AWARD/CONTRACT

2. CONTRACT (Proc. Inst. Iden.) No. N00024-02-C-2300

3. EFFECTIVE DATE SEE BLOCK 20C

4. REQUISITION/PURCHASE REQUEST/PROJECT NO. N00024-00-VR-91253

5. ISSUED BY NAVAL SEA SYSTEMS COMMAND
   CODE: N00024
   BUYER/SYMBOL: Chris Sherman/SEA 02232
   1333 ISAAC HULL AVENUE SE STOP 2020
   WASHINGTON NAVY YARD DC 20376–2020
   PHONE: 202-781-3934

6. ADMINISTERED BY SUPSHIP San Diego
   (if other than Item 5) CODE: N62791
   CRITICALITY DESIGNATOR: "C"
   Naval Station Box 368119
   3600 Surface Navy Boulevard
   San Diego, CA 92136–5066

7. NAME AND ADDRESS OF CONTRACTOR (Name., street, city, county, State and ZIP Code)
   NATIONAL STEEL AND SHIPBUILDING COMPANY
   2798 HARBOR DRIVE
   SAN DIEGO, CA 92113
   DUNS NO.: 091598932 TIN NO.: 952076637
   CODE 81220 FACILITY CODE

10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE
    ADDRESS SHOWN IN:

11. SHIP TO/MARK FOR
    CODE

SEE SECTION F

12. PAYMENT WILL BE MADE BY
    CODE 068892

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN
    COMPETITION: N/A

15A. ITEM NO. 15B. SUPPLIES/SERVICES

SEE SECTION B

15G. TOTAL AMOUNT OF CONTRACT $406,883,256

16. TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>(X) SEC.</th>
<th>DESCRIPTION</th>
<th>PAGE(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>A SOLICITATION/CONTRACT FORM</td>
<td>4</td>
</tr>
<tr>
<td>B</td>
<td>SUPPLIES OR SERVICES AND PRICES/COSTS</td>
<td>B1-B21</td>
</tr>
<tr>
<td>C</td>
<td>DESCRIPTION/SPEC./WORK STATEMENT</td>
<td>C1-C65</td>
</tr>
<tr>
<td>D</td>
<td>PACKAGING AND MARKING</td>
<td>D1-D2</td>
</tr>
<tr>
<td>E</td>
<td>INSPECTION AND ACCEPTANCE</td>
<td>E1-E8</td>
</tr>
<tr>
<td>F</td>
<td>DELIVERIES OR PERFORMANCE</td>
<td>F1-F3</td>
</tr>
<tr>
<td>G</td>
<td>CONTRACT ADMINISTRATION DATA</td>
<td>G1</td>
</tr>
<tr>
<td>H</td>
<td>SPECIAL CONTRACT REQUIREMENTS</td>
<td>H1-H45</td>
</tr>
</tbody>
</table>

PART I - THE SCHEDULE

PART II - CONTRACT CLAUSES

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.

PART IV - REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS

LIST OF ATTACHMENTS

X \ \ Y \ \ Z \ \ W \ \ V \ \ U \ \ T \ \ S \ \ R \ \ Q \ \ P \ \ O \ \ N \ \ M \ \ L \ \ K \ \ J \ \ I \ \ H \ \ G \ \ F \ \ E \ \ D \ \ C \ \ B \ \ A

18. [X] AWARD (Contractor is not required to sign this document.) Your
    offer on Solicitation Number N00024-00-R-2312,
    including the additions or changes made by you with additions or changes
    are set forth in full above, is hereby accepted as to the items listed
    above and on any continuation sheets. This award constitutes the contract
    which consists of the following documents: (a) the Government's
    solicitation and your offer, and (b) this award/contract. No further
    contractual document is necessary.

19A. NAME AND TITLE OF SIGNER (Type or print)

19B. NAME OF CONTRACTOR

     (Signature of person authorized to sign)

20A. NAME OF CONTRACTING OFFICER

     CHRISTOPHER E. SHERMAN
     CONTRACTING OFFICER

20B. UNITED STATES OF AMERICA

20C. DATE SIGNED

     10-17-01

STANDARD FOR 26 (REV. 4-85)
Prescribed by GSA
FAR (48 CFR) 31.214(a)
Continuation Sheet: SOLICITATION NUMBER N00024-00-R-2312

<table>
<thead>
<tr>
<th>AMENDMENT NO.</th>
<th>DATE</th>
<th>AMENDMENT NO</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>04 AUG 2000</td>
<td>8</td>
<td>07 SEP 2000</td>
</tr>
<tr>
<td>5</td>
<td>08 AUG 2000</td>
<td>9</td>
<td>20 SEP 2000</td>
</tr>
<tr>
<td>6</td>
<td>13 AUG 2000</td>
<td>10</td>
<td>26 JAN 2001</td>
</tr>
<tr>
<td>7</td>
<td>23 AUG 2000</td>
<td>11</td>
<td>01 MAY 2001</td>
</tr>
</tbody>
</table>

(Continued)

(The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated.)
SOLICITATION, OFFER AND AWARD

2. CONTRACT NUMBER
N00024-00-R-2312

7. ISSUED BY
CODE
N00024

8. ADDRESS OFFER TO (if other than item 7)
COMANDER, NAVAL SEA SYSTEMS COMMAND
2531 JEFFERSON DAVIS HWY
ARLINGTON, VA 22242-5160

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and 1 signed copy for furnishing the supplies or services in the Schedule will be received at the place specified
in Item 8, or if hand carried, in the depository located in Room 5E40, National Center #3 until 2:00 p.m. local time, 29 SEPTEMBER 2000.
CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms
and conditions contained in this solicitation.

10. FOR
A. NAME
Mr. Chris Sherman

B. TELEPHONE
(703) 602-7518

C. E-MAIL ADDRESS
shermanc@navsea.navy.mil

11. TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>A.</th>
<th>B.</th>
<th>C.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. NAME</td>
<td>B. TELEPHONE</td>
<td>C. E-MAIL ADDRESS</td>
</tr>
</tbody>
</table>

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-8. Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within 30 calendar days after receipt of a notice of acceptance or
the offeror from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the
designated point(s), within the time specified in the schedule.

3. DISCOUNT FOR PROMPT PAYMENT
(See Section L, Clause No. 52.222-19)

14. ACKNOWLEDGMENT OF AMENDMENTS
(The offeror acknowledges receipt of amendments

to the SOLICITATION for offers and related
documents numbered and dated)

AMENDMENT NO. 1
DATE 18 APRIL 2000
AMENDMENT NO. 3
DATE 03 AUG 2000
See continuation sheet

15A. NAME AND ADDRESS OF OFFEROR
National Steel and Shipbuilding Company
2798 Harbor Drive
San Diego, CA 92113

CAGE CODE 81220
DUNS FACILITY 009158932

15B. TELEPHONE NUMBER
AREA CODE 619
NUMBER 544-8715

15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE. ENTER SUCH ADDRESS IN SCHEDULE

16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or Print)
James C. Scott
Vice President
Marketing and Business Affairs

17. SIGNATURE

18. OFFER DATE
25 July 2001

AWARD
(To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED
AMOUNT
ACCOUNTING AND APPROPRIATION

20. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION
(1) 10 U.S.C. 2304(c)(1)
(2) 14 U.S.C. 235 (c)(1)

21. PAYMENT WILL BE MADE BY
CODE

22. NAME OF CONTRACTING OFFICER (Type or Print)

23. SUBMIT INVOICES TO ADDRESS SHOWN IN ITEM (4 copies unless otherwise specified)

24. ADMINISTERED BY (if other than item 7) CODE

25. UNITED STATES OF AMERICA

26. NAME OF CONTRACTING OFFICER (Type or Print)

27. SIGNATURE (Signature of Contracting Officer)

STANDARD FORM 33 (REV 9-97)
Authorized for local reproduction
Previous edition is unusable

Prepared at GSA - FAR (48 CFR) 52.214(c)
## SCHEDULE

### SECTION B: SUPPLIES OR SERVICES AND PRICES/COSTS

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUPPLIES/SERVICES</th>
<th>QTY/UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001</td>
<td>Design and Construction of one (1) T-AKE, Ship #1</td>
<td>1 Each</td>
<td>Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Profit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ceiling Price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(130% of Target Cost)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sharing Ratio:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>70/30 Under Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>70/30 Over Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Government/Contractor)</td>
</tr>
<tr>
<td>0002</td>
<td>Technical Manuals for Item 0001 (See Note A)</td>
<td>1 Lot</td>
<td>$ 4,477,758</td>
</tr>
<tr>
<td>0003</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0001 (See Note B)</td>
<td>1 Lot</td>
<td>$ 6,000,000*</td>
</tr>
<tr>
<td>0004</td>
<td>Structural Test Sections (For Administrative Purposes: the total firm fixed price for Item 0004 consists of $121,844 for Panel Test Sections and $783,896 for Compartment Test Sections.) (See Note A)</td>
<td>1 Lot</td>
<td>$ 905,740</td>
</tr>
<tr>
<td>0005</td>
<td>Tow Tank Ship Model (See Note A)</td>
<td>1 Each</td>
<td>$ 25,515</td>
</tr>
<tr>
<td>0006</td>
<td>Additional Government Requirements for Item 0001 (Special Studies, Analyses, and Reviews) (See Notes A, B, and C)</td>
<td>5,000 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0007</td>
<td>Additional Government Requirements for Item 0001</td>
<td>4,400 man-hours</td>
<td>$</td>
</tr>
</tbody>
</table>

---

26JANUARY2001
<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUPPLIES/SERVICES</th>
<th>QTY/UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Engineering and Industrial Services) (See Notes A, B, and C)</td>
<td>hours</td>
<td></td>
</tr>
<tr>
<td>0008</td>
<td>Data for Items 0001, 0002, 0003, 0004, &amp; 0005 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective Items)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0009</td>
<td>Performance Incentive for Item 0001 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
<tr>
<td>0010</td>
<td>NOT USED</td>
<td>NOT USED</td>
<td>NOT USED</td>
</tr>
<tr>
<td>ITEM</td>
<td>SUPPLIES/SERVICES</td>
<td>QTY/UNIT</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>0011</td>
<td>Design and Construction of one (1) T-AKE, Ship #2 (See Note E)</td>
<td>1 Each</td>
<td>Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Profit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Price $294,605,511</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ceiling Price (125% of Target Cost)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sharing Ratio: 60/40 Under Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>60/40 Over Target Cost (Government/Contractor)</td>
</tr>
<tr>
<td>0012</td>
<td>Technical Manuals for Item 0011 (See Notes A and E)</td>
<td>1 Lot</td>
<td>$ 424,751</td>
</tr>
<tr>
<td>0013</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0011 (See Notes B and E)</td>
<td>1 Lot</td>
<td>$ 6,000,000*</td>
</tr>
<tr>
<td>0014</td>
<td>Additional Government Requirements for Item 0011 (Special Studies, Analyses, and Reviews) (See Notes A, B, C, and E)</td>
<td>5,000 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0015</td>
<td>Additional Government Requirements for Item 0011 (Engineering and Industrial Services) (See Notes A, B, C, and E)</td>
<td>4,400 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0016</td>
<td>Data for Items 0011, 0012, &amp; 0013 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective Items) (See Note E)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0017</td>
<td>Performance Incentive for Item 0011 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
</tbody>
</table>
# Schedule

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUPPLIES/SERVICES</th>
<th>QTY/UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0018</td>
<td>Design and Construction of one (1) T-AKE, Ship #3 (See Note E)</td>
<td>1 Each</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Price</td>
<td></td>
<td>$282,919,079</td>
</tr>
<tr>
<td></td>
<td>Ceiling Price (120% of Target Cost)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sharing Ratio:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50/50 Under Target Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50/50 Over Target Cost (Government/Contractor)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0019</td>
<td>Technical Manuals for Item 0018 (See Notes A and E)</td>
<td>1 Lot</td>
<td>$ 359,644</td>
</tr>
<tr>
<td>0020</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0018 (See Notes B and E)</td>
<td>1 Lot</td>
<td>$ 6,000,000*</td>
</tr>
<tr>
<td>0021</td>
<td>Additional Government Requirements for Item 0018 (Special Studies, Analyses, and Reviews) (See Notes A, B, C, and E)</td>
<td>5,000 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0022</td>
<td>Additional Government Requirements for Item 0018 (Engineering and Industrial Services) (See Notes A, B, C, and E)</td>
<td>4,400 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0023</td>
<td>Data for Items 0018, 0019, &amp; 0020 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective Items) (See Note E)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0024</td>
<td>Performance Incentive for Item 0018 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
</tbody>
</table>

26 January 2001

SECTION B
<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUPPLIES/SERVICES</th>
<th>QTY/UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0025</td>
<td>Design and Construction of one (1) T-AKE, Ship #4 (See Note E)</td>
<td>1 Each</td>
<td>Target Cost:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Profit:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Price: $280,698,676</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ceiling Price (120% of Target Cost):</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sharing Ratio:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50/50 Under Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50/50 Over Target Cost (Government/Contractor)</td>
</tr>
<tr>
<td>0026</td>
<td>Technical Manuals for Item 0025 (See Notes A and E)</td>
<td>1 Lot</td>
<td>$ 287,204</td>
</tr>
<tr>
<td>0027</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0025 (See Notes B and E)</td>
<td>1 Lot</td>
<td>$ 6,000,000*</td>
</tr>
<tr>
<td>0028</td>
<td>Additional Government Requirements for Item 0025 (Special Studies, Analyses, and Reviews) (See Notes A, B, C, and E)</td>
<td>5,000 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0029</td>
<td>Additional Government Requirements for Item 0025 (Engineering and Industrial Services) (See Notes A, B, C, and E)</td>
<td>4,400 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0030</td>
<td>Data for Items 0025, 0026, &amp; 0027 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective Items) (See Note E)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0031</td>
<td>Performance Incentive for Item 0025 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
<tr>
<td>ITEM</td>
<td>SUPPLIES/SERVICES</td>
<td>QTY/UNIT</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>-------</td>
<td>----------------------------------------------------------------------------------</td>
<td>------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>0032</td>
<td>Design and Construction of one (1) T-AKE, Ship #5 (See Note E)</td>
<td>1 Each</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Profit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$282,768,967</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ceiling Price (120% of Target Cost)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sharing Ratio:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50/50 Under Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50/50 Over Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Government/Contractor)</td>
</tr>
<tr>
<td>0033</td>
<td>Technical Manuals for Item 0032 (Sees Note A and E)</td>
<td>1 Lot</td>
<td>$292,301</td>
</tr>
<tr>
<td>0034</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0032 (See Notes B and E)</td>
<td>1 Lot</td>
<td>$6,000,000*</td>
</tr>
<tr>
<td>0035</td>
<td>Additional Government Requirements for Item 0032 (Special Studies, Analyses, and Reviews) (See Notes A, B, C, and E)</td>
<td>5,000 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0036</td>
<td>Additional Government Requirements for Item 0032 (Engineering and Industrial Services)(See Notes A, B, C, and E)</td>
<td>4,400 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0037</td>
<td>Data for Items 0032, 0033, &amp; 0034 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective Items) (See Note E)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0038</td>
<td>Performance Incentive for Item 0032 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
</tbody>
</table>
### SCHEDULE

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUPPLIES/SERVICES</th>
<th>QTY/UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0039</td>
<td>Design and Construction of one (1) T-AKE, Ship #6 (See Note E)</td>
<td>1 Each</td>
<td>Target Cost</td>
</tr>
<tr>
<td>0040</td>
<td>Technical Manuals for Item 0039 (See Notes A and E)</td>
<td>1 Lot</td>
<td>$215,616</td>
</tr>
<tr>
<td>0041</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0039 (See Notes B and E)</td>
<td>1 Lot</td>
<td>$6,000,000*</td>
</tr>
<tr>
<td>0042</td>
<td>Additional Government Requirements for Item 0039 (Special Studies, Analyses, and Reviews) (See Notes A, B, C, and E)</td>
<td>5,000 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0043</td>
<td>Additional Government Requirements for Item 0039 (Engineering and Industrial Services) (See Notes A, B, C, and E)</td>
<td>4,400 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0044</td>
<td>Data for Items 0039, 0040, &amp; 0041 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective Items) (See Note E)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0045</td>
<td>Performance Incentive for Item 0039 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Page 7

26January2001

SECTION B
## SCHEDULE

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUPPLIES/SERVICES</th>
<th>QTY/UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0046</td>
<td>Design and Construction of one (1) T-AKE, Ship #7 (See Note E)</td>
<td>1 Each</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Price $285,191,450</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ceiling Price (120% of Target Cost)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sharing Ratio:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50/50 Under Target Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50/50 Over Target Cost (Government/Contractor)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0047</td>
<td>Technical Manuals for Item 0046 (See Notes A and E)</td>
<td>1 Lot</td>
<td>$ 218,981</td>
</tr>
<tr>
<td>0048</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0046 (See Notes B and E)</td>
<td>1 Lot</td>
<td>$ 6,000,000*</td>
</tr>
<tr>
<td>0049</td>
<td>Additional Government Requirements for Item 0046 (Special Studies, Analyses, and Reviews) (See Notes A, B, C and E)</td>
<td>5,000 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0050</td>
<td>Additional Government Requirements for Item 0046 (Engineering and Industrial Services) (See Notes A, B, C and E)</td>
<td>4,400 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0051</td>
<td>Data for Items 0046, 0047, &amp; 0048 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective Items) (See Note E)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0052</td>
<td>Performance Incentive for Item 0046 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
</tbody>
</table>
## SCHEDULE

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUPPLIES/SERVICES</th>
<th>QTY/UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0053</td>
<td>Design and Construction of one (1) T-AKE, Ship #8 (See Note E)</td>
<td>1 Each</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Price</td>
<td></td>
<td>$287,300,526</td>
</tr>
<tr>
<td></td>
<td>Ceiling Price (120% of Target Cost)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sharing Ratio:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50/50 Under Target Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50/50 Over Target Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Government/Contractor)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0054</td>
<td>Technical Manuals for Item 0053 (See Notes A and E)</td>
<td>1 Lot</td>
<td>$221,508</td>
</tr>
<tr>
<td>0055</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0053 (See Notes B and E)</td>
<td>1 Lot</td>
<td>$6,000,000*</td>
</tr>
<tr>
<td>0056</td>
<td>Additional Government Requirements for Item 0053 (Special Studies, Analyses, and Reviews) (See Notes A, B, C and E)</td>
<td>5,000 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0057</td>
<td>Additional Government Requirements for Item 0053 (Engineering and Industrial Services) (See Notes A, B, C and E)</td>
<td>4,400 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0058</td>
<td>Data for Items 0053, 0054, &amp; 0055 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective Items) (See Note E)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0059</td>
<td>Performance Incentive for Item 0053 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
<tr>
<td>ITEM</td>
<td>SUPPLIES/SERVICES</td>
<td>QTY/UNIT</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>-------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>-----------</td>
<td>----------------------</td>
</tr>
<tr>
<td>0060</td>
<td>Design and Construction of one (1) T-AKE, Ship #9 (See Note E)</td>
<td>1 Each</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Target Price</td>
<td></td>
<td>$310,167,400</td>
</tr>
<tr>
<td></td>
<td>Ceiling Price (120% of Target Cost)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sharing Ratio:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50/50 Under Target Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50/50 Over Target Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Government/Contractor)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0061</td>
<td>Technical Manuals for Item 0050 (See Notes A and E)</td>
<td>1 Lot</td>
<td>$238,672</td>
</tr>
<tr>
<td>0062</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0060 (See Notes B and E)</td>
<td>1 Lot</td>
<td>$6,000,000*</td>
</tr>
<tr>
<td>0063</td>
<td>Additional Government Requirements for Item 0060 (Special Studies, Analyses, and Reviews) (See Notes A, B, C and E)</td>
<td>5,000 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0064</td>
<td>Additional Government Requirements for Item 0060 (Engineering and Industrial Services) (See Notes A, B, C and E)</td>
<td>4,400 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0065</td>
<td>Data for Items 0060, 0061, &amp; 0062 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective items) (See Note E)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0066</td>
<td>Performance Incentive for Item 0060 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
<tr>
<td>ITEM</td>
<td>SUPPLIES/SERVICES</td>
<td>QTY/UNIT</td>
<td>AMOUNT</td>
</tr>
<tr>
<td>--------</td>
<td>----------------------------------------------------------------------------------</td>
<td>----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>SHIP #10 – NTE OPTION (See Note F)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0067</td>
<td>Design and Construction of one (1) T-AKE, Ship #10 (See Note E)</td>
<td>1 Each</td>
<td>Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Profit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$315,353,559</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ceiling Price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(120% of Target Cost)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sharing Ratio;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50/50 Under Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50/50 Over Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Government/Contractor)</td>
</tr>
<tr>
<td>0068</td>
<td>Technical Manuals for Item 0067 (See Notes A and E)</td>
<td>1 Lot</td>
<td>$ 244,632</td>
</tr>
<tr>
<td>0069</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0067 (See Notes B and E)</td>
<td>1 Lot</td>
<td>$ 6,000,000*</td>
</tr>
<tr>
<td>0070</td>
<td>Additional Government Requirements for Item 0067 (Special Studies, Analyses, and Reviews) (See Notes A, B, C and E)</td>
<td>5,000 man-hours</td>
<td></td>
</tr>
<tr>
<td>0071</td>
<td>Additional Government Requirements for Item 0067 (Engineering and Industrial Services) (See Notes A, B, C and E)</td>
<td>4,400 man-hours</td>
<td></td>
</tr>
<tr>
<td>0072</td>
<td>Data for Items 0067, 0068, &amp; 0069 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective Items) (See Note E)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0073</td>
<td>Performance Incentive for Item 0067 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
</tbody>
</table>
### SCHEDULE

