SALE OF SURPLUS PROPERTY

PAGE 1 OF

INVITATION TO BID

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| --- | --- | --- | --- |
| FROM: HUNTINGTON INGALLS INCORPORATED  INGALLS SHIPBUILDING DIVISION P. O. BOX 149 PASCAGOULA, MISSISSIPPI 39567 MAIL STATION 1090-55 | Invitation No. |       |  |
|  | Bid Closing Date: |       |  |
|  | Award Date: |       |  |
| BY: |       |  |  | Place of Opening: |       |  |
| TO: |       |  |  | Property may be inspected at: Ingalls Shipbuilding, Monday through Friday7:00 A.M. through 1:00 P.M., Holidays excepted: |
|  |       |  |  |  |
|  |       |  |  | Date Issued: |       |  |
|  |  |  |  |  |  |  |
| Sealed bids are solicited for the purchase and removal of property listed below. All bids must be received prior to bid opening. In case of tie, award will be made to earliest postmarked bid. Bids must be submitted in units as indicated in unit column. The envelope containing your bid must be sealed and the lower left front of the envelope marked to show Bid Control No.      . Bids are subject to the General Terms and Conditions Surplus Sales on Page 2. PLEASE NOTE: To permit review of bids and evaluation, award may be delayed two weeks from bid closing date. |
|  |  |  | UNIT | BIDDER FILL IN |
| ITEM NO. | ITEMS FOR SALE | ESTIMATED QUANTITY | OF MEAS. | PRICE BIDPER UNIT | TOTAL BID |
|                                                                             |                                                                             |                                                                             |                                                                             |                                                                             |                                                                             |
|  |  |
| TO BE FILLED IN BY BIDDER: | Above Bid Submitted Pursuant to Stated Provisions:      |  |
|  | Signature |
|  |       |  |
|  | Type Name and Title |

GENERAL TERMS AND CONDITIONS SURPLUS SALES

1. INSPECTION: Bidders are urged and cautioned to inspect the property to be sold prior to submitting a bid. Property is available for inspection at time and place specified. Failure to inspect shall not constitute grounds for a claim or withdrawal of a bid.

2. CONDITION AND LOCATION: The parties expressly agree and acknowledge that the Seller is not a merchant with respect to goods covered by this surplus sales agreement. Moreover, the Buyer acknowledges that he is not relying on any special skill, knowledge or recommendation by the Seller in connection with this transaction. Rather, the Buyer acknowledges that he is relying solely on his own inspection and evaluation of the surplus property, which is only offered for sale "as is" and "where is" and without recourse against the Seller. The Buyer further acknowledges his understanding that the Seller makes no warranty, express or implied, as to quantity, kind, character, quality, weight, size or description of any of the property or its suitability for any use or purpose. Therefore, the parties agree that no warranty applies to the surplus property sold. The Seller also specifically disclaims any warranty of MERCHANTABILITY, or fitness for any particular purpose.

3. ACCEPTANCE AND APPROVAL: The Seller reserves the right to reject any and all bids submitted. Only the successful bidders will be notified of awards.

4. PAYMENT: Payment of full purchase price shall be made by certified check or cashier's check to the Seller within five days of notification of acceptance of bid, and in any event before removing any of the items from the premises.

5. VARIATION IN QUANTITY OR WEIGHT: Any variation in quantity or weight of any item between that listed on bid and that delivered will be adjusted on basis of unit price quoted for such items. No adjustment for variation will be made when property is sold on a "price for lot" basis.

6. WEIGHING: In the event the Seller does not have scales available on the premises, the Buyer shall arrange for and pay expenses of weighing material and shall use scales acceptable to both parties, provided that the material is sold on a per pound basis.

7. TITLE: Title to property sold hereunder shall vest in the Buyer as and when delivery to the Buyer or his designated Agent is made.

8. DELIVERY AND REMOVAL OF PROPERTY: Buyer is entitled to obtain property upon full payment therefor. Buyer shall remove the property at his expense within ten working days from receipt of payment, unless noted otherwise in the invitation to bid.

9. RISK OF LOSS: After the award and prior to removal, all risk of loss, damage or destruction from any cause whatsoever shall be borne by the Buyer, except for willful damage or destruction by the Seller or its agents. The Seller shall be responsible only for the exercise of reasonable care for protection of the property and in the event of loss, damage or destruction of all or any part thereof as a result of Seller's negligence, Seller shall reduce the sale price applicable to the lost, damaged or destroyed goods as set forth in Condition Number 5.

10. DEFAULT: Should Buyer fail to perform according to the terms and conditions hereof, or otherwise breaches his Agreement, and does not cure such failure or breach within a period of 15 days from receipt of written notice of Seller specifying such breach or failure, Buyer shall lose all right, title and interest which he might otherwise have acquired in and to such property, and any payments made by Buyer hereunder shall be forfeited as liquidated damages of Seller.

11. SELLER'S LIABILITY: The Seller shall not be liable for property damage or personal injury to equipment or personnel or to third persons incurred during inspection prior to sale or removal of property. Further, each bidder and Buyer agrees to indemnify or hold harmless the Seller from any loss, damage or personal injury in connection with inspection by such bidder or removal of property by the Buyer. Each bidder and Buyer agrees to maintain public liability and property damage insurance in reasonable amounts to cover such obligations.