and/or repair equipment on a military base, all individuals requiring access must have a Defense Biometric Identification System (“DBIDS”) and Pier Access. Furthermore, access to the Naval Base Coronado requires individuals to be a U.S. Citizen. If sponsorship to obtain a DBIDS is required, please contact CMSD Security.

Vendor 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:

Continental Maritime of San Diego
1995 Bay Front Street
San Diego, CA 92113

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

Environmental, Health, & Safety for Non CMSD Employees

All Visitors/Vendors are required to wear long pants, hardhat, OSHA approved eye protection, and leather shoes while within the CMSD 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 CMSD 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 CMSD facility.

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

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

No Smoking Policy

It is the policy of CMSD 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.

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

Drug and Alcohol Policy

It is CMSD policy to promote a drug and alcohol free work environment. To this end, all suppliers are to employ methods and institute policies to ensure a drug and alcohol free workforce. Additionally, suppliers 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 supplier who violates this drug and alcohol policy may be barred from access to the CMSD facility and all contracts being performed by CMSD.

Security

Security Guidelines

1. All Vendor personnel are required to display their company badge upon entry to and while at the CMSD Facility.
2. All non-CMSD visitors coming into CMSD are required to obtain a CMSD badge when working longer than twenty-one days.
3. 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.
4. Vendor company vehicles will be allowed in the facility to load and unload supplies. Vendors are not authorized to park in CMSD parking lots without a parking permit.
5. No vehicles are allowed on the piers.
6. THE MAXIMUM SPEED LIMIT AT CMSD IS 5 MPH.
7. All vehicles, tool bags, and personal effects are subject to search upon entering or departing CMSD.
8. Material will be unloaded in the loading zones only and the CMSD material movement system utilized.
9. Personnel must check in with the Security Department prior to bringing photographic equipment within the facility.
10. A Material Transfer Chit (MTC) is required for CMSD property taken offsite.

No Foreign Nationals

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

Access to Specification and Drawings

Vendors 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.

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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 Supplier On-Line Specification and Drawing web site.

Additional Security Requirements for Access to CMSD Premises

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

A. Vendors/Vessel Personnel

1. All vendors are required to have valid photo employee ID badges from their company prior to entry. Security issues a CMSD visitor badge for any supplier whose company does not issue photo ID badges. Suppliers for

Navy vessels are pre-approved by each Navy Vessel and a list is provided to security prior to the arrival of any suppliers.

2. While at the facility all vendor /vessel personnel must possess valid ID and present it upon request by security/competent authority/government representative.

Note: If the arrival of suppliers, 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. While at the facility, truck drivers/passengers must present an ID when requested by any security/government representative. They must either be pre-approved or on a valid vendor access list. CMSD deliveries are allowed access to shipping and receiving. 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 a one-day pass 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. If the visitor must be escorted, 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 CMSD unless pre-approved by CMSD 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 suppliers and contractors. Deliveries for vessels are offloaded at the head of the pier where the vessel is docked and screened by the roving security guard. 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 vendors 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.

Parking Regulation

- A. Vehicles without parking passes will not be permitted to park in CMSD 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 CMSD.
- 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. CMSD 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 CMSD premises are prohibited from creating and contributing to circumstances which create or result in an abusive or violent workplace environment.
- C. Notify CMSD 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 CMSD facilities, all equipment and material must be identified and all required forms (provided by CMSD Security) must be properly completed and approved by CMSD Security prior to exiting the CMSD facility. Note that Team member superintendents and/or Ship Managers are required to sign SECF-032, Gate Pass, for vendor equipment and material brought onto CMSD facilities in performance of any subcontract, and Vendors are required to present the completed/signed SECF-032 to CMSD Security before exiting.

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

Policy for Suppliers Unescorted Access to CMSD Facility

It is a CMSD 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 CMSD. 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 CMSD. CMSD 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)

In order to confirm compliance with this policy, CMSD's Procurement Department is required to received verification of compliance from all of its suppliers whose personnel requires unescorted access to CMSD.

Non-Conforming Product and Vendor Control

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

Procedure

1. Evaluation Criteria
 - a. Vendors 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. Vendor Evaluation
 - a. Vendors are evaluated by reviewing Vendor 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. Vendor Evaluation Forms are sent.
3. Vendor Control
 - a. Vendor performance is evaluated by the material support buyer as a function of timeliness, accuracy and product quality. Discrepancies are documented using CMSD Corrective Action Response (CAR) Database.
 - b. Vendors 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 CMSD and its customers for audit or verification activities
 - d. Any requirements for qualification of personnel

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- e. Other information that will be needed by their vendor to provide a product that 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 CMSD Material Problem Report Database.