<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUPPLIES/SERVICES</th>
<th>QTY/UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>SHIP #11 – NTE OPTION (See Note F)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0074</td>
<td>Design and Construction of one (1) T-AKE, Ship #11 (See Note E)</td>
<td>1 Each</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Target Cost</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Target Profit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Target Price</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Ceiling Price</strong> (120% of Target Cost)</td>
<td></td>
<td>$320,879,542</td>
</tr>
<tr>
<td></td>
<td><strong>Sharing Ratio:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50/50 Under Target Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50/50 Over Target Cost (Government/Contractor)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0075</td>
<td>Technical Manuals for Item 0074 (See Notes A and E)</td>
<td>1 Lot</td>
<td>$248,287</td>
</tr>
<tr>
<td>0076</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0074 (See Notes B and E)</td>
<td>1 Lot</td>
<td>$6,000,000*</td>
</tr>
<tr>
<td>0077</td>
<td>Additional Government Requirements for Item 0074 (Special Studies, Analyses, and Reviews) (See Notes A, B, C and E)</td>
<td>5,000 man-hours</td>
<td></td>
</tr>
<tr>
<td>0078</td>
<td>Additional Government Requirements for Item 0074 (Engineering and Industrial Services) (See Notes A, B, C and E)</td>
<td>4,400 man-hours</td>
<td></td>
</tr>
<tr>
<td>0079</td>
<td>Data for Items 0074, 0075, &amp; 0076 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective Items) (See Note E)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0080</td>
<td>Performance Incentive for Item 0074 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
</tbody>
</table>

---

26JANUARY2001

SECTION B
<table>
<thead>
<tr>
<th>ITEM</th>
<th>SUPPLIES/SERVICES</th>
<th>QTY/UNIT</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>0081</td>
<td>Design and Construction of one (1) T-AKE, Ship #12 (See Note E)</td>
<td>1 Each</td>
<td>Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Profit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Target Price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$326,212,323</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ceiling Price</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(120% of Target Cost)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Sharing Ratio:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50/50 Under Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>50/50 Over Target Cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(Government/Contractor)</td>
</tr>
<tr>
<td>0082</td>
<td>Technical Manuals for Item 0081 (See Notes A and E)</td>
<td>1 Lot</td>
<td>$ 253,675</td>
</tr>
<tr>
<td>0083</td>
<td>Onboard Repair Parts, Spares, Special Tooling, and Support and Test Equipment for Item 0081 (See Notes B and E)</td>
<td>1 Lot</td>
<td>$ 6,000,000*</td>
</tr>
<tr>
<td>0084</td>
<td>Additional Government Requirements for Item 0081 (Special Studies, Analyses, and Reviews) (See Notes A, B, C and E)</td>
<td>5,000 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0085</td>
<td>Additional Government Requirements for Item 0081 (Engineering and Industrial Services) (See Notes A, B, C and E)</td>
<td>4,400 man-hours</td>
<td>$</td>
</tr>
<tr>
<td>0086</td>
<td>Data for Items 0081, 0082, &amp; 0083 as required by the Data Requirements List (DRL), Attachment J-2. (Price of data to be included in the respective Items) (See Note E)</td>
<td>1 Lot</td>
<td>Not Separately Priced</td>
</tr>
<tr>
<td>0087</td>
<td>Performance Incentive for Item 0081 (See Note D)</td>
<td>N/A</td>
<td>TBD</td>
</tr>
</tbody>
</table>
* Provisional Amount: Subject to adjustment under the General Requirement of SECTION C of this contract entitled “PROVISIONED ITEMS ORDER – ALTERNATE II.” If issued, orders will be on a Cost Plus Fixed Fee (CPFF) basis and the clause entitled "LIMITATION OF COST" (FAR 52.232-20) or "LIMITATION OF FUNDS" (FAR 52.232-22), as appropriate, shall apply separately and independently to each separately identified estimated cost for each order. Also, as the majority of effort provided under this contract will be on a fixed price basis, required cost reimbursement clauses will be marked as only applicable to the CPFF items identified in SECTION B of this contract.

NOTE A – This is a Firm Fixed Price (FFP) item or item that allows for the issuance of orders on a FFP basis. As this contract includes FFP, Fixed Price Incentive (FPI), and CPFF items, required FPI clauses will be marked as only applicable to the FPI items identified in SECTION B of this contract.

NOTE B – If issued, orders for this item shall be in accordance with the General Requirement of SECTION C of this contract entitled “PROVISIONED ITEMS ORDER – ALTERNATE II.”

NOTE C – This is an estimated amount of labor hours and does not indicate that the Government will necessarily order this amount or any at all. The number of labor hours will be determined in accordance with the requirements of Section C of this contract.

NOTE D – The Government, at its sole discretion and at any time, may decide to establish a performance incentive in accordance with the Special Contract Requirement of SECTION H of this contract entitled “PERFORMANCE INCENTIVE.”

NOTE E – Option item to which SECTION B requirement entitled “OPTIONS” is applicable only if and to the extent said option is exercised.

NOTE F – The option items for T-AKE Ships 9 through 12 are priced on a Not-To-Exceed (NTE) basis. SECTION B requirement entitled “NTE DEFINITIZATION” is applicable to these items.
**B-1 CONTRACT TYPE SUMMARY FOR PAYMENT OFFICE (COST/FIXED PRICE) (NAVSEA) (FEB 1997)**

This contract includes the following mixture of cost reimbursement and fixed price line items:

<table>
<thead>
<tr>
<th>Item</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>0001, 0002, 0004, 0005, 0006, 0007, and 0009 and if exercised, 0011, 0012, 0014, 0015, 0017, 0018, 0019, 0021, 0022, 0024, 0025, 0026, 0028, 0029, 0031, 0032, 0033, 0035, 0036, 0038, 0039, 0040, 0042, 0043, 0045, 0046, 0047, 0049, 0050, 0052, 0053, 0054, 0056, 0057, 0059, 0060, 0061, 0063, 0064, 0066, 0067, 0068, 0070, 0071, 0073, 0074, 0075, 0077, 0078, 0080, 0081, 0082, 0084, 0085, and 0087.</td>
<td>Fixed Price</td>
</tr>
<tr>
<td>0003 and if exercised, 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083.</td>
<td>Cost Reimbursement</td>
</tr>
<tr>
<td>0008 and if exercised, 0016, 0023, 0030, 0037, 0044, 0051, 0058, 0065, 0072, 0079, and 0086.</td>
<td>N/A - Data</td>
</tr>
<tr>
<td>0010</td>
<td>NOT USED</td>
</tr>
</tbody>
</table>

**B-2 COMPENSATION (FI) (NAVSEA) (JAN 1990) (DEVIATION)**

(Applicable only to Item 0001 and if exercised, Option Items 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, and 0081)

The total compensation to be paid the Contractor shall be the sum of: (1) the total final price(s) established in accordance with the "INCENTIVE PRICE REVISION--FIRM TARGET" (FAR 52.216-16) clause, (2) the amounts payable to or due from the contractor pursuant to the contract provisions identified in paragraph (d)(1) of said clause, and (3) if applicable, any performance incentive received in accordance with the Special Contract Requirement of SECTION H of this contract entitled "PERFORMANCE INCENTIVE."

**B-3 EXPEDITING CONTRACT CLOSEOUT (NAVSEA) (DEC 1995)**

(a) As part of the negotiated fixed price or total estimated amount of this contract, both the Government and the Contractor have agreed to waive any entitlement that otherwise might accrue to either party in any residual dollar amount of $500 or less at the time of final contract closeout. The term "residual dollar amount" shall include all money that would otherwise be owed to either party at the end of the contract, except that, amounts connected in any way with
SCHEDULE

taxation, allegations of fraud and/or antitrust violations shall be excluded. For purposes of
determining residual dollar amounts, offsets of money owed by one party against money that
would otherwise be paid by that party may be considered to the extent permitted by law.

(b) This agreement to waive entitlement to residual dollar amounts has been considered by both
parties. It is agreed that the administrative costs for either party associated with collecting such
small dollar amounts could exceed the amount to be recovered.

B-4 PAYMENTS OF FEE(S) (COMPLETION) (NAVSEA) (MAY 1993)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048,
0055, 0062, 0069, 0076, and 0083)

(a) For purposes of this contract, "fee" means "target fee" in cost-plus-incentive-fee type contracts,
"base fee" in cost-plus-award-fee type contracts, "fixed fee" in cost-plus-fixed-fee type contracts for
completion and phase type contracts.

(b) The Government shall make payments to the Contractor, subject to and in accordance with the
clause in this contract entitled "FIXED FEE" (FAR 52.216-8) or "INCENTIVE FEE," (FAR
52.216-10), as applicable. Such payments shall be equal to ___ percent (___ %) of the allowable
cost of each invoice submitted by and payable to the Contractor pursuant to the clause of this
contract entitled "ALLOWABLE COST AND PAYMENT" (FAR 52.216-7), subject to the
withholding terms and conditions of the "FIXED FEE" or "INCENTIVE FEE" clause, as applicable
(percentage of fee is based on fee dollars divided by estimated cost dollars, including facilities
capital cost of money). Total fee(s) paid to the Contractor shall not exceed the fee amount(s) set
forth in this contract.

*As provided in each order issued.

(c) In the event of discontinuance of the work under this contract, or any specified phase of the
contract, in accordance with the clause of this contract entitled "LIMITATION OF FUNDS" (FAR
52.232-22) or "LIMITATION OF COST" (FAR 52.232-20), as applicable, the fee shall be
equitably adjusted by mutual agreement to reflect the diminution of work. If the adjusted fee is less
than the sum of all fee payments made to the Contractor under this contract, the Contractor shall
repay the excess amount to the Government. If the adjusted fee exceeds all payments made to the
Contractor under this contract, the Contractor shall be paid the additional amount, subject to the
availability of funds. In no event shall the Government be required to pay the Contractor any
amount in excess of the funds obligated under this contract at the time of the discontinuance of
work.

(d) Fee(s) withheld pursuant to the terms and conditions of this contract shall not be paid until the
contract has been modified to reduce the fee(s) in accordance with paragraph (c) above, or until the
Procuring Contracting Officer has advised the paying office in writing that no fee adjustment is
required.
SCHEDULE

B-5 REFUNDS (SPARES AND SUPPORT EQUIPMENT) (NAVSEA) (SEP 1990)

(a) In the event that the price of a spare part or item of support equipment delivered under this contract significantly exceeds its intrinsic value, the Contractor agrees to refund the difference. Refunds will only be made for the difference between the intrinsic value of the item at the time an agreement on price was reached and the contract price. Refunds will not be made to recoup the amount of cost decreases that occur over time due to productivity gains (beyond economic purchase quantity considerations) or changes in market conditions.

(b) For purposes of this requirement, the intrinsic value of an item is defined as follows:

(1) If the item is one which is sold or is substantially similar or functionally equivalent to one that is sold in substantial quantities to the general public, intrinsic value is the established catalog or market price, plus the value of any unique requirements, including delivery terms, inspection, packaging, or labeling.

(2) If there is no comparable item sold in substantial quantities to the general public, intrinsic value is defined as the price an individual would expect to pay for the item based upon an economic purchase quantity as defined in FAR 52.207-4, plus the value of any unique requirements, including delivery terms, inspection, packaging or labeling.

(c) At any time up to two years after delivery of a spare part or item of support equipment, the Contracting Officer may notify the Contractor that based on all information available at the time of the notice, the price of the part or item apparently exceeds its intrinsic value.

(d) If notified in accordance with paragraph (c) above, the Contractor agrees to enter into good faith negotiations with the Government to determine if, and in what amount, the Government is entitled to a refund.

(e) If agreement pursuant to paragraph (d) above cannot be reached, and the Navy's return of the new or unused item to the Contractor is practical, the Navy, subject to the Contractor's agreement, may elect to return the item to the Contractor. Upon return of the item to its original point of Government acceptance, the Contractor shall refund in full the price paid. If no agreement pursuant to paragraph (d) above is reached, and return of the item by the Navy is impractical, the Contracting Officer may, with the approval of the Head of the Contracting Activity, issue a Contracting Officer's final decision on the matter, subject to Contractor appeal as provided in the "DISPUTES" clause (FAR 52.233-1).

(f) The Contractor will make refunds, as required under this requirement, in accordance with instructions from the Contracting Officer.

(g) The Contractor shall not be liable for a refund if the Contractor advised the Contracting Officer in a timely manner that the price it would propose for a spare part or item of support equipment exceeded its intrinsic value, and with such advice, specified the estimated proposed price, the estimated intrinsic value and known alternative sources or item, if any, that can meet the requirement.
SCHEDULE

(h) This requirement does not apply to any spare parts or items of support equipment whose price is determined through adequate price competition. This requirement also does not apply to any spare part or item of support equipment with a unit price in excess of $100,000, or in excess of $25,000 if the Contractor submitted, and certified the currency, accuracy and completeness of, cost or pricing data applicable to the item.

B-6 NAPS 5252.232-9000 SUBMISSION OF INVOICES (FIXED PRICE) (JUL 1992)

(a) "Invoice" as used in this clause does not include Contractor's requests for progress payments.

(b) The Contractor shall submit original invoices with 4 copies to the address identified in the solicitation/contract award form (SF 26-Block 10; SF 33-Block 23; SF 1447-Block 14), unless delivery orders are applicable, in which case invoices will be segregated by individual order and submitted to the address specified in the order (DD 1155-Block 13 or SF 26-Block 10).

(c) The use of copies of the Material Inspection and Receiving Report (MIRR), DD Form 250, as an invoice is encouraged. DFARS Appendix F-306 provides instructions for such use. Copies of the MIRR used as an invoice are in addition to the standard distribution stated in DFARS F-401.

(d) In addition to the requirements of the Prompt Payment clause of this contract, the Contractor shall cite on each invoice the contract line item number (CLIN); the contract subline item number (SLIN), if applicable; the accounting classification reference number (ACRN) as identified on the financial accounting data sheets, and the payment terms.

(e) The Contractor shall prepare:
   [X] a separate invoice for each activity designated to receive the supplies or services.
   [ ] a consolidated invoice covering all shipments delivered under an individual order.
   [ ] either of the above.

(f) If acceptance is at origin, the Contractor shall submit the MIRR or other acceptance verification directly to the designated payment office. If acceptance is at destination, the consignee will forward acceptance verification to the designated payment office.

B-7 NAPS 5252.232-9001 SUBMISSION OF INVOICES (COST-REIMBURSEMENT, TIME-AND-MATERIALS, LABOR-HOUR, OR FIXED PRICE INCENTIVE) (JUL 1992)
(Applicable only to Items 0001, 0003, and if exercised, Option Items 0011, 0013, 0018, 0020, 0025, 0027, 0032, 0034, 0039, 0041, 0046, 0048, 0053, 0055, 0060, 0062, 0067, 0069, 0074, 0076, 0081, and 0083)

(a) "Invoice" as used in this clause includes Contractor requests for interim payments using public vouchers (SF 1034) but does not include Contractor requests for progress payments under fixed price incentive contracts.
(b) The Contractor shall submit invoices and any necessary supporting documentation, in an original and 4 copies, to the contract auditor at the following address:

Defense Contract Audit Agency
Nat'l Steel & Shipbldg. Suboffice
P.O. Box 85278 m/s 20–Q
San Diego, CA 92138-5278

unless delivery orders are applicable, in which case invoices will be segregated by individual order and submitted to the address specified in the order. In addition, an information copy shall be submitted to PMS 325D. Following verification, the contract auditor will forward the invoice to the designated payment office for payment in the amount determined to be owing, in accordance with the applicable payment (and fee) clause(s) of this contract.

(c) Invoices requesting interim payments shall be submitted no more than once every two weeks, unless another time period is specified in the Payments clause of this contract. For indefinite delivery type contracts, interim payment invoices shall be submitted no more than once every two weeks for each delivery order. There shall be a lapse of no more than 60 calendar days between performance and submission of an interim payment invoice.

(d) In addition to the information identified in the Prompt Payment clause herein, each invoice shall contain the following information, as applicable:

1. Contract line item number (CLIN)
2. Subline item number (SLIN)
3. Accounting Classification Reference Number (ACRN)
4. Payment terms
5. Procuring activity
6. Date supplies provided or services performed
7. Costs incurred and allowable under the contract
8. Vessel (e.g., ship, submarine or other craft) or system for which supply/service is provided.

(e) A DD Form 250, "Material Inspection and Receiving Report," ___ is required with each invoice submittal.

___X___ is required only with the final invoice.
SCHEDULE

is not required.

(f) A Certificate of Performance

__ X __ shall be provided with each invoice submittal.

is not required.

(g) The Contractor's final invoice shall be identified as such, and shall list all other invoices (if any) previously tendered under this contract.

(h) Costs of performance shall be segregated, accumulated and invoiced to the appropriate ACRN categories to the extent possible. When such segregation of costs by ACRN is not possible for invoices submitted with CLINs/SLINs with more than one ACRN, an allocation ratio shall be established in the same ratio as the obligations cited in the accounting data so that costs are allocated on a proportional basis.

B-8 OPTIONS

(a) The Government may require the delivery of the numbered line item(s)/subline item(s), identified in the Schedule as an option item(s), in the quantity and at the price(s) stated in the Schedule. The Government will exercise an option for a T-AKE ship only if it has exercised all preceding options for T-AKE ships. Option(s) shall be exercised, if at all, by written or telegraphic notice(s) signed by the Contracting Officer and sent within the time(s) specified below:

<table>
<thead>
<tr>
<th>OPTION ITEM(S)</th>
<th>EARLIEST OPTION EXERCISE DATE</th>
<th>LATEST OPTION EXERCISE DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0011* thru 0016</td>
<td>30 October 2001</td>
<td>28 February 2002</td>
</tr>
<tr>
<td>0018# thru 0023</td>
<td>30 October 2002</td>
<td>28 February 2003</td>
</tr>
<tr>
<td>0025# thru 0030</td>
<td>30 October 2002</td>
<td>28 February 2003</td>
</tr>
<tr>
<td>0032# thru 0037</td>
<td>01 October 2003</td>
<td>30 January 2004</td>
</tr>
<tr>
<td>0039# thru 0044</td>
<td>01 October 2003</td>
<td>30 January 2004</td>
</tr>
<tr>
<td>0046# thru 0051</td>
<td>01 October 2004</td>
<td>30 January 2005</td>
</tr>
<tr>
<td>0053# thru 0058</td>
<td>01 October 2004</td>
<td>30 January 2005</td>
</tr>
<tr>
<td>0060# thru 0065</td>
<td>01 October 2005</td>
<td>30 January 2006</td>
</tr>
<tr>
<td>0067# thru 0072</td>
<td>01 October 2005</td>
<td>30 January 2006</td>
</tr>
<tr>
<td>0074# thru 0079</td>
<td>01 October 2006</td>
<td>30 January 2007</td>
</tr>
<tr>
<td>0081# thru 0086</td>
<td>01 October 2006</td>
<td>30 January 2007</td>
</tr>
</tbody>
</table>

*Option for ship 2 will not be exercised until the Initial Critical Design Review (ICDR) is held.

#Options for ships 3 through 12 will not be exercised until the Final Critical Design Review (FCDR) is held.
(b) It is mutually understood and agreed that changes and modifications in the ship(s) being designed and constructed under this contract, including changes to the ship specifications, configuration baseline, ship construction drawings, equipment drawings, technical manuals, and other design data, are applicable to all options, unless specifically excluded by the Government. Accordingly, it is agreed that the price of all options, as set forth in Section B of this contract, and the delivery dates for such options, as set forth in Section F of this contract, shall be adjusted on a continuing basis, as necessary, to reflect those changes in the basic ship(s) which are also made applicable to the options. It is further agreed that all change proposals and contract modifications shall include any effects, if applicable, upon the price and delivery date(s) of the options.

B-9 NTE DEFINITIZATION

(a) The option items for T-AKE ships 9 through 12 are priced on a Not-To-Exceed (NTE) basis and are subject to definitization as provided herein; however, any ceiling price percentages and sharing ratios listed in Section B of this contract are firm and are not subject to adjustment.

(b) Prior to the exercise of these option items, the Contractor shall be required to submit a proposal, that may include cost or pricing data and other information, to the Government, as requested by the Contracting Officer, that fully supports its NTE price(s) or lower price(s). The Contractor agrees to submit a combined fixed price incentive and firm fixed price proposal in response to the Contracting Officer's request.

(c) After submission of the proposal requested by the Contracting Officer, the Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive pricing agreement that will include (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the definitive pricing agreement, (2) all clauses required by law on the date of execution of the definitive pricing agreement, and (3) any other mutually agreeable clauses, terms, and conditions. In no event shall the definitive price for an item exceed the NTE price for that item.

(d) Definitive pricing agreements will be incorporated into the contract by bilateral modification(s).

(e) If definitive pricing agreements cannot be reached, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price(s) in accordance with Subpart 15.4 and Part 31 of the FAR, unilaterally establish the definitive pricing agreement which will include appropriate contract clauses and terms, as provided in paragraph (c) above, and exercise the definitively priced option item(s), subject to Contractor appeal as provided in the Disputes clause of this contract. Upon receipt of a modification(s) that exercises the option for a definitively priced item, the Contractor agrees to promptly begin work.
SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

PART 1 – CONTRACT LINE ITEM DESCRIPTION

GENERAL SCOPE OF WORK

The Contractor shall perform the Detail Design and Construction of the T-AKE Class ship(s) at the Contractor’s and subcontractor’s facilities in accordance with:

(a) The provisions of this contract;
(b) System Specification, Attachment J-1;
(c) Other documents, exhibits, and attachments listed in SECTION J of this contract; and
(d) All revisions and modifications thereto dated prior to the award of this contract.

The Contractor shall perform the technical, procurement, and other tasks necessary for the detail design and construction of the T-AKE Class ship(s). The Contractor shall provide the management effort necessary to ensure the on-schedule completion of the detail design and construction. The Contractor shall identify and maintain visibility of all problems and potential problems arising during contract performance which could impact the on-schedule completion of the T-AKE Class ship(s).

At least two shipyards shall participate in the construction of the T-AKE Class ships; the other shipyard(s) shall be a subcontractor to the prime Contractor. Some construction shall take place in a second shipyard.

The Contractor shall present Shipbuilding Production Progress Conferences (SPPC) in accordance with the General Requirement in SECTION C of this contract entitled “SHIPBUILDING PRODUCTION PROGRESS CONFERENCES (SPPC).” In addition, design reviews will be held in accordance with the General Requirement of SECTION C of this contract entitled “DESIGN REVIEWS.” Reviews associated with the identified Single System Vendor (SSV) shall be held in accordance with the General Requirement in SECTION C of this contract entitled “SINGLE SYSTEM VENDOR.”

Where the issue or revision in effect for references are not specified herein, the issue in effect on 1 January 2000 shall apply.
SCHEDULE

ITEM 0001 AND IF EXERCISED, OPTION ITEMS 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, AND 0081 — DETAIL DESIGN AND CONSTRUCTION OF T-AKE CLASS SHIP(S)

1.0 GENERAL

The Contractor shall prepare the detail design, perform system integration, construct, test, and deliver the ship and initial logistics support of the T-AKE lead ship and follow ships, if options are exercised. Reduced ownership cost shall be emphasized throughout the performance of this Contract. The requirements listed herein are applicable independently and separately to each ship.

The work required by this contract shall meet the requirements of the System Specification, Attachment J-1 and be performed in accordance with this statement of work, other documents listed in Section J of this contract, and the provisions of this contract.

Any reference to the ship applies to the lead ship and any ship options exercised.

The Contractor shall provide the material, services and equipment required for the design, system integration, construction, testing, and support of the vessel, except for those items specifically designated by the Government as Government Furnished Equipment or Information (GFE/GFI).

The metric system of measurement (System Internationale (SI)) shall be used for new design efforts and documentation, except where necessary to interface with existing inch-pound equipment or systems. Where existing technical documentation for inch-pound equipment or systems does not require modification for any reason other than conversion to the metric system, conversion of the documentation to the metric system need not be accomplished.

1.1 MANAGEMENT.

1.1.1 PROGRAM MANAGEMENT.

The Contractor shall apply a multi-functional approach to the integrated, concurrent development of the products and the associated processes applicable to the design, ship systems integration, construction, testing, logistics support and in the performance of all other efforts required by this Contract.

The Contractor shall provide the management effort necessary to ensure effective cost, schedule and technical performance under this Contract. The Contractor shall manage the program in accordance with Contract requirements, the management plan(s), and work schedule(s). The Contractor shall fully integrate major subcontractors and vendors to provide overall direction and guidance, track progress and status, and integrate products and services provided by major subcontractors and vendors’ with the products and services provided by the Contractor.
SCHEDULE

The Contractor shall identify problems and potential problems that could adversely impact ship performance, cost and/or delivery schedule accompanied by proposed solutions in accordance with the General Requirement of SECTION C of this contract entitled “CONTRACTOR PROBLEM IDENTIFICATION REPORTS.”

1.1.2 MANAGEMENT PLAN(S).

The Contractor shall prepare an event-driven integrated management plan or separate management plans that document the significant accomplishments required in the performance of this Contract. The management plan(s) shall provide the Contractor’s integrated approach for detail design, ship systems, integration, construction, testing, delivery and logistics support for the T-AKE lead ship and if the ship option(s) are exercised, follow ship(s). The plan(s) shall include, but not be limited to the following:

a. Contract Milestones and Key Events
b. Integrated Data Environment (IDE) Implementation
c. Subcontractor Management
d. Detail Design
e. Total Ship Integration
f. Production
g. Test and Evaluation
h. Integrated Logistics Support
i. Configuration Management
j. Ship Survivability
k. Reliability, Maintainability and Availability
l. Quality Assurance and Corrective Action Program
m. Human Engineering and System Safety
n. Environmental Protection and Hazardous Material Management
o. Naval Communication and Network Management System
p. Data Management
q. Hardware Development
r. Operational Security
s. Manning Optimization
t. Software Development, Quality, and Process Improvement
u. Procurement
v. Risk Management
w. Requirements Management
x. Total Ownership Cost Estimating
y. Standardization
z. Single System Vendor.

The management plan(s) shall include how the Contractor’s program planning and implementation of that planning will manage concurrent and interactive efforts of all program disciplines affecting the T-AKE detail design, ship systems integration, construction, testing, and logistics support processes. The plan(s) shall address how these processes will be validated. The
SCHEDULE

plan(s) shall describe all new processes developed exclusively to meet the requirements of this Contract.

1.1.3 RESOURCE AND WORK SCHEDULE.

1.1.3.1 SCHEDULE(S).

The Contractor shall prepare an event-based integrated work schedule or separate work schedules that depict all activities required for the performance of this Contract. The schedule(s) shall include all program activities defined in the Contractor Work Breakdown Structure (CWBS) addressed below. The Contractor shall identify key events leading up to the Contract Milestones in the schedule(s) and shall identify critical paths for completion of each Contract Milestone and key event.

The schedule(s) shall be kept current with schedule modifications and completed tasks.

The schedule(s) shall incorporate the reports and schedules shown below at a minimum.

a. Integrated Data Environment Development
b. Contract Milestones and Key Events
c. Detail Design and Total Ship Systems Integration Development
d. Engineering Drawing
e. Master Production
f. Material Ordering
g. GFE Exception Report
h. Compartment Close-Out
i. Integrated Logistics Support
j. Long Lead Material Ordering
k. Requirements Verification (Test and Evaluation)
l. GFE/GFI Delivery
m. Hardware and Software Development
n. Outfitting
o. Preventive Maintenance Schedule.

1.1.3.2 CONTRACT WORK BREAKDOWN STRUCTURE (CWBS).

The Contractor shall develop, extend, update and maintain a Government approved CWBS providing clear traceability of all work. The Contractor may use MIL-HDBK-881, NAVSEA 9040-AA-IDX-010/SWBS 5D, NAVSEA 9040-AA-IDX-020/SWBS 5D, and the Government-provided functional configuration baseline for guidance. The CWBS shall provide visibility of all work performed by the Contractor and each major subcontractor/vendor. The CWBS shall be developed to the fourth level at a minimum with the ship being the first level. The CWBS shall be used as the basis for organizing and reporting all work performed under this contract. The Contractor shall not change the approved CWBS, dictionary, or reporting elements without prior written approval by the Government.
1.1.3.3 EARNED VALUE MANAGEMENT SYSTEM.

In the performance of this contract, the Contractor shall establish, maintain and use an Earned Value Management System (EVMS) meeting the criteria set forth in DFARS 252.234-7001, "EARNED VALUE MANAGEMENT SYSTEM." The Contractor shall utilize their EVMS as a management tool for cost, schedule and technical performance. All aspects of the scope of work shall be included in the EVMS.

If the Contractor does not have a DOD validated EVMS, the Contractor shall be prepared to support an EVMS review no later than ninety (90) calendar days after contract award.

An Integrated Baseline Review (IBR) will be conducted within one hundred eighty (180) days of contract award. If the Government determines that it is necessary, additional IBRs and Government oversight will be conducted as appropriate.

The Contractor shall provide Cost Performance Reports (CPRs) on a monthly basis beginning sixty (60) days after contract award. Hourly rates for production shall be provided as well as dollars presented at the unburdened rate.

1.1.4 REQUIREMENTS MANAGEMENT.

The Contractor shall develop, implement, and maintain a requirements management program. The requirements shall be managed and tracked from the System Specification, to the Ship Specification, and through the analysis, inspection, and testing process until each requirement has been verified in the ship as delivered.

1.1.5 RISK MANAGEMENT.

The Contractor shall develop and implement a risk management system. The risk management system shall include, at a minimum, the processes used for risk identification, risk categorization, mitigation action identification, mitigation implementation, the periodicity of risk management reviews and the impact on cost, schedule, and performance (technical).

1.1.6 QUALITY METRICS.

Processes or indicators to be monitored and reported shall be agreed to by the Supervisor of Shipbuilding (Supervisor) and shall be identified in the management plan(s).

1.1.7 CORRECTIVE ACTION.

The Contractor shall implement a unified corrective action process that integrates the quality metrics. It shall address all areas (detail design, ship system integration, construction, testing, and logistics support) of Contract performance. Corrective action shall include evaluation of the root cause and subsequent process change to prevent reoccurrence.
SCHEDULE

The Contractor shall respond to Government issued corrective action requests within thirty (30) calendar days of receipt. Safety related issues shall be resolved within seven (7) calendar days of receipt. The Contractor shall include in its response to Government reported deficiencies, the date by which corrective action shall be initiated, the date by which corrective action shall be completed, and the date corrective action was completed.

1.1.8 OPERATIONAL SECURITY (OPSEC).

The Contractor shall develop, implement, and maintain an OPSEC program to protect classified and sensitive unclassified activities, information, equipment and material used or developed by the Contractor and any subcontractor during the performance of his Contract. The Contractor shall be responsible for the subcontractor implementation of the OPSEC requirements of this Contract.

1.1.9 DATA DELIVERY.

The Contractor shall provide electronic deliverables in accordance with the requirements of the Data Requirements List, Attachment J-2, and this contract. Electronic media data deliverables shall be uploaded to a website provided by the Government. An alternative method of electronic delivery may be used if the Government agrees to such method after contract award.

1.2 DETAIL DESIGN AND CONSTRUCTION.

1.2.1 DETAIL DESIGN.

The Contractor shall develop a detail design for the construction of the T-AKE ship that meets all the requirements in this contract, with emphasis upon reduced life cycle cost. Regardless of where construction of a ship occurs, whether it is at the facility of the prime contractor or of the subcontractor (second shipyard), the following items, at a minimum, shall be identical on the as-built ships:

1. All portions of the Contractor's proposal incorporated by reference per the General Requirement of SECTION C of this contract entitled "CONTRACTOR'S PROPOSAL"; and

2. All deliverables contained in the list below.

<table>
<thead>
<tr>
<th>Data Item</th>
<th>Data Item Title And Subtitle</th>
</tr>
</thead>
<tbody>
<tr>
<td>A003</td>
<td>Contract Work Breakdown Structure</td>
</tr>
<tr>
<td>A006</td>
<td>HVAC Design Criteria Manual</td>
</tr>
<tr>
<td>A012</td>
<td>Requirements Database</td>
</tr>
<tr>
<td>A013-14</td>
<td>Structural Design Criteria</td>
</tr>
<tr>
<td>A028-01</td>
<td>Molded Lines, Offsets, Control Surfaces And Appendages Drawing</td>
</tr>
<tr>
<td>A028-02</td>
<td>Scantlings – Decks, Platforms, And Inner-Bottom Design Diagrams</td>
</tr>
<tr>
<td>A028-03</td>
<td>Midship Section And Typical Details Diagram</td>
</tr>
<tr>
<td>A028-04</td>
<td>Ship Control, Integrated Bridge, And Navigation System, Block And Elementary Wiring</td>
</tr>
<tr>
<td>Data Item</td>
<td>Data Item Title And Subtitle</td>
</tr>
<tr>
<td>-----------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>A028-05</td>
<td>Electric Plant Control System Block And Elementary Wiring Diagram</td>
</tr>
<tr>
<td>A028-06</td>
<td>Shell Expansion And Typical Sections</td>
</tr>
<tr>
<td>A028-07</td>
<td>Cargo Stowage And Handling System Arrangement Drawing</td>
</tr>
<tr>
<td>A028-08</td>
<td>Dial Telephone Directory</td>
</tr>
<tr>
<td>A028-09</td>
<td>List Of Sound Powered Telephone And Intercom System Stations</td>
</tr>
<tr>
<td>A028-10</td>
<td>Key Tag Index</td>
</tr>
<tr>
<td>A028-11</td>
<td>Paint Schedule</td>
</tr>
<tr>
<td>A028-12</td>
<td>Deck Covering Schedule</td>
</tr>
<tr>
<td>A028-13</td>
<td>Insulation Schedule</td>
</tr>
<tr>
<td>A028-14</td>
<td>Data Distribution System Block Wiring Diagram</td>
</tr>
<tr>
<td>A028-15</td>
<td>Machinery Control And Monitoring System Block And Elementary Wiring Diagram</td>
</tr>
<tr>
<td>A028-16</td>
<td>Deck Loading Capacity Drawing</td>
</tr>
<tr>
<td>A028-17</td>
<td>Designations And Marking Drawing</td>
</tr>
<tr>
<td>A028-18</td>
<td>Heating, Ventilation, And Air Conditioning (HVAC) Equipment List</td>
</tr>
<tr>
<td>A028-19</td>
<td>Navigation, Signal, Anchor Lights, And Searchlights Location Plan</td>
</tr>
<tr>
<td>A028-20</td>
<td>Equipment Removal Drawings</td>
</tr>
<tr>
<td>A028-21</td>
<td>Structural Profile At Centerline</td>
</tr>
<tr>
<td>A028-23</td>
<td>Degaussing System Block And Elementary Wiring Diagram</td>
</tr>
<tr>
<td>A028-24</td>
<td>Degaussing Log</td>
</tr>
<tr>
<td>A028-25</td>
<td>Degaussing System Isometric Wiring Diagram</td>
</tr>
<tr>
<td>A028-26</td>
<td>Shafting Arrangement Drawing</td>
</tr>
<tr>
<td>A028-27</td>
<td>Engine Intake And Exhaust System Arrangement Drawings</td>
</tr>
<tr>
<td>A028-28</td>
<td>Workshops And Industrial Facilities Drawing</td>
</tr>
<tr>
<td>A028-29</td>
<td>Mooring And Towing Drawing</td>
</tr>
<tr>
<td>A028-30</td>
<td>Rigging List</td>
</tr>
<tr>
<td>A029</td>
<td>3D Cad Product Model Data</td>
</tr>
<tr>
<td>A050</td>
<td>Ship Equipment Drawings</td>
</tr>
<tr>
<td>A051</td>
<td>Ship Drawing Index (SDI)</td>
</tr>
<tr>
<td>A055</td>
<td>Color Coordination Manual</td>
</tr>
<tr>
<td>A056</td>
<td>Material Selection, Cathodic Protection And Corrosion Control Plan</td>
</tr>
<tr>
<td>A072</td>
<td>SELECTED RECORD DRAWINGS (SRDs) &lt;br&gt;(See Attachment 1 To Data Item No. A072)</td>
</tr>
<tr>
<td>A072-01</td>
<td>Booklet Of General Plans</td>
</tr>
<tr>
<td>A072-02</td>
<td>HVAC Diagrammatic Plan And Equipment List</td>
</tr>
<tr>
<td>A072-03</td>
<td>Machinery Arrangement Plan</td>
</tr>
<tr>
<td>A072-04</td>
<td>Electrical System One-Line Diagram</td>
</tr>
<tr>
<td>A072-05</td>
<td>Damage Control Display Plan</td>
</tr>
<tr>
<td>A072-06</td>
<td>Electrical Plant Load Analysis</td>
</tr>
<tr>
<td>Data Item</td>
<td>Data Item Title And Subtitle</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>A072-07</td>
<td>Electrical System Fault Current Analysis</td>
</tr>
<tr>
<td>A072-08</td>
<td>Interior Communication System Block Wiring Diagrams</td>
</tr>
<tr>
<td>A072-09</td>
<td>Piping Systems Diagrams</td>
</tr>
<tr>
<td>A072-10</td>
<td>Capacity Plan</td>
</tr>
<tr>
<td>A072-11</td>
<td>Ship Radio Communication System Block Wiring Diagram</td>
</tr>
<tr>
<td>A072-12</td>
<td>Lighting Systems Wiring Deck Plan</td>
</tr>
<tr>
<td>A072-13</td>
<td>Power Systems Wiring Deck Plans</td>
</tr>
<tr>
<td>A072-14</td>
<td>Propeller Blade Gauge Drawing</td>
</tr>
<tr>
<td>A072-15</td>
<td>Replenishment Systems Drawing</td>
</tr>
<tr>
<td>A073</td>
<td>Trim And Stability (T&amp;S) Booklet</td>
</tr>
<tr>
<td>A074</td>
<td>Booklet Of Tank Capacity Tables</td>
</tr>
<tr>
<td>A075</td>
<td>Docking Plan</td>
</tr>
<tr>
<td>A076</td>
<td>General Arrangement And Profiles</td>
</tr>
<tr>
<td>A077</td>
<td>Master Equipment List (MEL)</td>
</tr>
<tr>
<td>A095</td>
<td>Equipment Logistic Support (LSI) Information Packages (See Attachment 1 To Data Item No. A095)</td>
</tr>
<tr>
<td>A096</td>
<td>Equipment Logistic Support Information (LSI) Packages Schedule And Status Reports</td>
</tr>
<tr>
<td>A106</td>
<td>Student Guides</td>
</tr>
<tr>
<td>A107</td>
<td>Commercial Equipment/ Systems Manuals Submission Schedule/ Status Reports</td>
</tr>
<tr>
<td>A108</td>
<td>Commercial Technical Manual, Equipment/ General Purpose And Supplemental Data (See Attachment 1 To Data Item No. A108)</td>
</tr>
<tr>
<td>A110</td>
<td>Technical Manual, System/ Special Purpose – Engineers' Operating Manual (EOM) (See Attachment 1 To Data Item No. A110)</td>
</tr>
<tr>
<td>A111</td>
<td>Technical Manual, System/ Special Purpose – Pollution Abatement Manual (See Attachment 1 To Data Item No. A111)</td>
</tr>
<tr>
<td>A112</td>
<td>Technical Manual, System/ Special Purpose – Centralized Machinery Control Systems Manual (CMCSM) (See Attachment 1 To Data Item No. A112)</td>
</tr>
<tr>
<td>A113</td>
<td>Technical Manual, System/ Special Purpose — Motors Manual (See Attachment 1 To Data Item No. A113)</td>
</tr>
<tr>
<td>A115</td>
<td>Technical Manual, System/ Special Purpose — Machinery Plant Maintenance Manual (See Attachment 1 To Data Item No. A115)</td>
</tr>
</tbody>
</table>
The T-AKE design shall integrate all ship systems and incorporate state of the art cargo handling, cargo stowage, and underway replenishment systems.

The Contractor shall manage, control, and document the configuration of the ship design, including hull lines, compartmentation, arrangements, structure, systems, and equipment data.

The Contractor shall prepare a complete set of construction drawings and design calculations necessary for construction of the ship. The construction requirements of the Ship Specification shall be incorporated into the drawings, to the extent that the drawings are independent of the Ship Specification, and fully describe the construction of the ship without reference to the Ship Specification. Drawings shall be revised as detail design and construction progresses and changes occur. The latest revision of drawings shall reflect the current status of changes, deviations, waivers, and results of the validation process. Ship equipment drawings shall also be provided. The Contractor shall revise and provide new drawings to the Government that show the modifications made to correct any defects.

The Contractor shall provide the Government with access to the in-process detail design (working drawings, specifications, bill of materials, and any other technical data that is part of the detail design).

Purchase orders and a purchase order index shall be provided.

1.2.1.1 TOTAL SHIP INTEGRATION.

The Contractor shall be responsible for total ship integration efforts. Through concurrent engineering practices, the Contractor shall provide an incremental detail design, ship systems integration, construction, testing and logistics approach to fulfill total ship functional requirements. Total ship system integration shall be performed as an integral part of the detail design process.

1.2.1.2 DESIGN REVIEWS.

The Contractor shall present design reviews to the Government to review the ship design status, issues, results, ILS integration, and problems with recommended solutions. The initial design review shall be a Specification review to be held four (4) weeks after contract award. The next design review shall be eight (8) weeks after contract award and the design reviews shall continue at approximately eight (8) week intervals. The design reviews shall be held at the Contractor's facility or, at the Government's option, the reviews may be held at a Government facility. Design reviews may also be held by video-teleconference, if the Contractor and the Government mutually agree.
SCHEDULE

The Contractor's detail design shall be subjected to two (2) Critical Design Reviews (CDRs), wherein the Contractor shall satisfy the CDR exit criteria.

a. The Initial Critical Design Review (ICDR), held at the Contractor's facility approximately six (6) months after contract award, shall be successfully completed prior to the start of construction on the lead ship, and prior to any Government decision to exercise the option for the second ship. The Contractor shall demonstrate the maturity of the ship design at the ICDR.

1. The following contract data deliverables shall be reviewed at a minimum:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A007</td>
<td>Hull Form Development and Powering Performance Report</td>
</tr>
<tr>
<td>A013-18</td>
<td>Stability Report</td>
</tr>
<tr>
<td>A014-02</td>
<td>Allocated Baseline Weight Estimate (ABWE)</td>
</tr>
<tr>
<td>A017</td>
<td>Cargo Handling Equipment Design Data</td>
</tr>
<tr>
<td>A027-02</td>
<td>Endurance Fuel Calculations</td>
</tr>
<tr>
<td>A027-09</td>
<td>Cargo Movement Systems Fault Tree Analysis (FTA)</td>
</tr>
<tr>
<td>A028-01</td>
<td>Molded Lines, Offsets, Control Surfaces and Appendages Drawing</td>
</tr>
<tr>
<td>A028-03</td>
<td>Midship Section and Typical Details Diagram (ABS APPROVAL REQUIRED)</td>
</tr>
<tr>
<td>A028-07</td>
<td>Cargo Stowage and Handling System Arrangement Drawing</td>
</tr>
<tr>
<td>A047-01</td>
<td>Cargo Flow Modeling and Simulation Analysis Report</td>
</tr>
<tr>
<td>A047-02</td>
<td>T-AKE Cargo Flow Simulation Program Input Files</td>
</tr>
<tr>
<td>A049</td>
<td>Engine Approval Data</td>
</tr>
<tr>
<td>A061</td>
<td>Hydrodynamic Model Test Report</td>
</tr>
<tr>
<td>A076</td>
<td>General Arrangement and Profiles</td>
</tr>
<tr>
<td>A077</td>
<td>Master Equipment List (MEL)</td>
</tr>
</tbody>
</table>

2. The Single System Vendor design and progress review shall be held concurrent with the ICDR in accordance with the General Requirement in SECTION C of this contract entitled "SINGLE SYSTEM VENDOR."

3. Other items may be reviewed or addressed as mutually agreed upon.

The exit criteria for the ICDR will be that the Government is satisfied that there are no areas of the Contractor's ship design:

1. which present a substantial risk of non-compliance with the T-AKE Systems Specification (Attachment J-1) or other contractual requirements; and/or

2. whose maturity is such that start of construction would be premature, where there is a significant potential for rework due to future design decisions.

Within forty-five (45) days from the ICDR, the Contracting Officer will notify the Contractor in writing if it has been determined that the ICDR exit criteria have not been satisfied.
SCHEDULE

After forty-five (45) days from the ICDR, absent of notification that the ICDR exit criteria have not been satisfied, the Contractor may start construction of the ship (e.g., cutting of steel, module fabrication). Prior to the Contractor satisfying the ICDR exit criteria, the Contracting Officer may elect to authorize limited ship construction.

b. The Final Critical Design Review (FCDR) shall be held approximately eighteen (18) months after contract award for the purpose of assessing design maturity prior to any Government decision to exercise the options for the third and subsequent ships. The exit criteria for the FCDR will be that the Contractor demonstrates that the ship design is stable and that a configuration control baseline has been established.

1.2.1.3 CRITICAL EQUIPMENT.

The Contractor has proposed certain equipment by manufacturer and model in the Critical Equipment List, Attachment J-3c. This critical equipment, including manufacturer and model, shall be provided unless an equivalent equipment substitution is proposed by the Contractor and approved by the Government.

In order for the proposed equivalent item to be acceptable, an equipment equivalency request shall be prepared and submitted for approval. Government approval will be based on the following:

a. That it meets the specified performance requirements and Regulatory Body requirements; and

b. Possesses similar:
   1. Dimensions
   2. Weight
   3. Power, HVAC, cooling water and other support services
   4. Suitability for marine service
   5. Material
   6. Maintenance features
   7. Time in service
   8. Population in commercial, Military Sealift Command (MSC) or USN service
   9. Vendor furnished training
   10. Vendor furnished documentation
   11. Total ownership costs
   12. Noise and vibration characteristics
   13. Interface characteristics
   14. Environmental factors
   15. Reliability, Maintainability and Availability.

C. An exception to these criteria is that when lesser dimensions and weights and superior power, service, material, and maintenance characteristics are demonstrable and are to the advantage of the ship's mission, the equivalent item may be acceptable provided specified performance requirements are met.
1.2.1.4 MANNING OPTIMIZATION.

The Contractor shall develop and implement a manning optimization program to investigate the most efficient allocation of human resources (manpower reductions including manning level reductions and labor/overtime reductions) aboard ship and to support approval for reductions to overall manning levels. Government approval is required for changes to the manning levels specified in Attachment J-3e.

1.2.1.5 SHOCK.

The Contractor shall prepare and implement procedures to ensure that the systems and equipment meet the System Specification shock requirements, including procedures for performing a survey of items requiring shock qualification, and a list of equipment to be either shock tested or dynamically analyzed. The shock certification acceptance authority shall be the Government. Shock data review of vendor, subcontractor, Government specified, and shipyard fabricated items shall be conducted. The Contractor may arrange for access to the Navy’s shock database by contacting:

Mr. David Rich  
Carderock Division  
Naval Surface Warfare Center  
Ship Survivability & Structural Integrity Branch  
Code 625, Bethesda, MD 20084  
(215) 897-1255

1.2.1.6 NOISE CONTROL AND VIBRATION.

The Contractor shall prepare and implement a noise control program that includes the engineering, administrative, management, and ship construction functions to ensure that the noise and vibration requirements are achieved. Airborne noise analyses shall be prepared. Airborne noise performance requirements for individual units of machinery, equipment, and HVAC systems shall be established based upon the airborne noise analyses. Where necessary, vendor airborne noise tests shall be performed. The Contractor shall prepare vibration analyses. The Contractor shall prepare natural frequency analyses of hull, kingpost, decks, superstructure, mast, and foundations for machinery and equipment subjected to oscillatory loads whether it be their own loads or external loads.

1.2.1.7 DAMAGE CONTROL.

The design shall be evaluated on a compartment by compartment basis for selected damage control systems to identify the ability to isolate and restore system operation should, services in, or passing through the compartment be lost by fire or flooding. Damage control systems analyzed shall be the firemain, sprinklers, fire-extinguishing systems, communications, fire and smoke detection, flooding detection, lighting, electrical power, and other systems as appropriate. Damage control management system detail requirements shall be prepared. Arrangements,
equipment, and stowage requirements for Damage Control Central, DC lockers, the helicopter crash and rescue locker, and other DC stowage shall be prepared. Fire and smoke detection system and flooding detection system designs shall be prepared.

1.2.1.8 RELIABILITY, MAINTAINABILITY, AND AVAILABILITY.

The Contractor shall assess the achievement of the RMA requirements in the System Specification throughout the design, test, and construction process.

1.2.1.9 HUMAN SYSTEMS INTEGRATION (HSI).

Human systems engineering shall be applied to the detail design and construction of the ship. The Contractor shall prepare Human Engineering (HE) analyses that takes into account all aspects of HSI, such as view and line-of-sight requirements at key positions, equipment accessibility to afford maximum protection to personnel against operating and maintenance hazards, and to minimize maintenance. System safety, HE and logistics requirements shall be integrated.

The differences in size and physical capabilities of shipboard personnel shall be a consideration in the selection, design, installation, safety features, and maintenance provisions for equipment and fittings. Such equipment and fittings include, but are not limited to, damage control equipment, tools, survival gear, material handling equipment, manually operated equipment and machinery, escape scuttles, Watertight doors, ladders, and hatches. These requirements are not intended to mandate the modification of existing equipment or the procurement of non-standard equipment where standard equipment would otherwise suffice.

a. System Safety and Health. – The Contractor shall prepare, plan, implement, and maintain a System Safety Program (SSP) in accordance with MIL-STD-882D, which describes requirements for developing and implementing an SSP of sufficient comprehensiveness to identify the hazards of a system and to impose design requirements and management controls to prevent mishaps. The Contractor shall accomplish the following:

1. Prepare and implement a System Safety Program Plan (SSPP) in accordance with the System Safety Approach requirements specified in MIL-STD-882D and this Statement Of Work (SOW).
2. Develop the SSPP to include, but not be limited to, a recommended list for preliminary hazard analyses of shipboard areas; shipboard equipment, subsystems, and systems interfaces; and conditions capable of resulting in a Category I, II, or III hazard as defined in MIL-STD-882D.
3. Ensure that general system safety design and order of preference are in accordance with the requirements specified in MIL-STD-882D.
4. Ensure that the ship safety design requirements have been satisfied in the design documentation as well as in the as-built product.
5. Ensure that alarms are unique and distinctive so that they cannot be mistaken for other alarms.
SCHEDULE

6. Ensure the health hazards associated with the ship development, operation, maintenance, support, and disposal are reduced or eliminated.

b. Human Engineering (HE). – The Contractor shall prepare, plan, implement, and maintain a human engineering program in accordance with ASTM F1337. Using ASTM F1166 for guidance and ASTM F1337, an HE analysis shall be prepared that includes, but is not limited to, operations and maintenance task analyses, review of drawings and specifications, and review of models, simulations, and mockups. At a minimum, the following man machine interfaces and space arrangements shall be analyzed and evaluated: Pilot House, decontamination stations, Helicopter Control Station, food service spaces, Central Control Station, local machinery control, weapons handling and stowage, cargo off-loading by both Vertical Replenishment (VERTREP) and Connected Replenishment (CONREP), cargo handling within the ship, and Damage Control Central.

The Contractor shall prepare a list of other manned spaces and areas, man/machine interfaces, and watch stations that require HE analysis, and shall indicate the type of HE analyses they will prepare. The list shall address maintenance and repair evolutions as well as operations. Each HE design recommendation made during design, construction, and testing shall be documented, including final disposition of the recommendation. Where changes to specifications, design trade-offs, or other factors result in the rejection of, or deviation from, these HE inputs, the rationale shall be included in HE documentation as part of the design database and reported at design reviews. The Contractor shall provide the Government access to this HE documentation and design database.

1.2.1.10 TECHNOLOGY REFRESHMENT.

The Contractor shall implement a technology refreshment program to ensure that Contractor furnished subsystems, equipment, and software are not technologically obsolete at ship delivery. Technology shall be considered to be obsolete and the Contractor shall replace with current technology if any one of the following criteria is met:

1. Products not in production or expected to be phased out of production by the original equipment manufacturer within two years following ship delivery.
2. Products no longer commercially supported or any component without a supplier documented plan to support for seven years following ship delivery.
3. Products whose maintenance costs exceed replacement costs with current technology.

The Contractor shall ensure that refreshments incorporated do not degrade performance. The Contractor shall develop a technology refreshment plan that cyclically removes technically antiquated or unsupported equipment and replaces it with technically superior equipment.

For refreshment items that will increase the cost of contract performance, removal of technically antiquated or unsupported equipment and replacement with technically superior equipment shall not occur without prior Government approval.
1.2.1.11 ENVIRONMENTAL PROTECTION.

The Contractor shall develop and implement a Program Pollution Prevention Plan (PPPP) consistent with the requirements in the System Specification, Attachment J-1. The PPPP shall address the requirements for elimination or reduction of all forms of pollution to minimize environmental impacts and the life-cycle costs associated with environmental compliance. The PPPP shall include Contractor efforts in the design, construction and testing of the T-AKE to prevent all forms of pollution or reduce them at the source whenever feasible, including but not limited to: trade studies, equipment selection and system design. The PPPP shall include a description of the T-AKE design features incorporated that prevent or reduce all forms of pollution during the operational and disposal phases of the T-AKE life cycle. The PPPP shall identify the following: the impacts of the system on the environment during its life (to include design, construction, testing, operation, maintenance, and disposal), actions needed to prevent or control the impacts, the types and amounts of pollution that will be released to the environment, environmental, safety and health (ESH) risks associated with new systems and technologies, and identification of other source reduction opportunities and alternative technologies. The PPPP shall guide the Contractor in minimizing the environmental impacts and the life cycle costs associated with environmental compliance through an aggressive source reduction program. The Contractor shall require its subcontractors to comply with the provisions of the PPPP.

The Contractor shall develop and implement an Environmental Protection Compliance Plan (EPCP) consistent with the requirements in the System Specification, Attachment J-1. The EPCP shall be a derivative of the Requirements Verification program as described in Section C. The EPCP shall describe the international, national, state and local statutory and regulatory regime, or System Specification requirements that the T-AKE shall comply with. It shall describe the pollution prevention and pollution control measures incorporated into the ship design to enable compliance with environmental protection specifications and legal requirements. The EPCP shall include life cycle cost information used in the selection process of pollution control measures. The Contractor shall require its subcontractors to comply with the provisions of the EPCP.

The Contractor shall participate in the Environmental Protection Working Group (EPWG). The EPWG shall advise the Contractor and the Government on environmental protection requirement implementation for the T-AKE program and monitor Contractor environmental performance as reflected in the Hazardous Material Management Plan (HMMP). PPPP and EPCP. The EPWG shall meet at each SPPC and periodically, timed to coincide with ICDR, FCDR and design reviews. The EPWG shall consist of up to six (6) Government representatives and a minimum of one (1) Contractor representative expert in the area of marine environmental protection and knowledgeable of the Contractor’s ship design and construction and test processes.

1.2.1.12 HAZARDOUS MATERIAL MANAGEMENT.

The Contractor shall develop and implement a Hazardous Material Management Plan (HMMP) in accordance with National Aerospace Standard NAS 411 and consistent with the requirements in the System Specification, Attachment J-1. The HMMP shall address requirements for hazardous materials and elimination, minimization, substitution, and handling of hazardous
SCHEDULE

materials and potentially hazardous materials. The Contractor shall include both the prohibited and Government controlled substances listed in section 3.4.10 of the System Specification in the HMMP. Where a hazardous material use cannot be avoided, the Contractor shall develop and implement plans and procedures for identifying, minimizing the use of, tracking, storing, handling, packaging, transporting, and disposing of such materials and equipment. The Contractor shall require its subcontractors to comply with the provisions of the HMMP.

All hazardous, or otherwise regulated, materials selected by the Contractor for use in the construction, operation, and maintenance of T-AKE shall be summarized in the Ship Hazardous Material List (SHML) and documented in an overlay as part of the 3D Computer Aided Design (CAD) product model of the ship. The SHML overlay on the 3D CAD model shall identify the quantity and location of all hazardous or otherwise regulated materials listed in the SHML.

1.2.1.13 MACHINERY ACCESS AND REMOVAL.

The Contractor shall integrate equipment removal into the design.

1.2.1.14 CARGO HANDLING AND STOWAGE.

The Contractor shall update and maintain a cargo flow simulation and incorporate any design development that affects the results. The Contractor shall assess the impact of all proposed design changes on the cargo flow requirements.

1.2.2 CONSTRUCTION.

The Contractor shall construct the T-AKE ship in accordance with the detail design and ship systems integration developed by the Contractor. Construction shall comprise the total effort of building and testing the ship, including the preparation of work instructions, shop sketches, and other drawings, diagrams, schedules, plans and data required and/or incidental to the construction effort. The Contractor shall be responsible for the installation and integration of all Government Furnished Equipment (GFE) (listed in Attachment J-7) on the ship, as well as the procurement and installation of all Contractor Furnished Material (CFM).

1.2.2.1 GOVERNMENT FURNISHED EQUIPMENT (GFE).

GFE shall be inspected by the Contractor for damaged or missing components upon receipt. The Contractor shall unload, clean, and remove any temporary preservative at an appropriate time from the GFE. The Contractor shall handle, care for, assemble when disassembled for shipping purposes, and store such GFE. Articles and equipment provided by the Government shall be installed by, or have satisfactory stowage aboard ship provided by, the Contractor. The Contractor shall furnish the labor and material, including wiring, piping, and accessories, necessary for their installation, testing, and stowage of GFE. Where an item provided by the Government is intended as a part of a system or assembled equipment, the Contractor shall be responsible for satisfactory operation of the system or assembly as a whole.
1.2.2.2 CONTRACTOR FURNISHED MATERIAL (CFM).

Articles, equipment, materials and parts required by this contract to be provided by the Contractor shall be installed by, or be placed in a satisfactory stowage location aboard ship provided by the Contractor. Where CFM has a limited shelf life or useful life, it shall be procured and installed to maximize the service life to the Government after ship delivery.

1.2.2.2.1 LONG LEAD MATERIAL.

The Contractor shall provide long lead material to support the orderly construction of the lead ship. Delivery dates for the long lead material shall be developed on the basis of the dates the items would be required in the shipbuilder's yard to support delivery of the ship.

The Contractor shall prepare a list of long lead material that must be ordered prior to completion of the ICDR. This list shall be integrated into the schedule(s).

1.2.2.3 CARE OF THE SHIP.

The ship, including all GFE and CFE, shall be maintained in a satisfactory condition during the entire period the ship is in the Contractor's possession. During construction the ship shall be kept free of chips, shavings, refuse, dirt, cigarette butts, water, and other extraneous matter. Tanks and voids shall be cleaned and pass inspection before being closed. Rubbish shall be removed from places which are to be permanently closed or which may become inaccessible. Appropriate measures shall be taken to minimize wear and damage incident to construction, and to prevent corrosion or other deterioration. Electric motor strip heaters shall be activated as soon as power can be made available. Otherwise, heat lamps or other heating devices shall be provided for all electric motors and other equipment subject to damage from condensation. Machine parts, both interior and exterior, shall be protected against corrosion and deterioration during the interval between manufacture and ship delivery. If removal of preservative is necessary for testing the machinery or equipment prior to installation, the Contractor shall represerve and protect the machinery or equipment in accordance with the manufacturer's instructions. Preservative on working parts shall be removed prior to operation of the machinery or equipment. Piping, machinery, and equipment shall be protected from damage such as freezing or other adverse environmental conditions. Equipment, prefabricated parts, furniture, outfit and outfitting material which is stowed in warehouses or on piers during construction of the ship, shall be free of vermin before being placed onboard. Parts and equipment, including those having working surfaces or passages, or piping for lubricating and hydraulic oil, shall be kept clean and protected during manufacture, storage, assembly, and installation. Prior to delivery, the interior and exterior of the ship shall be swept, washed down, or otherwise cleaned, and the vessel put in a habitable condition for the crew.

For UNREP machinery and equipment, specific protection shall be provided as follows: After manufacture and prior to installation on the ship, the winches, rams, sliding block drives, and Anti-Slack Devices (ASDs) shall be protected from the elements by stowing inside a building. Within ten (10) working days after installation on the ship, heater circuits shall be energized. If ship's power is not available at the time of heater circuit installation, temporary
power shall be provided. However, proper hydraulic fluid levels shall be maintained, as required by the technical manuals for the equipment. Replenishment motors for the highline, hauling, and spanwire winches shall be energized through their respective motor controllers upon availability of ship’s power. Furthermore, proper hydraulic fluid levels shall be maintained and filters shall be replaced, as required by the technical manuals for the equipment. In addition to the general requirements defined above, after installation and bolting to their respective foundations on the ship, the winches, rams, sliding block drive systems, and ASDs shall be protected and maintained clean at all times against dust, moisture, metal chips, sandblasting grit, and other foreign matter.

1.2.2.4 LAUNCHING AND DOCKING.

The Contractor shall be responsible for the satisfactory launching of the ship at the time and manner mutually agreed upon by the Contractor and the Supervisor. Should there be any evidence that the ship has been strained or damaged during launching, the ship shall be drydocked immediately. The Contractor shall drydock the ship and shall clean and paint the underwater portions of the ship as late in the construction period as practicable, but no earlier than six (6) months before delivery. The Contractor shall notify the Regulatory Bodies to witness the final drydocking for certification purposes.

1.2.2.5 COLLISION OR GROUNDING.

The Contractor shall take precautions to prevent the ship from colliding or going aground. Precautions shall include means to provide for safety of the crew. In the event that collision occurs or the ship is grounded, the Supervisor shall be notified immediately and a thorough inspection for damage shall be conducted by the Contractor at no expense to the Government. If requested by the Supervisor, the ship shall be drydocked for inspection at no expense to the Government.

1.2.2.6 FIRE AND FLOODING PREVENTION.

The Contractor shall develop and maintain a system of fire detection, fire prevention, fire fighting, flooding prevention, flooding detection, flooding repair and dewatering capability to protect the ship prior to delivery. Fire and flooding protection organization charts and instructions shall be prepared and shall be kept up-to-date. Training drills shall be conducted at the beginning of construction, and at intervals of not more than six (6) months thereafter.

1.2.2.7 PROTECTION OF UNDERWATER HULL DURING CONSTRUCTION.

The Contractor shall provide continuous cathodic protection as soon as the ship is waterborne, using the ship’s cathodic protection system or a temporary cathodic protection system.
1.2.2.8 NAVAL COMMUNICATIONS SYSTEMS.

The Contractor shall comply with the naval communications turnkey process described in the Naval Communication Turnkey Approach, Attachment J-9.

1.2.2.9 NAVIGATION SYSTEM ALIGNMENT.

The Contractor shall mechanically and electrically align the ship's navigation equipment.

1.3 REQUIREMENTS VERIFICATION PROGRAM.

The Contractor shall develop and implement an integrated verification program which verifies that the requirements of the contract are satisfied.

The Contractor shall perform the analyses, inspections, modeling, simulation, and testing in accordance with the System Specification requirements and shall obtain certifications and classification required by the System Specification. The Government will perform the following performance verification activities:

a. Aviation facilities certification as described in System Specification section 4.5.9. However, the Contractor is responsible to perform the analysis, inspection, and testing required by the System Specification section 4.5.9 and provide the results to the Government.

b. The TEMPEST inspection as required by System Specification section 4.5.13.

c. Magnetic signature trial as required by System Specification section 4.3.2.


The Contractor shall also conduct testing, including, but not limited to inspections and demonstrations, for Contractor and Government-furnished equipment, subsystems, and systems to demonstrate compliance with the Ship Specification requirements.

Testing shall also demonstrate workmanship, alignment of machinery, strength, rigidity, tightness, and suitability for the purpose intended, and the provision of clearances for moving parts and for lines of sight. The Contractor shall provide necessary materials, fuel, power, equipment, instrumentation, and personnel to conduct each test, inspection or demonstration. Each test, inspection and demonstration shall be performed in the presence of the Supervisor, except when the Supervisor authorizes the Contractor to perform, report, and certify the results in his absence. The Contractor shall schedule, prepare procedures for, and report the results of tests, inspections and demonstrations.

1.3.1 REQUIREMENTS VERIFICATION PLAN.

The Contractor shall prepare a requirements verification plan. The Contractor shall integrate the verification requirements of the System Specification with any verification efforts necessary to demonstrate satisfactory performance of the systems and equipment resulting from the
SCHEDULE

Contractor’s design development, procurement, and construction efforts to fulfill the System Specification requirements. Should there be a conflict or redundancy between those verification requirements specified in the System Specification, the Ship Specification, or those resulting from Contractor selection of systems and equipment, the most stringent verification method shall apply.

1.3.2 CORRECTIVE ACTION.

When verification pass/fail criteria are not satisfied, the reasons for failure shall be determined in a timely manner. The Contractor shall identify, implement and validate corrective action as part of the verification process.

1.3.3 GOVERNMENT VERIFICATION SUPPORT.

For requirements verification efforts, including tests, inspections and demonstrations, that require Government support services, the Contractor shall request such services from the Supervisor. Each request shall include a listing of support services required and an estimate of the length of time that the Government support services will be required.

1.3.4 NOTIFICATION OF TEST/INSPECTION EVENTS.

The Contractor shall notify the Supervisor a minimum of twenty-four (24) hours prior to the test/inspection to enable the Government to provide representation at tests, inspections, and demonstrations.

1.3.5 MODEL TESTS.

Model testing shall be performed in accordance with System Specification section 4.3.1 requirements. In addition to the ship loading conditions in System Specification Section 4.3.1, model tests shall be performed for the following ship loading conditions:

a) Midway between Full Load Displacement (Condition D) and No-Cargo Arrival Displacement, zero trim.

b) Midway between Full Load Displacement (Condition D) and No-Cargo Arrival Displacement, with 2.0m of trim by the stern.

c) Predicted trials displacement with 4.0 meters trim by stern (or, if predicted Trials trim is equal to or greater than 3.0 meters by the stern, for this displacement with 2.0 meters of trim by stern).

The required model testing shall be completed prior to the Initial Critical Design Review.

1.3.6 ENGINE RATING VALIDATION.

The installed engine rating(s) shall be validated in accordance with the requirements of the System Specification section 4.5.4, prior to the Initial Critical Design Review.
1.3.7 ENGINE EMISSIONS TESTING.

Diesel engines shall be tested for gaseous (NOx, CO, CO2, HC, and O2), particulate and smoke emissions. Particulate emissions shall be measured in accordance with ISO Standard 8178, Part 1 using test cycle E3 or E2 (as appropriate) of Part 4 for propulsion engines and test cycle D2 for electrical generator engines. Gaseous emissions of (NOx, CO, CO2, HC, and O2) shall be measured in accordance with the NOx Technical Code of Annex VI of MARPOL 73/78 “Regulations for the Prevention of Air Pollution from Ships.”

Gas turbines shall be tested for gaseous (NOx, CO, CO2, HC, and O2), particulate, and smoke emissions. Particulate and gaseous emissions shall be measured in accordance with the latest version of ASME B133.9 “Measurement of Exhaust from Stationary Gas Turbine Engines.”

Engines provided solely for emergency use or less than 130 kW are excluded from these test requirements.

1.3.8 ANCHOR HANDLING ARRANGEMENT MODEL.

The Contractor shall construct a working model of the ship’s anchor handling arrangement to demonstrate satisfactory hoisting and housing of both anchors and to ensure the anchors do not damage the hull of the ship. The scale of the model shall be 1:8. The model shall include the hawsepipe, anchor and chain, bolsters, deck pads and chain stoppers, hull of the ship in way of the chain travel from the weather deck to keel, weather deck in way of the chain travel from the hawsepipe to wildcat through chain stoppers, and chain pipe to chain locker. The wildcat shall be arranged for hand operation and shall simulate the relative position of the wildcat, allowing for foundations and other interferences. The model shall be operationally demonstrated to the Supervisor.

1.3.9 INCLINING.

The Contractor shall perform an inclining experiment prior to builder’s sea trials on each ship constructed under this contract, unless waived by the Supervisor. The inclining experiment shall be performed in accordance with regulatory body requirements.

1.3.10 TRIALS.

The Contractor shall conduct trials in accordance with the requirements specified in the System Specification and the Ship Specification, as well as the requirements specified herein.

The Contractor shall verify that the ship and its equipment are in compliance with the requirements specified in the Contract, the System Specification, and the Ship Specification.

The Contractor shall perform the following trials:
SCHEDULE

1. Builder's Trials (BT):
   (a) Builder's Dock Trials (BDT)
   (b) Builder's Sea Trials (BST)
2. Acceptance Trials (AT).

During the trials conducted by the Contractor, representatives of the Government will exercise no control over the navigation or operation of the ship, its machinery plant, equipment, or systems. However, such representatives may bring to the Contractor's attention any methods of operation that appear to be unsafe or in conflict with the requirements of the Contract.

Emergency Escape Breathing Devices (EEBDs) and other personnel-escape or protective devices required to be furnished by the Contractor or provided by the Government shall be on board and properly stowed.

The Contractor shall provide tug service, dockside personnel, and other services necessary to dock and undock the ship. The Contractor shall provide all fuel to operate the ship during the trials. A trials crew shall be provided by the Contractor, and shall include a properly licensed master and engineers acceptable to the local Coast Guard Officer in Charge, Marine Inspection (OCMI) for the type and rating of the propulsion plant. Operation of the ship and its machinery, equipment, and systems shall be in a safe manner and in accordance with the operating instructions. The trials crew shall record data and compute trial performance and results. Trials data shall be readily available to the Government observers, and trials results shall be posted.

BDT and BST shall be witnessed by the Supervisor and other Government observers. AT shall be witnessed by INSURV and other Government observers. A representative from the Single System Vendor shall attend BDT, BST and AT. Subject to the Supervisor's approval, representatives of manufacturers who have furnished ship components may be invited by the Contractor to witness AT.

The Contractor shall provide subsistence for Government representatives and observers while the ship is at sea. When the ship is out overnight, on-board berthing accommodations shall be provided. Transportation between the ship and shore shall be provided, as required.

Verification-event reports and the trial report for BT shall be made available to INSURV at the time of AT.

Shaft torsionmeter(s) and fuel meters to determine shaft torque and fuel consumption during trials will be provided, calibrated, installed, and removed by the Government. All other instrumentation and equipment needed for the trials shall be provided by and operated by the Contractor. The Contractor shall provide, calibrate, and install temporary instrumentation necessary for obtaining trials data. The Contractor shall calibrate permanently installed instruments prior to trials. After satisfactory completion of trials, the Contractor shall remove temporary instrumentation and restore systems to their normal operating condition.

Satisfactory operation of the machinery plant components and controls shall be demonstrated during BDT and BST, as appropriate, and during AT. The propulsor shall be operated under

BST and at-sea AT shall be conducted in accordance with SNAME T&R 3-47. If practicable, these trials shall be performed with the ship at the full load draft and trim. If the ship cannot be operated at full load draft and trim during trials, the Contractor shall provide resistance and design-propeller self-propulsion model test data applicable to the actual trials draft and trim. During both the propulsion and maneuvering trials, the ship shall be operated in water depth in accordance with the SNAME Technical and Research Bulletin No. 3-47 requirements and recommendations.

The Contractor shall perform an ahead-propulsion full-power trial during both BT and AT. The propulsion engines shall be operated at the maximum achievable continuous rpm, subject to manufacturer’s restrictions.

The Contractor shall perform a hull and propeller roughness survey on the lead ship only, prior to BST. This survey shall take place no earlier than 90 days prior to BST, and may take place in dry dock. Roughness measurements shall be taken with a needle gauge in 16 locations along the hull as agreed upon with the Supervisor, on both sides of all underwater appendages, and on both the suction and pressure sides of at least two propeller blades.

Fuel Economy trials shall be performed for the lead ship. Fuel consumption measurements shall be taken at the estimated shaft power levels corresponding to 10 knots, 12 knots, 15 knots, 18 knots, and 20 knots, in the normal ahead mode, with the ship in the full-load condition (calm water, clean bottom and propeller); if the ship has twin screws, fuel consumption measurements shall also be taken in the trail shaft mode at the estimated shaft power levels corresponding to 10 knots, 12 knots, and maximum speed with the ship in the full-load condition (calm water, clean bottom and propeller).

Propulsion and maneuvering capabilities shall be demonstrated during the trials. At a minimum, for the lead ship, sea trials shall include the trials listed below.

a. Standardization Trials. The standardization trials shall include a minimum of 5 speeds, including one point at the speed achievable at 80% MCR and one point at the maximum throttle setting to determine maximum achievable speed.

b. Turning Circles. At a minimum, turning circle trials shall be run at three approach speeds, with three rudder angles at each speed. For a single screw ship, turning circle trials may be performed with turns to either port or starboard, except that one turning circle shall be repeated, at each speed, with a turn in the opposite direction. For a twin screw ship, the turning circle trials may be performed with turns to either port or starboard, except that one additional turning circle shall be performed in the opposite direction.

c. Zig-Zag Maneuvers. 20/20 zig-zag maneuvers shall be performed at 5 knots and at a speed corresponding to the maximum achievable trial shaft RPM.

d. Spiral Maneuvers. Spiral maneuvers shall be performed at 14 knots. If the model tests or simulation have indicated lateral instability at a different speed, the spiral maneuver shall also be performed at the speed the instability is predicted to occur.
SCHEDULE

e. Ship Rotation Tests. Tests shall be performed to demonstrate the capability of the ship to achieve a 180-degree change of heading with minimal forward/aft motion.

The following trials shall be performed on all ships:

a. Thruster Tests. If thrusters are provided, tests shall be performed to demonstrate transitioning from maximum power in one direction to maximum power in the opposite direction.

b. Quick reversal ahead/astern. Quick reversal tests shall be performed in accordance with SNAME T&R 3-47 procedures except that stopping tests shall be carried out from an initial speed corresponding to the maximum achievable trial shaft RPM and from an initial speed of 16 knots. After completion of the quick reversal tests, the propulsion system shall be checked for loose items, oil leaks, fuel leaks, water leaks, exhaust leaks, and structural defects. Engine mounts and foundations shall also be checked for structural defects.

The satisfactory operation of all ship systems and equipment shall be demonstrated during trials.

An airborne noise survey shall be performed during BST.

An underwater vibration survey shall be performed in accordance with the procedures of SNAME Codes C-1 and C-4. Single amplitude displacement shall be measured for the hull girder, superstructure and mast with the ship underway in water with a minimum depth of not less than five times the ship’s mean draft. A steady acceleration run in increments of 5 to 10 rpm shall be conducted to determine critical operating frequencies. Steady speed runs shall be performed at 5 rpm increments from ½ full power rpm to full power rpm. Accelerometer measurements shall be taken during this run, inside the hull over the propeller, to determine its cavitation inception speeds. Additional runs of smaller rpm increments shall be required if vibration levels are measured in excess of the System Spec at the critical frequencies.

If any part of the ship or its equipment fails to meet contractual requirements during BST, the Contractor shall conduct additional BST as directed by the Supervisor. If any part of the ship or its equipment fails to meet contractual requirements during AT, the Contractor shall conduct additional AT as directed by the Supervisor. Supervisor designated deficiencies shall be corrected prior to these additional trials. The scheduling of such additional trials shall be mutually agreed upon by the Contractor and the Supervisor, and, in the event of re-scheduled AT, as approved by INSURV.

The Contractor shall confirm the dates for trials at least fourteen (14) days prior to each scheduled date.

Builder’s Trials (BT). – BDT shall demonstrate the readiness of the ship for sea trials. BST shall be performed as soon after the BDT as practicable, and shall demonstrate that the ship is seaworthy, and machinery and equipment are ready for the AT. Tests that cannot be performed with the ship moored shall be accomplished during BST.
SCHEDULE

The Contractor, prior to BST, shall certify to the Supervisor that the ship is ready for sea trials. The certification shall identify, and schedule for completion, Contractor-responsible items to be complete at BST.

The Supervisor will perform a simulated INSURV inspection during BST. The simulated inspection will be performed in accordance with the guidelines of INSURVINST 4730.1. The Contractor shall function as the presenting authority and the Supervisor will function as INSURV. The Supervisor will designate representatives to act as INSURV inspectors and inspect the ship. The Contractor shall appoint persons knowledgeable in each of the inspected areas to accompany the Supervisor's representatives in the inspection. Trial deficiency cards will be used by the Supervisor's representatives describing each deficiency found, and the required corrective action.

Within twenty four (24) hours after BST completion, the Supervisor will provide to the Contractor, one copy of each deficiency card written during BST. Within the following forty eight (48) hours, the Supervisor will provide to the Contractor a Government determination as to whether each deficiency is the responsibility of the Contractor or the Government.

Acceptance Trials (AT). – Successful completion of BT is a prerequisite to AT. Successful completion of AT is a prerequisite to preliminary acceptance of the ship by the Government.

Acceptance trials shall be performed at sea and in port in accordance with INSURV instructions to demonstrate to INSURV the compliance with the contractual requirements. Tests specified under BT which are requested by INSURV shall be repeated during AT. The results of AT shall be recorded by the Contractor.

Compartments shall be complete, including lagging, insulation, deck tile, labeling, and painting. Deficiencies shall be reported to INSURV upon arrival for trials. Data recorded during earlier tests and trials, together with analysis of this data, shall be made available. Technical documentation for the operation and testing shall be made available.

After completion of the at-sea portion of AT, the ship shall be returned to the Contractor's facilities, and selected equipment, as requested by INSURV and directed by the Supervisor, shall be opened for such examination as INSURV may request. Corrections of defects or deficiencies shall be accomplished as specified in the contract. Following the examination or correction of defects or deficiencies, the equipment shall be made ready for service and re-tested.

After completion of AT and before delivery of the ship, Contractor-responsible work shall be completed or resolved to the satisfaction of the Supervisor.

Final Contract Trials (FCT). – Prior to final acceptance by the Government, the ship will undergo FCT. During such trials, the ship will be operated by a crew provided by the Government, and expenses incident to the trials will be borne by the Government. The trials may be attended by representatives of the Contractor with approval of the Supervisor.
SCHEDULE

Trials will consist of operation at a location to be designated by the Government. Any trials or tests previously conducted during AT may be repeated. A post-trial examination of machinery will be performed.

1.3.11 EQUIPMENT REMOVAL DEMONSTRATION.

The Contractor shall demonstrate equipment removal. The Government will designate up to six pieces of machinery or equipment, including main engine and propulsor components, to be removed. The Contractor shall demonstrate the method of disassembly and transport within the ship to an onboard shop and/or a topside location for removal from the ship.

1.4 AVAILABILITY PERIODS.

Pursuant to the Special Contract Requirement of SECTION H of this contract entitled "DELIVERY OF COMPLETED VESSEL," the Contractor shall provide access to the ship for crew training for a maximum of four continuous hours each day during the hours 0800-2000 for the period commencing upon completion of Acceptance Trials and ending at delivery.

During the conduct of crew familiarization, the Contractor shall provide ship services such as power, cooling water, dry air, and air conditioning. The Contractor shall also provide technical and operator personnel as necessary to assist the crew and Government representatives.

1.5 DELIVERY.

At the time of the delivery, the ship systems shall be in operating condition. At delivery the Contractor shall sound the fuel tanks in the presence of the Supervisor and calculate the amount of fuel remaining.

1.6 FITTING OUT AVAILABILITY.

Immediately following delivery, the ship shall commence a Fitting Out Availability of sixty (60) days in duration at the Contractor's facility. During this period, the Government will perform deferred installation of GFE, conduct crew training and operate the ship for the purpose of conducting special tests and trials. In support of these efforts, the Contractor shall provide berthing space and pierside support for the ship including brows and landing platforms, as appropriate, utilities from shore connections (electricity, fresh water, compressed air, sewage, bilge and graywater, telephone), solid waste collection and crane services. The Contractor shall also provide access to the yard to authorized visitors.

1.7 OWNERSHIP SUPPORT.

1.7.1 TOTAL OWNERSHIP COSTS.

The Contractor shall implement a Total Ownership Cost Reduction Program to ensure that cost of ownership is minimized throughout detail design, ship systems integration, construction,
testing, logistics, and life cycle support planning. Within ninety (90) days after contract award, the Contractor shall provide an initial baseline total ownership cost estimate for the lead ship.

The Contractor shall prepare total ownership cost estimates to support trade-off decisions in selecting systems, equipment, components, and materials and other ship attributes for the ship(s) under this contract.

The Contractor shall establish total ownership cost estimating processes and procedures that include metrics and relationships for identifying the time phasing of cost effects of ship attributes for each category of cost and for all phases of the life cycle of each ship of the T-AKE Class. The total ownership cost estimate for each ship shall include the estimated annual cost by cost category for each year of the ship from contract award through disposal. The total ownership cost estimate for each ship shall include the estimated cost of Government furnished items and Contractor furnished items, and shall separately identify the cost of these items within the total ownership cost estimate. Total ownership cost estimates shall be provided in constant FY 00 dollars.

1.7.2 INTEGRATED LOGISTICS SUPPORT (ILS).

The Contractor shall prepare and implement an ILS program to satisfy the logistics requirements. The ILS program shall be detailed in an Integrated Logistics Support Management Plan (ILSMP) as required by the Data Requirements List (DRL). This ILS program shall result in consistency between ILS elements and logistics products.

The Government will convene a Logistics Guidance Conference (LGC) at the Contractor's facilities between ninety (90) and one hundred twenty (120) days after contract award. The purpose of this conference is to review and discuss with the Contractor the ILSMP, Logistics Support Information (LSI) for all repairable items, and related DRL requirements. The ILS program approach to satisfy all required logistics tasks shall be presented by the Contractor.

The Government also will convene ILS Management Team (ILSMT) meetings at the Contractor's facilities every four months and/or as deemed necessary by the Government. At these meetings, the Contractor shall address the status of all Contractor-responsible logistics processes, products, tasks, and other associated requirements.

1.7.2.1 SUPPLY SUPPORT.

a. Logistics Support Information (LSI). – The Contractor shall prepare LSI for Contractor furnished equipment and equipage, components, special and common tools, and test equipment for all repairable items in accordance with the DRL. The Contractor shall prepare LSI status reports in accordance with the DRL.

b. Configuration Status Accounting (CSA). – The Contractor shall establish, maintain, and update a CSA database and provide CSA inputs in accordance with the DRL.
SCHEDULE

c. Material Procurement. – The Contractor shall provide the outfitting material designated as Contractor furnished (i.e., GUCL and AELs) in Attachment J-6.

d. Maintenance. – The ship will employ a two level maintenance philosophy in accordance with the System Specification requirements. SAMM system input data shall be provided in accordance with the DRL.

e. Outfitting. – The Contractor shall accomplish, by best commercial practice, receipt, packaging, marking, and stowage of all spare parts, tools, test equipment, other outfitting material, and shore based spares. All Contractor Furnished Material (CFM), Government Furnished Material (GFM), and consumable items shall be marked with part number, Commercial and Government Entity (CAGE), quantity, nomenclature, unit of issue, shelf life, and shelf life expiration date. The Contractor shall prepare, maintain, update and submit associated lists, records, reports in accordance with the DRL.

Ninety-five percent of all required CFM and GFM to include but not limited to Authorized Medical Allowance List/Authorized Dental Allowance List (AMAL/ADAL), Women at Sea (WAS). Publications, Forms, General Use Consumables List (GUCL), Operating Space Items (OSI), and Storeroom Items (SRI) shall be on hand at the shipbuilder’s facility prior to lead ship delivery. This percentage shall increase to ninety-seven percent for all follow on ships. All SRI shall be loaded onboard the ship to the designated storeroom fourteen (14) days prior to ship delivery. The goal shall be to have one hundred percent of all material onboard at sail away on all ships. The Contractor shall place pre-segregated OSI onboard the ship in the compartment and stowage device or location designated by the Supervisor. The Contractor shall retain responsibility and custody of all onboard material until ship delivery.

The Contractor shall turnover to the ship on a weekly basis any outfitting material received after ship delivery but prior to ship departure. The Contractor shall forward to the ship in weekly increments, all material received after ship departure, until all material is received by the ship. The Contractor shall provide one hundred percent of all CFM prior to final acceptance of the ship by the Government. The Contractor shall submit outfitting status reports in accordance with the DRL.

f. Receipt/Missing or Damaged Government Furnished Material (GFM)/Equipment (GFE) – The Contractor shall report receipt of all GFM/GFE and all missing or damaged GFM/GFE, including Schedule A material, in accordance with the DRL.

1.7.3 CREW FAMILIARIZATION.

The Contractor shall provide two comprehensive crew familiarization seminars for each ship. The purpose of this familiarization is to orient and familiarize the crew with the ship’s design and specific operation and maintenance requirements. The familiarization shall also ensure the crew’s qualifications for watch standing, operation and maintenance of shipboard equipment. Each of the comprehensive crew familiarization seminars shall be not less than two hundred (200) hours. In addition, each seminar shall have limited, less than 20%, classroom instruction. The remainder of the time shall be on the ship, in the space, with a technical representative (the
SCHEDULE

Original Equipment Manufacturer (OEM) technical representative or other Government approved representative). All options and settings of the equipment or control station shall be discussed in detail and operated by the technical representative, if possible. Operation and troubleshooting shall be demonstrated using the approved technical manual. The system piping shall be “hand walked” for systems identified by the Familiarization Seminar topics covered below with either the OEM technical representative, the Shipbuilder’s Chief Engineer for the ship, or the Engineering Space Superintendent. At least 25% of the technical representative’s time shall be available for questions. The first seminar shall be completed four (4) months prior to delivery. The second seminar shall start two (2) months prior to delivery.

The first seminar will be for the Master, Chief Mate, Chief Engineer, 1st Asst. Engineer, Cargo Mate, and ten (10) Government representatives. The second seminar will not exceed forty five (45) people. Attendees of the second seminar will be a combination of USCG licensed and unlicensed crew and other Government representatives. A Government representative will be in attendance during all sessions to audit the presentation. The type of presentation (i.e., classroom or onboard ship) shall be tailored to impart maximum knowledge and enhance the skills of the trainee.

Familiarization Seminar topics shall be tailored to operators/maintainers and, as a minimum, include the following:

a. Introduction to the T-AKE Class and its mission
b. Plant line-up for all operating conditions
c. Electrical Power Generation and Distribution System
d. Monitoring and Alarm System
e. Centralized Machinery Control System
f. Main Propulsion System
g. Propulsion Shafting, Propulsors including Bow Thruster, if provided
h. Auxiliary Systems - including but not limited to Fuel system, Lube Oil System, Seawater and or Air Cooling Systems, Pollution Control Systems, Potable Water System, Compressed Air Systems, Ballast system, HVAC, Drainage System, and Ship Service Refrigeration System
i. Deck Machinery
j. Cargo Handling Equipment
k. Cargo Refrigeration System
l. Navigation Systems – including but not limited to integrated bridge system, radars, fathometer, ECDIS, automatic position determination equipment, etc.
m. Communication Systems
n. Steering System
o. Emergency Systems - including but not limited to Damage Control systems and equipment, Firemain system, Seawater/Foam Sprinkling system, Countermeasure Washdown System, Decontamination Station, Machinery Space Fire Protection Systems, Ventilation Emergency Shutdowns, Portable Fire Fighting equipment, and Lifesaving Equipment
p. UNREP System and Gear
q. Shipboard Warehouse Management System.
The Contractor shall prepare a Familiarization Program Plan in accordance with the applicable Data Requirements List (DRL) which shall include an instruction syllabus in accordance with topical outlines. Instructional materials shall include the use of existing contractual documentation (i.e., equipment/system technical manuals, full size ship construction/equipment drawings, Engineer's Operating Manual, Booklet of General Drawings, etc.). Copies of these source documents shall also be available for use by the participants during the familiarization sessions.

Student guides shall also be prepared for each student in accordance with the applicable DRL. These student guides shall be marked "For Familiarization Purposes Only" and shall contain applicable sections of approved technical manuals, Engineer's Operating Manual, ship construction/equipment drawings (half-size). A Booklet of General Drawings shall also be provided for each student at the beginning of the seminar.

ITEM 0002 AND IF EXERCISED, OPTION ITEMS 0012, 0019, 0026, 0033, 0040, 0047, 0054, 0061, 0068, 0075 AND 0082 — TECHNICAL MANUALS

2.0 The Contractor shall provide commercial technical manuals and supplemental data for all installed equipment and components and systems technical manuals in accordance with the DRL. The Contractor shall provide a technical manual index and submission schedule status reports in accordance with the DRL.

AS ORDERED, ITEM 0003 AND IF EXERCISED, OPTION ITEMS 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, AND 0083 – ONBOARD REPAIR PARTS, SPARES, SPECIAL TOOLING, AND SUPPORT AND TEST EQUIPMENT

3.0 The Contractor shall procure all on board repair parts, operating space items, special and common tools, test equipment, ancillary items, loose hardware, and major shore based spares, identified by the Government, in accordance with the General Requirement in SECTION C of this contract entitled "PROVISIONED ITEMS ORDER – ALTERNATE II." Where items have a limited shelf life or useful life, they shall be procured to maximize the service life to the Government after ship delivery.

ITEM 0004 – STRUCTURAL TEST SECTIONS

4.0. The Contractor shall fabricate and deliver structural Panel Test Sections to reflect the ship structure as depicted in ship construction drawings. Panel Test Sections shall be constructed for the strength deck at centerline midships, the hull at the waterline midships and the hull depicting bottom shell/innerbottom amidships on centerline. The Panel Test Sections shall be constructed at full scale using materials and construction techniques that are identical to the ship. The Panel Test Sections shall include such details as: shell plating, stiffeners, decks, bulkheads, connection details, and openings and shall provide an accurate model of the applicable portion of the hull. Each Panel Test Section shall contain an even number of structural frames, with a minimum of two (2). The Panel Test Sections shall not be fitted with end caps. The size of the Panel Test Sections shall be:
Panel Test Section Dimensions – Actual Size

<table>
<thead>
<tr>
<th>Panel Test Section</th>
<th>Transverse (m)</th>
<th>Longitudinal (m)</th>
<th>Vertical (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strength Deck</td>
<td>2.4</td>
<td>7.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Waterline Hull</td>
<td>2.4</td>
<td>7.3</td>
<td>1.2</td>
</tr>
<tr>
<td>Bottom Shell/Innerbottom</td>
<td>1.2</td>
<td>7.3</td>
<td>2.4</td>
</tr>
</tbody>
</table>

4.1. The Contractor shall fabricate and deliver two (2) structural Compartment Test Sections to reflect the ship structure of the hull at the waterline amidships as depicted in ship construction drawings. The Compartment Test Sections shall be constructed at full scale using materials and construction techniques that are identical to the ship. The Compartment Test Sections shall include such details as: shell plating, stiffeners, decks, bulkheads, connection details, and openings. Each Compartment Test Section shall contain at least one transverse watertight bulkhead located in the longitudinal middle of the test section. The Test Sections shall not be fitted with end caps. The Compartment Test Sections shall be one (1) deck high, approximately 3.66m long (or the nearest whole number of transverse frames), and at least 1.5 deck heights wide (to the next higher whole longitudinal frame). The longitudinal structures (deck, overhead, side shells), will extend beyond the transverse frames by at least 0.76m, and have vertical pipe columns fitted between the horizontal deck and overhead stiffeners. The side shells will extend 0.15m above the overhead and 0.61m below the deck. The transverse watertight bulkhead(s) will be continuous between the deck and the overhead. Each Compartment Test Section will be identically configured.

ITEM 0005 – TOW TANK SHIP MODEL

5.0 After delivery of the lead ship, the ship model that was used for testing shall be provided to the Government.

AS ORDERED, ITEMS 0006 AND IF EXERCISED, OPTION ITEMS 0014, 0021, 0028, 0035, 0042, 0049, 0056, 0063, 0070, 0077, AND 0084 – ADDITIONAL GOVERNMENT REQUIREMENTS (SPECIAL STUDIES, ANALYSES AND REVIEWS)

6.0 The Contractor shall provide up to 5000 man-hours to perform special studies, design, analyses, and reviews as Additional Government Requirements in support of the design and construction of T-AKE. These Additional Government Requirements are over and above that specified in other CLINs. Orders for this effort shall be placed in accordance with the General Requirement in SECTION C of this contract entitled “PROVISIONED ITEMS ORDER – ALTERNATE II.”
SCHEDULE

AS ORDERED, ITEM 0007 AND IF EXERCISED, OPTION ITEMS 0015, 0022, 0029, 0036, 0043, 0050, 0057, 0064, 0071, 0078, AND 0085 – ADDITIONAL GOVERNMENT REQUIREMENTS (ENGINEERING AND INDUSTRIAL SERVICES)

7.0 The Contractor shall provide up to 400 man-hours of production engineering services, 4000 man-hours of industrial services, and $30,000 in material as Additional Government Requirements for each ship. These Additional Government Requirements are over and above that specified in other CLINs. Orders for this effort shall be placed in accordance with the General Requirement in SECTION C of this contract entitled “PROVISIONED ITEMS ORDER – ALTERNATE II.”

ITEM 0008 AND IF EXERCISED, OPTION ITEMS 0016, 0023, 0030, 0037, 0044, 0051, 0058, 0065, 0072, 0079, AND 0086 - DATA

8.0 The data to be furnished hereunder shall be prepared in accordance with the Data Requirements List, Attachment J-2.

IF ESTABLISHED, ITEMS 0009, 0017, 0024, 0031, 0038, 0045, 0052, 0059, 0066, 0073, 0080, AND 0087 – PERFORMANCE INCENTIVE

9.0 A performance incentive will be provided in accordance with the Special Contract Requirement of SECTION H of the contract entitled “PERFORMANCE INCENTIVE.”

ITEM 0010 – NOT USED
## SCHEDULE

### PART 2 – GENERAL REQUIREMENTS

**LISTING OF GENERAL REQUIREMENTS**

| C-1 | PROVISIONED ITEMS ORDER – ALTERNATE II (NAVSEA) (APR 1999) |
| C-2 | ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE (NAVSEA) (JUN 1994) |
| C-3 | ACCESS TO THE VESSEL(S) (AT) (NAVSEA) (JAN 1983) |
| C-4 | ACCESS TO VESSELS BY NON-U.S. CITIZENS (NAVSEA) (JUN 1999) |
| C-5 | APPROVAL BY THE GOVERNMENT (AT) (NAVSEA) (JAN 1983) |
| C-6 | ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS (NAVSEA) (MAY 1993) |
| C-7 | CONFIGURATION MANAGEMENT |
| C-8 | CONTRACTOR PROBLEM IDENTIFICATION REPORTS (NAVSEA) (MAY 1993) |
| C-9 | CONTRACTOR’S PROPOSAL (NAVSEA) (SEP 1990) (DEVIATION) |
| C-10 | DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING (AT) (NAVSEA) (JAN 1990) |
| C-11 | DRYDOCKING FACILITIES AND SHIPBUILDING WAYS CERTIFICATION (AT) (NAVSEA) (JAN 1990) (DEVIATION) |
| C-12 | NOT USED |
| C-13 | NOT USED |
| C-14 | INFORMATION AND DATA FURNISHED BY THE GOVERNMENT (FIXED-PRICE) (NAVSEA) (MAY 1993) |
| C-15 | PERMITS AND RESPONSIBILITIES (NAVSEA) (SEP 1990) |
| C-16 | PLANS AND OTHER DATA (FT) (NAVSEA) (JAN 1983) |
| C-17 | PLANT PROTECTION (NAVSEA) (SEP 1990) |
| C-18 | PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS - ALTERNATE I (NAVSEA) (MAY 2000) (DEVIATION) |
| C-19 | PROTECTION OF THE SHIP DURING ADVERSE ENVIRONMENTAL CONDITIONS (NAVSEA) (FEB 1994) |
| C-20 | PROTECTION OF THE VESSEL (NAVSEA) (SEP 1990) (DEVIATION) |
| C-21 | QUALIFICATION OF CONTRACTOR NONDESTRUCTIVE TESTING (NDT) PERSONNEL (NAVSEA) (MAY 1993) (DEVIATION) |
| C-22 | SHIPBUILDING PRODUCTION PROGRESS CONFERENCES (SPPC) (AT) (JAN 1983) (DEVIATION) |
| C-23 | TARGET PRICE NOTIFICATION REQUIREMENT (NAVSEA) (SEP 1995) |
| C-24 | TESTS AND TRIALS – ALTERNATE I (NAVSEA) (MAY 1993) |
| C-25 | UPDATING SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994) |
| C-26 | YEAR 2000 WARRANTY – INFORMATION TECHNOLOGY (NAVSEA) (FEB 1999) |
| C-27 | SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994) (DEVIATION) |
| C-28 | NUCLEUS CREW |

01MAY2001
SCHEDULE

C-29  SUPERVISOR/SHIPS FORCE FACILITIES
C-30  RECOGNITION OF ELECTRONIC DELIVERABLES
C-31  NOT USED
C-32  POST-AWARD CONFERENCE
C-33  REGULATORY BODIES, STANDARDS, CERTIFICATIONS AND DATA
      REQUIREMENTS
C-34  CONTRACTOR USE OF EQUIPMENT
C-35  EQUIVALENT EQUIPMENT
C-36  SINGLE SYSTEM VENDOR
C-37  NOT USED
C-38  HEAVY WEATHER PLAN (NAVSEA) (JUN 1999)
C-39  EXCLUSION OF MERCURY (NAVSEA) (MAR 1998)
C-40  SPECIAL AGREEMENT REGARDING SWITCHBOARD
      SUBCONTRACTS (NAVSEA) (JUN 2000)
C-41  CONTRACT DATA RIGHTS

C-1  PROVISIONED ITEMS ORDER – ALTERNATE II (NAVSEA) (APR 1999)
     (AS ORDERED, APPLICABLE TO ITEMS 0003, 0006, AND 0007 AND IF EXERCISED,
     OPTION ITEMS 0013, 0014, 0015, 0020, 0021, 0022, 0027, 0028, 0029, 0034, 0035, 0036, 0041,
     0042, 0043, 0048, 0049, 0050, 0055, 0056, 0057, 0062, 0063, 0064, 0069, 0070, 0071, 0076, 0077,
     0078, 0083, 0084, AND 0085)

     (a) General. The Contractor agrees that it will furnish the supplies or services ordered by the
     Government in accordance with the procedures specified herein. Orders may be placed by the
     Contracting Officer, Provisioning Activity or Administrative Contracting Officer as unilateral or
     bilateral modifications to this contract on SF 30, Amendment of Solicitation/Modification of
     Contract. Any amounts shown in Section B at time of award of the initial contract for each
     provisioned line item are estimated amounts only and are subject to upward or downward
     adjustment by the issuing activity. If no amounts are shown, funding will be obligated before or at
     time of order issuance. It is understood and agreed that the Government has no obligation under
     this contract to issue any orders hereunder.

     (b) Priced Orders. For each proposed order, the Contractor agrees that it will submit such cost or
     pricing data as the Contracting Officer may require. Promptly thereafter, the Contractor and the
     Contracting Officer shall negotiate the price and delivery schedule for the proposed order. Upon
     execution and receipt of the priced order, the Contractor shall promptly commence the work
     specified in the order.

     (c) Unidentified Orders. Whenever the Contracting Officer determines that urgent demands or
     requirements prevent the issuance of a priced order, he/she may issue an unordered order. Such order
     may be unilateral or bilateral and shall establish a limitation on Government liability, a maximum
     ceiling amount, and a schedule for definitization, as described in subparagraph (e)(2) below. Upon
     request the Contractor shall submit a maximum ceiling amount proposal before the undefinitized
     order is issued. The maximum ceiling amount is the maximum price at which the order may be
     definitized. The Contractor shall begin performing the undefinitized order upon receipt, except as
provided in paragraph (d) below. The clause entitled "CONTRACT DEFINITIZATION" (DFARS 252.217-7027) shall be included in any undefinitized order.

(d) Unilateral Undefinitized Orders. (1) For a unilateral undefinitized order, the Contractor shall within ten calendar days of receipt of the order notify the Contracting Officer in writing if it takes exception to the ceiling amount and/or the delivery schedule and shall propose a revised ceiling amount and/or a revised delivery schedule at that time. For unilateral undefinitized orders to which the Contractor takes no exception, the Contractor is obligated to perform just as if it were a fully definitized order.

(2) After receipt of the Contractor's Proposal to establish the revised ceiling amount and/or the revised delivery schedule, the Contracting Officer shall: (1) adjust the ceiling amount and/or revise the delivery schedule; (2) advise the Contractor that the order will be adjusted in a different amount than proposed by the Contractor; or (3) advise the Contractor that no adjustment will be made. In the event the Contractor has taken exception to the ceiling amount and/or the delivery schedule and has submitted a timely proposal in accordance with the preceding requirement and the Contracting Officer has not accepted the Contractor's proposal, the Contractor shall not be obligated to perform the order beyond the point at which it would be entitled to be compensated in an amount in excess of the Government's limitation of liability contained in the unilateral order.

(e) Definitization of Undefinitized Orders. (1) The Contractor agrees that following the issuance of an undefinitized order, it will promptly begin negotiating with the Contracting Officer the price and terms of a definitive order that will include: (A) all clauses required by regulation on the date of the order; (B) all clauses required by law on the date of execution of the definitive order; and (C) any other mutually agreeable clauses, terms and conditions. No later than sixty (60) days after the undefinitized order is issued, the contractor agrees to submit a cost proposal with sufficient data to support the accuracy and derivation of its price; and, when required by FAR, cost or pricing data. If additional cost information is available prior to the conclusion of negotiations, the Contractor shall provide that information to the Contracting Officer. The price agreed upon shall be set forth in a bilateral modification to the order. In no event shall the price exceed the maximum ceiling amount specified in the undefinitized order.

(2) Each undefinitized order shall contain a schedule for definitization which shall include a target date for definitization and dates for submission of a qualifying proposal, beginning of negotiations and, if appropriate, submission of make-or-buy and subcontracting plans and cost or pricing data. Submission of a qualifying proposal in accordance with the definitization schedule is a material element of the order. The schedule shall provide for definitization of the order by the earlier of:

(i) a specified target date which is not more than 180 days after the issuance of the undefinitized order. However, that target date may be extended by the Contracting Officer for up to 180 days after the Contractor submits a qualifying proposal as defined in DFARS 217.7401; or

(ii) the date on which the amount of funds obligated by the Government under the undefinitized order exceed fifty percent (50%) of the order's maximum ceiling amount, except as provided in subparagraph (f)(3) below.
SCHEDULE

(3) If agreement on a definitive order is not reached within the time provided pursuant to subparagraph (e)(2) above, the Contracting Officer may, with the approval of the Head of the Contracting Activity, determine a reasonable price in accordance with Subpart 15.8 and Part 31 of the FAR, and issue a unilateral order subject to Contractor appeal as provided in the "DISPUTES" clause (FAR 52.233-1). In any event, the Contractor shall proceed with completion of the order, subject to the "LIMITATION OF GOVERNMENT LIABILITY" clause (FAR 52.216-24).

(f) Limitation of Government Liability. (1) Each undefinitized order shall set forth the limitation of Government liability, which shall be the maximum amount that the Government will be obligated to pay the Contractor for performance of the order until the order is definitized. The Contracting Officer is not authorized to make expenditures or incur obligations exceeding the limitation of Government liability set forth in the order. If such expenditures are made, or if such obligations are incurred, they will be at the Contractor's sole risk and expense. Further, the limitation of liability shall be the maximum Government liability if the order is terminated. The "LIMITATION OF GOVERNMENT LIABILITY" clause shall be included in any undefinitized order.

(2) Except for undefinitized orders for Foreign Military Sales; purchases of less than $25,000; special access programs; and Congressionally-mandated long-lead procurements; and except as otherwise provided in subparagraph (i)(3) below, the limitation of Government liability shall not exceed fifty percent (50%) of the ceiling amount of an undefinitized order. In the case of orders within these excepted categories, however, the procedures set forth herein shall be followed to the maximum extent practical.

(3) If the Contractor submits a qualifying proposal (as defined in DFARS 217.7401) to definitize an order before the Government obligated fifty percent (50%) of the ceiling amount, the Contracting Officer may increase the limitation of Government liability to up to seventy-five percent (75%) of the maximum ceiling amount or up to seventy-five percent (75%) of the price proposed by the Contractor, whichever is less.

(4) If at any time the Contractor believes that its expenditure under an undefinitized order will exceed the limitation of Government liability, the Contractor shall so notify the Contracting Officer, in writing, and propose an appropriate increase in the limitation of Government liability of such order. Within thirty (30) days of such notice, the Contracting Officer will either (i) notify the Contractor in writing of such appropriate increase, or (ii) instruct the Contractor how and to what extent the work shall be continued; provided, however, that in no event shall the Contractor be obligated to proceed with work on an undefinitized order beyond the point where its costs incurred plus a reasonable profit thereon exceed the limitation of Government liability, and provided also that in no event shall the Government be obligated to pay the Contractor any amount in excess of the limitation of Government liability specified in any such order prior to establishment of firm prices.

(g) Initial Spares. The limitations set forth in paragraph (c) and subparagraphs (e)(2), (f)(2) and (f)(3) do not apply to undefinitized orders for the purchase of initial spares.
SCHEDULE

(h) Terminal Date for Placement of Orders. The Contractor shall not be obligated to accept any orders placed hereunder beyond the guaranty period set forth in the clause entitled "GUARANTY PERIOD" for the last article under the applicable item called for in Section B hereof for which the supplies or services are being acquired, provided, however, that deliveries or performance of such supplies or services shall be completed not later than the expiration of said guaranty period.

(i) Segregation of Costs. The Contractor shall segregate the costs of performance of each undefinitized order from the cost of performance of any other work performed by the Contractor.

(j) Ordering. The cognizant ordering activities are designated below:

NAVSEA 02 and SUPSHIP San Diego

C-2 ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE (NAVSEA) (JUN 1994)

(a) Performance under this contract may require that the Contractor have access to technical data, computer software, or other sensitive data of another party who asserts that such data or software is proprietary. If access to such data or software is required or to be provided, the Contractor shall enter into a written agreement with such party prior to gaining access to such data or software. The agreement shall address, at a minimum, (1) access to, and use of, the proprietary data or software exclusively for the purposes of performance of the work required by this contract, and (2) safeguards to protect such data or software from unauthorized use or disclosure for so long as the data or software remains proprietary. In addition, the agreement shall not impose any limitation upon the Government or its employees with respect to such data or software. A copy of the executed agreement shall be provided to the Contracting Officer. The Government may unilaterally modify the contract to list those third parties with which the Contractor has agreement(s).

(b) The Contractor agrees to: (1) indoctrinate its personnel who will have access to the data or software as to the restrictions under which access is granted; (2) not disclose the data or software to another party or other Contractor personnel except as authorized by the Contracting Officer; (3) not engage in any other action, venture, or employment wherein this information will be used, other than under this contract, in any manner inconsistent with the spirit and intent of this requirement; (4) not disclose the data or software to any other party, including, but not limited to, joint venturer, affiliate, successor, or assign of the Contractor; and (5) reproduce the restrictive stamp, marking, or legend on each use of the data or software whether in whole or in part.

(c) The restrictions on use and disclosure of the data and software described above also apply to such information received from the Government through any means to which the Contractor has access in the performance of this contract that contains proprietary or other restrictive markings.

(d) The Contractor agrees that it will promptly notify the Contracting Officer of any attempt by an individual, company, or Government representative not directly involved in the effort to be performed under this contract to gain access to such proprietary information. Such notification....
shall include the name and organization of the individual, company, or Government representative seeking access to such information.

(e) The Contractor shall include this requirement in subcontracts of any tier which involve access to information covered by paragraph (a), substituting "subcontractor" for "Contractor" where appropriate.

(f) Compliance with this requirement is a material requirement of this contract.

C-3 ACCESS TO THE VESSEL(S) (AT) (NAVSEA) (JAN 1983)

Officers, employees and associates of other prime Contractors with the Government and their subcontractors, shall, as authorized by the Supervisor, have, at all reasonable times, admission to the plant, access to the vessel(s) where and as required, and be permitted, within the plant and on the vessel(s) required, and be permitted, within the plant and on the vessel(s) to perform and fulfill their respective obligations to the Government. The Contractor shall make reasonable arrangements with the Government or Contractors of the Government, as shall have been identified and authorized by the Supervisor to be given admission to the plant and access to the vessel(s) for office space, work areas, storage or shop areas, or other facilities and services, necessary for the performance of the respective responsibilities involved, and reasonable to their performance.

C-4 ACCESS TO VESSELS BY NON-U.S. CITIZENS (NAVSEA) (JUN 1999)

(a) No person not known to be a U.S. citizen shall be eligible for access to naval vessels, work sites and adjacent areas when said vessels are under construction, conversion, overhaul, or repair, except upon a finding by COMNAVSEA or his designated representative that such access should be permitted in the best interest of the United States. The Contractor shall establish procedures to comply with this requirement and NAVSEAINST 5500.3 (series) in effect on the date of this contract or agreement.

(b) If the Contractor desires to employ non-U.S. citizens in the performance of work under this contract or agreement that requires access as specified in paragraph (a) of this requirement, approval must be obtained prior to access for each contract or agreement where such access is required. To request such approval for non-U.S. citizens of friendly countries, the Contractor shall submit to the cognizant Contract Administration Office (CAO), an Access Control Plan (ACP) which shall contain as a minimum, the following information:

(1) Badge or Pass oriented identification, access, and movement control system for non-U.S. citizen employees with the badge or pass to be worn or displayed on outer garments at all times while on the Contractor's facilities and when performing work aboard ship.

   (i) Badges must be of such design and appearance that permits easy recognition to facilitate quick and positive identification.

   (ii) Access authorization and limitations for the bearer must be clearly established and in accordance with applicable security regulations and instructions.
(iii) A control system, which provides rigid accountability procedures for handling lost, damaged, forgotten or no longer required badges, must be established.

(iv) A badge or pass check must be performed at all points of entry to the Contractor's facilities or by a site supervisor for work performed on vessels outside the Contractor's plant.

(2) Contractor's plan for ascertaining citizenship and for screening employees for security risk.

(3) Data reflecting the number, nationality, and positions held by non-U.S. citizen employees, including procedures to update data as non-U.S. citizen employee data changes, and pass to cognizant CAO.

(4) Contractor's plan for ensuring subcontractor compliance with the provisions of the Contractor's ACP.

(5) These conditions and controls are intended to serve as guidelines representing the minimum requirements of an acceptable ACP. They are not meant to restrict the Contractor in any way from imposing additional controls necessary to tailor these requirements to a specific facility.

(c) To request approval for non-U.S. citizens of hostile and/or communist-controlled countries (listed in Department of Defense Industrial Security Manual, DOD 5220.22-M or available from cognizant CAO), Contractor shall include in the ACP the following employee data: name, place of birth, citizenship (if different from place of birth), date of entry to U.S., extenuating circumstances (if any) concerning immigration to U.S., number of years employed by Contractor, position, and stated intent concerning U.S. citizenship. COMNAVSEA or his designated representative will make individual determinations for desirability of access for above group. Approval of ACPs for access of non-U.S. citizens of friendly countries will not be delayed for approval of non-U.S. citizens of hostile communist-controlled countries. Until approval is received, Contractor must deny access to vessels for employees who are non-U.S. citizens of hostile and/or communist-controlled countries.

(d) An ACP which has been approved for specific Master Ship Repair Agreement (MSRA) or Agreement for Boat Repair (ABR) or Basic Ordering Agreement (BOA), is valid and applicable to all job orders awarded under that agreement.

(e) The Contractor shall fully comply with approved ACPs. Noncompliance by the Contractor or subcontractor serves to cancel any authorization previously granted, in which case the Contractor shall be precluded from the continued use of non-U.S. citizens on this contract or agreement until such time as the compliance with an approved ACP is demonstrated and upon a determination by the CAO that the Government's interests are protected. Further, the Government reserves the right to cancel previously granted authority when such cancellation is determined to be in the Government's best interest. Use of non-U.S. citizens, without an
SCHEDULE

approved ACP or when a previous authorization has been canceled, will be considered a violation of security regulations. Upon confirmation by the CAO of such violation, this contract, agreement or any job order issued under this agreement may be terminated or default in accordance with the clause entitled "DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)" (FAR 52.249-8), "DEFAULT (FIXED-PRICE RESEARCH AND DEVELOPMENT)" (FAR 52.249-9) or "TERMINATION (COST REIMBURSEMENT)" (FAR 52.249-6), as applicable.

(f) Prime Contractors have full responsibility for the proper administration of the approved ACP for all work performed under this contract or agreement, regardless of the location of the vessel, and must ensure compliance by all subcontractors, technical representatives and other persons granted access to U.S. Navy vessels, adjacent areas, and work sites.

(g) In the event the Contractor does not intend to employ non-U.S. citizens in the performance of the work under this contract, but has non-U.S. citizen employees, such employees must be precluded from access to the vessel and its work site and those shops where work on the vessel's equipment is being performed. The ACP must spell out how non-U.S. citizens are excluded from access to contract work areas.

(h) The same restriction as in paragraph (g) above applies to other non-U.S. citizens who have access to the Contractor's facilities (e.g., for accomplishing facility improvements, from foreign-crewed vessels within its facility, etc.).

C-5 APPROVAL BY THE GOVERNMENT (AT) (NAVSEA) (JAN 1983)

Approval by the Government as required under this contract and applicable specifications shall not relieve the Contractor of its obligation to comply with the specifications and with all other requirements of the contract, nor shall it impose upon the Government any liability it would not have had in the absence of such approval.

C-6 ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS (NAVSEA) (MAY 1993)

To the extent that National Stock Numbers (NSNs) or preliminary NSNs are assigned by the Government for the identification of parts, pieces, items, subassemblies or assemblies to be furnished under this contract, the Contractor shall use such NSNs or preliminary NSNs in the preparation of provisioning lists, package labels, packing lists, shipping containers and shipping documents as required by applicable specifications, standards or Data item Descriptions of the contract or as required by orders for spare and repair parts. The cognizant Government Contract Administration Office shall be responsible for providing the Contractor such NSNs or preliminary NSNs which may be assigned and which are not already in possession of the Contractor.

C-7 CONFIGURATION MANAGEMENT

(a) Baseline Definition – For configuration control purposes, all contractual documentation in effect at the time of contract award shall constitute the Contract Baseline which shall be considered incorporated in the baseline documentation.
(b) General Requirement – (1) The Contractor shall maintain a Configuration Control Program to assure that all detail level work being performed under this contract is in compliance with appropriate baseline documentation. The Contractor shall prepare a Configuration Management Plan for approval by the Government.

(2) Whenever a situation arises wherein the Contractor cannot comply with a baseline document, or whenever intent of such documentation is significantly changed by detail level documentation, the Contractor shall submit change documents to modify baseline documents to resolve the conflict or to allow non-compliance. Whenever the cost of implementing a proposed change is less than $500,000, the Contractor shall provide documentation explaining the nature of related costs as shown on the change document. Whenever the contract cost changes by more than $500,000, the Contractor shall complete such cost and pricing data as the Contracting Officer shall require detailing all related costs, and attach it to the change document. Change documentation shall be submitted to the Supervisor in accordance with the Data Requirements List (DRL), and as described in paragraphs (c) through (f) below.

(c) Engineering Change Proposals (Short Form, DD Form 1693) – MIL-STD-973 shall be used as general guidance for completing this standard form. This form shall be used whenever the detail level physical configuration, material quality, operational or functional performance of equipment or installed systems will not be in compliance with baseline design-related documents (Ship Specifications, General Arrangement Drawing, System Specification, Total Ship Manning Levels proposed in the Manning Estimate, and to all sub-tier documentation referenced therein), and a change to the baseline document is considered an appropriate means of resolving a design-related issue. Documentation shall be developed in sufficient detail to enable Government review and evaluation of the merits of the proposed change, including cost and scheduling impact, ship class impact, and consequences if disapproved. Due to space limitations of the Standard DD Form 1693, the Contractor may use form continuation sheets to assure that sufficient detailed information, including appropriate illustrations, is provided. All existing drawings and technical manuals impacted by the change shall be listed along with a brief narrative explanation of needed changes to incorporate the Engineering Change Proposal (ECP) if approved. Weight and moment data, cargo flow rates, and total ship manning levels incidental to the change shall be provided in Block 15 of the form. The Contractor shall also prepare applicable baseline document insert sheets, with specific word changes or proposed re-write, to facilitate baseline documentation changes.

(d) Non-Engineering Change Proposals (NAVSEA Form 4130) – This form shall be used to document administrative, procedural, scheduling, or documentation changes that do not directly impact the physical configuration of the ship. The completed Form 4130 should explain the nature of the problem, identify the applicable baseline document (i.e., Data Requirement List (DRL), Contract Clause, etc.) and provide a detailed explanation justifying the proposed course of action desired to resolve the problem. Due to the space limitation on the form, continuation sheets may be used. Insert sheets for applicable documents shall also be attached to facilitate change action in the event the Non-Engineering Change Proposal (NECP) is approved.
(c) Deviations and Waivers (DD Form 1694) – In the event that a baseline design-related document requirement cannot be met, and a change to the baseline document is considered inappropriate, the Contractor shall submit a request for deviation or waiver, as applicable. The explanation of "need for deviation" of Block 24 should provide detailed justification and consequences of approval, to include technical details explaining the degree of non-compliance or effect on ship equipment or system operation constraints. In a similar manner, a waiver shall document an "as built" configuration that departs from baseline documentation, and should include any proposed corrections or modifications to better meet the intent of the baseline document. MIL-STD-973 provides guidance in completing DD Form 1694.

(f) Equitable Adjustments for Change Documentation Preparations – For its effort expended in preparing ECPs, NECPs, Deviations and Waivers, the Contractor shall receive equitable adjustment under the following circumstances.

1. In the event the Contractor, on its own initiative, and without written request from the Government, develops a change document that is later disapproved by the Government, the Contractor shall bear the cost of this effort.

2. To avoid such loss, and at its option, the Contractor may submit a "preliminary" document that outlines intent, but without detailed supporting documentation and request the Supervisor's approval for expenditure of effort to complete the detailed supporting documentation. In the event the Supervisor denies this request, the Contractor will bear the cost of development of the "preliminary" document, and shall make no further effort to complete detailed supporting documentation.

3. In the event the Supervisor approves the Contractor's request to develop supporting documentation, the Contractor shall be equitably compensated for its effort for both the "preliminary" and "final" documentation, regardless of whether or not the change document is later approved.

4. In the event the Government requests in writing that the Contractor develop change documentation, the effort expended by the Contractor in developing such documentation shall be subject to equitable adjustment, regardless of whether or not the change document is later approved.

5. In the event the Contractor, on its own initiative, and without written request from the Government, develops a change document that is later approved by the Government, the cost of developing such documentation shall be incorporated in the contract modification that implements the change.

6. Failure to agree to such equitable adjustment in contract price shall constitute a dispute, and shall be adjudicated in accordance with the requirements of the clause entitled "DISPUTES" (FAR 52.233-1).

(g) The Contractor shall verify (by physical inspection of the vessel) to the Government, that all Field Modification Requests (FMRs) and Headquarters Modification Requests (HMRs)
SCHEDULE

(including Government responsible trial items) have been incorporated into the vessel. Verification shall include:

(1) List of all HMRs and FMRs authorized to date.

(2) List of those HMRs and FMRs verified to be complete.

(3) List of those HMRs and FMRs which are partially complete or not started with scheduled date for their completion.

(h) Any cost reduction proposal submitted pursuant to the clause entitled "VALUE ENGINEERING" (FAR 52.248-1) shall be submitted as a Code V Engineering Change Proposal (VECP) on the DD Form 1693 series and shall be supplemented by the information required by the "VALUE ENGINEERING" clause.

C-8 CONTRACTOR PROBLEM IDENTIFICATION REPORTS (NAVSEA) (MAY 1993)

(a) Contract Problem Identification Reports (CPIRs) shall be used by the Contractor for the purpose of alerting the Government to actual or potential contract problems and of establishing an early dialogue between the Contractor and the Government with regard thereto.

(b) A "contract problem" is a fact or circumstance of which the Contractor is aware that does, will or reasonably is anticipated to (1) have a significant or substantial impact on the delivery schedule or completion of contract performance or the cost of performance of the contract (increase or decrease) or (2) requires modification to the contract or specification(s). The terms "significant" and "substantial" shall be interpreted in the same manner as they would be interpreted by a reasonably prudent business person under the relevant circumstances.

(c) The Contractor shall report each contract problem promptly and in no event later than ten (10) calendar days, after the Contractor identifies such contract problem. A written CPIR shall be transmitted via the Administering Contracting Officer (ACO) to the Procuring Contracting Officer and to the cognizant technical code. Each CPIR shall be entitled "Contract Problem Identification Report," shall be dated, numbered sequentially and shall set forth the following based on the best and most complete information then known or available to the Contractor:

(1) The nature of the contract problem;

(2) The date on which the contract problem arose and the date on which the contract problem was identified as such;

(3) The anticipated direct and consequential effects of the contract problem upon the delivery schedule or completion of contract performance or the cost of performance of the contract;

(4) Identification of the supplies and/or services which are or may be affected; and
SCHEDULE

(5) The Contractor's recommended solution to the reported contract problem.

(d) Follow-up status reports of each contract problem, identified by the original CPIR number, shall be furnished monthly or more frequently as required by the Contracting Officer. A final follow-up report shall be furnished immediately following resolution of each contract problem.

(e) CPIRs shall not be submitted when notice of the same contract problem is required to be furnished to the Government pursuant to any other requirement of this contract. The submission of a CPIR, however, does not relieve the Contractor of its obligations to provide notice required under any other requirement of this contract.

C-9 CONTRACTOR'S PROPOSAL (NAVSEA) (SEP 1990) (DEVIATION)

(a) Performance of this contract by the Contractor shall be conducted and performed in accordance with detailed obligations to which the Contractor committed itself in Proposal dated *16 March 2001 in response to NAVSEA Solicitation No. N00024-00-R-2312.

(b) The following portions of the Contractor's proposal are incorporated by reference, constitute attachments under Section J of this contract, and are hereby made subject to the provisions of the "ORDER OF PRECEDENCE (FAR 52.215-8)" clause of this contract and the Special Contract Requirement of SECTION H of the contract entitled "ORDER OF PRECEDENCE."

(1) General Arrangement Drawing (Section L-3, paragraph 4.5.1)
(2) Ship Specification (Section L-3, paragraph 4.1)
(3) Critical Equipment List (Section L-3, paragraph 4.3)
(4) Manning Levels (Section L-3, paragraph 4.2 – Table 4)

* To be filled in at contract award.

C-10 DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING (AT) (NAVSEA) (JAN 1990)

Attention of the Contractor is directed to Public Law 91-596, approved December 29, 1970 (84 Stat. 1590, 29 USC 655) known as the "OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970" and to the "OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIPYARD EMPLOYMENT" promulgated thereunder by the Secretary of Labor (29 CFR. 1910 and 1915). These regulations apply to all shipbuilding and related work, as defined in the regulations. Nothing contained in this contract shall be construed as relieving the Contractor from any obligations which it may have for compliance with the aforesaid regulations.

C-11 DRYDOCKING FACILITIES AND SHIPBUILDING WAYS CERTIFICATION (AT) (NAVSEA) (JAN 1990) (DEVIATION)

(a) Drydocking, launching, building way and transfer facilities and methods employed in the performance of this contract shall be certified by either of the two following methods:
(1) In accordance with the standards and criteria of an internationally recognized certifying authority acceptable to the Contracting Officer, (examples of such authorities include, but are not limited to, the American Bureau of Shipping (ABS), Lloyds Registry of Shipping, Det Norske Veritas, Engineering, Inc.) in effect on the date of contract award, or;

(2) In accordance with the current version of MIL-STD-1625, Safety Certification for Drydock Facilities and Building Ways for U.S. Navy Ships, in effect on the date of contract award.

A “Facility Certification Report” shall also be prepared and submitted in accordance with the requirements of the DRL.

(b) The Contractor may propose an alternate drydocking/launching method for those situations not covered by the existing certification criteria. The documentation to support this proposal shall be as close as practicable to that required by the existing certification criteria and shall identify any potential impact/modification to the ship’s structure. Additionally, the Contractor shall submit certification from an independent naval architect, acceptable to the Contracting Officer, which shall certify that the method being proposed, including equipment and procedures, complies with sound naval architectural principles.

C-12 NOT USED

C-13 NOT USED

C-14 INFORMATION AND DATA FURNISHED BY THE GOVERNMENT (FIXED-PRICE) (NAVSEA) (MAY 1993)

(a) Contract Specifications. The Government will furnish, if not included as an attachment to the contract, any unique contract specifications set forth in Section C.

(b) Contract Drawings and Data. The Government will furnish contract drawings, design agent drawings, ship construction drawings, and/or other design or alteration data cited or referenced in Section C or in the contract specification as mandatory for use or for contract performance.

(c) Government Furnished Information (GFI). GFI is defined as that information essential for the installation, test, operation, and interface support of all Government Furnished Material enumerated on NAVSEA Form 4205/19 or Schedule A, as applicable, attached to the contract. The Government shall furnish only the GFI identified on the NAVSEA Form 4340/2 or Schedule C, as applicable, attached to the contract. The GFI furnished to the Contractor need not be in any particular format. Further, the Government reserves the right to revise the listing of GFI on the NAVSEA Form 4340/2 or Schedule C, as applicable, as follows:

(1) The Contracting Officer may at any time by written order:
SCHEDULE

(i) delete, supersede, or revise, in whole or in part, data listed or specifically referenced in NAVSEA Form 4340/2 or Schedule C, as applicable; or

(ii) add items of data or information to NAVSEA Form 4340/2 or Schedule C, as applicable; or

(iii) establish or revise due dates for items of data or information in NAVSEA Form 4340/2 or Schedule C, as applicable.

(2) If any action taken by the Contracting Officer pursuant to subparagraph (1) immediately above causes an increase or decrease in the costs of, or the time required for, performance of any part of the work under this contract, an equitable adjustment shall be made in the contract price and delivery schedule in accordance with the procedures provided for in the clause of this contract entitled "CHANGES--FIXED-PRICE" (FAR 52.243-1).

(d) Except for the Government information and data specified by paragraphs (a), (b), and (c) above, the Government will not be obligated to furnish the Contractor any specification, standard, drawing, technical documentation, or other publication, notwithstanding anything to the contrary in the contract specifications, the GFI listed on the NAVSEA Form 4340/2 or Schedule C, as applicable, the clause of this contract entitled "GOVERNMENT PROPERTY (FIXED-PRICE)" (FAR 52.245-2), or any other term or condition of this contract.

(e) Referenced Documentation. The Government will not be obligated to furnish Government specifications and standards, including Navy standard and type drawings and other technical documentation, which are referenced directly or indirectly in the contract specifications set forth in Section C and which are applicable to this contract as specifications. Such referenced documentation may be obtained from:

Standardization Document
Order Desk, Building 4, Section D
700 Robbins Avenue
Philadelphia, Pennsylvania 19111-5094

Commercial specifications and standards, which may be referenced in the contract specification or any sub-tier specification or standard, are not available from Government sources and should be obtained from the publishers.

NOTE: These requirements do not apply with respect to nuclear propulsion plant systems and other matters under the technical cognizance of the Deputy Commander, Nuclear Propulsion Directorate, Naval Sea Systems Command.

C-15 PERMITS AND RESPONSIBILITIES (NAVSEA) (SEP 1990)

The Contractor shall, without additional expense to the Government, be responsible for obtaining any necessary licenses and permits, and for complying with any applicable Federal, State, and
Municipal laws, codes, and regulations, in connection with any movement over the public highways of overweight/overdimensional materials.

C-16 PLANS AND OTHER DATA (FT) (NAVSEA) (JAN 1983)

Whenever the Department shall so require, the Contractor shall, at the cost of reproduction, furnish to whomsoever may be designated by the Department (including other shipbuilding Contractors), copies of working plans (including reproducibles), selected record plans, indices, material schedules, plan schedules, purchase specifications and other data relating to the construction of the vessel. The furnishing of such data shall not constitute any guaranty or warranty, either express or implied, by the Contractor other than that they are correct copies of such data.

C-17 PLANT PROTECTION (NAVSEA) (SEP 1990)

(a) The Contractor shall provide for its plant and the work in process under this contract such safeguards, including personnel, devices, and equipment, as would constitute reasonable protection under peacetime conditions (in the light of the size of the plant and the scope of its operations) against all hazards, including unauthorized entry, malicious mischief, theft, vandalism and fire.

(b) In addition to the foregoing precautions, the Contractor shall provide such additional safeguards as may be required or approved by the Contracting Officer for the protection of its plant and the work in process under this contract against espionage, sabotage, and enemy action. The cost to the Contractor of all safeguards so required or approved shall, to the extent allocable to this contract, be reimbursed to the Contractor in the same manner as if the Contractor has furnished such safeguards pursuant to a change order issued under the clause of this contract entitled "CHANGES--FIXED-PRICE" (FAR 52.243-1) or "CHANGES--COST-REIMBURSEMENT" (FAR 52.243-2), as applicable. Such cost shall not include any allowance on account of overhead expense, except shop overhead charges incident to the construction or installation of such devices or equipment.

(c) Upon payment by the Government of the cost to the Contractor of any device or equipment required or approved under paragraph (b) above, title thereto shall vest in the Government, and the Contractor shall comply with the instructions of the Contracting Officer respecting the identification and disposition thereof. No part or item of any such devices or equipment shall be or become a fixture by reason of affixation to any realty not owned by the Government.

C-18 PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS – ALTERNATE I (NAVSEA) (MAY 2000) (DEVIATION)

(a) The printing, duplication, and binding of all technical manuals, books, and other publications, and changes, amendments, and revisions thereto, including all copies and portions of such documents which are required to be prepared and furnished under this contract for review, approval or otherwise, shall be accomplished in accordance with the issue of "Government Printing and Binding Regulations," published by the Joint Committee on Printing, Congress of the United States, as in effect on the date of this contract.
(b) Publications and other printed or duplicated material which (1) are prepared and carried by equipment manufacturers for regular commercial sale or use, and (2) require no significant modification for military use or to meet the requirements of this contract, or (3) are normally supplied for commercial equipment, shall be provided by the Contractor. Except for material falling within (1) through (3) of this paragraph, the printing of technical manuals, publications, changes, revisions, or amendments by the Contractor or subcontractor is prohibited.

(c) The Contractor shall have the printing and binding of final approved technical manuals, publications, changes, revisions and amendments thereto, as required under this contract (whether prepared by the Contractor or a subcontractor), printed at Government expense by or through the Defense Printing Service Detachment Office (DPSDO) in the Naval District in which the Contractor is located, in accordance with the following general procedures:

(1) Prior to preparation of materials for printing (photolithographic negatives or camera-ready copies) by the Contractor or a subcontractor, the Contractor shall make arrangements with the DPSDO and with the designated Contract Administration Office for printing and binding which shall include:

(i) Citation of contract number;

(ii) Security classification of materials to be printed:

(iii) Establishment of a schedule for printing, including estimated delivery date to DPSDO;

(iv) Provisions for furnishing photolithographic negatives or camera-ready copies and art work in the proper sequence for printing;

(v) A check-off list to verify the printing sequence of text pages and foldouts in the form prescribed by DPSDO;

(vi) Complete printing instructions, which shall specify colors, if required for specific pages, the trim size, including apron, if required, for each foldout/in or chart, or other unique requirements;

(vii) Type of binding (sidewire stitch, loose leaf, screw posts, etc.); and

(viii) Other instructions, as applicable, such as packing instructions, quantity for each addressee, required delivery schedule, or delivery instructions. (The Contractor shall provide an address list and addressed mailing labels for each addressee).

(2) The Contractor shall ship, all transportation charges paid, to DPSDO or a contract printer designated by DPSDO, the complete set of photolithographic negatives or camera-ready
copies required to be printed in accordance with the detailed procedures specified by DPSDO. The DPSDO shall sign the acceptance block of the DD Form 250 for reproducible quality only.

(3) For steam and electrical plant composite diagrams, the Contractor shall provide an original Mylar print of the diagram to the DPSDO with a guide indicating the color of each line. DPSDO will prepare the color separation negatives for the composite diagram and return those to the Contractor for editorial review. DPSDO will correct any errors and print the corrected composite diagram.

(4) DPSDO will furnish or provide for all supplies and services (including binders) which are necessary to accomplish the printing and binding.

(5) DPSDO will pack and ship or provide for packing and shipping of the printed material to the Contractor and the distribution list furnished by the Contractor in accordance with the printing order, unless distribution by the Contractor is otherwise required by the terms of the contract, the specifications, or otherwise, in which case the printed and bound publications will be returned to the Contractor for distribution.

(6) DPSDO will pack and ship the material used for printing to the DPSDO, 4th Naval District, for storage.

(d)(1) In establishing the schedule for printing, the Contractor shall provide for furnishing the photolithographic negatives or camera-ready copies to DPSDO in time to allow at least the following minimum number of working days (eight-hour day, five days per week exclusive of Saturdays, Sundays, and holidays) from date of acceptance of material for printing at DPSDO to date of shipment of printed material from DPSDO.

<table>
<thead>
<tr>
<th>Printing</th>
<th>Minimum number of working days required by DPSDO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 200 pages</td>
<td>30</td>
</tr>
<tr>
<td>201 pages to 400 pages inclusive</td>
<td>40</td>
</tr>
<tr>
<td>401 pages to 600 pages inclusive</td>
<td>50</td>
</tr>
<tr>
<td>601 pages and over</td>
<td>60</td>
</tr>
</tbody>
</table>

(2) If DPSDO exceeds the delivery requirements established in accordance with paragraph (c)(1)(iii), for the item(s) specified, the time shall be extended by an equivalent number of working days, provided that the Contractor requests such extensions, in writing, to the Contracting Officer and submits with its request sufficient evidence to enable the Contracting Officer to determine the validity of the Contractor’s request. If performance of all or part of the work under this contract is delayed or interrupted by said late shipment by DPSDO, an adjustment shall be made pursuant to the ”GOVERNMENT DELAY OF WORK” (FAR 52.242-17) clause of the contract.

(e) The Contractor shall not be responsible for the quality, or quality control, of printing performed by DPSDO or a printer under contract to DPSDO, and the Government shall
SCHEDULE

reimburse the Contractor for any costs incurred on account of replacement of material lost or damaged by DPSDO or a printer under contract to DPSDO. If such loss or damage of material causes a delay or interruption of performance of all or any part of the work under this contract, an adjustment shall be made pursuant to the "GOVERNMENT DELAY OF WORK" clause of the contract.

(f) The costs of printing, binding, packing and distribution by DPSDO of the publications and changes described herein (but not the costs of preparing photolithographic negatives, camera-ready copies and other materials for printing and the costs of transporting or shipping such materials to DPSDO or a contract printer designated by DPSDO) shall be borne by the Government.

(g) Procurement of photographic negatives and/or camera-ready copies the Contractor is authorized only when the terms of the Joint Committee on Printing (JCP) Authorization No. 23383 of 25 October 1968 are met.

C-19 PROTECTION OF THE SHIP DURING ADVERSE ENVIRONMENTAL CONDITIONS (NAVSEA) (FEB 1994)

The Contractor shall ensure that the ship(s) and all related material at the Contractor's facilities are protected during conditions of heavy weather, high winds, heavy snow and icing, high water or similar adverse environmental conditions. The Contractor shall develop, maintain, and implement as necessary an "Adverse Environmental Conditions Plan" which prescribes the actions and procedures and assigns responsibilities for action to be taken in preparation for and during the period of adverse environmental conditions. The Contractor shall furnish the plan to the Supervisor and shall make such changes in the plan as the Supervisor considers necessary to provide for adequate protection of the ship(s) and the materials and equipment to be installed therein.

C-20 PROTECTION OF THE VESSEL (NAVSEA) (SEP 1990) (DEVIATION)

(a) The Contractor shall exercise reasonable care, as agreed upon with the Supervisor, to protect the vessel from fire, and shall maintain a system of inspection over the activities of its welders, burners, riveters, painters, pipe fitters, and similar workers, and of its subcontractors. Fire hose lines shall be maintained by the Contractor ready for immediate use on the vessel at all times while the vessel is berthed alongside the Contractor's pier or in dry dock. The Contractor shall maintain a fire watch aboard the vessel in areas where the Contractor is working.

(b) Except as otherwise provided in contractually invoked technical specifications or NAVSEA furnished directives, while the vessel is at the Contractor's plant and when the temperature becomes as low as thirty-five degrees Fahrenheit, the Contractor shall keep all pipe-lines, fixtures, traps, tanks, and other receptacles on the vessel drained to avoid damage from freezing, or if this is not practicable, the vessel shall be kept heated to prevent such damage. The vessel's stern tube and propeller hubs shall be protected by the Contractor from frost damage by applied heat through the use of a salamander or other proper means.
SCHEDULE

(c) The Contractor shall at all times keep the site of the work on the vessel free from accumulation of waste material or rubbish caused by its employees, or the work performed by the Contractor in accordance with this contract, and at the completion of such work shall remove all rubbish from and about the site of the work, and shall leave the work in its immediate vicinity "broom clean", unless more exactly specified by the Supervisor.

C-21 QUALIFICATION OF CONTRACTOR NONDESTRUCTIVE TESTING (NDT) PERSONNEL (NAVSEA) (MAY 1993) (DEVIATION)

(a) The Contractor and any NDT subcontractor (as hereinafter defined) shall utilize for the performance of required Nondestructive Testing (NDT) (which includes radiography, magnetic particle, liquid penetrant, eddy current, ultrasonic inspections and visual inspections) only personnel who have been previously qualified and certified. NAVSEA Technical Publication T9074-AS-GIB-010/271, "Requirements for Nondestructive Testing Methods" may be used for guidance. The term "NDT Subcontractor" is defined to be a first tier subcontractor performing NDT in conjunction with the production of materials, components, or equipments for the vessel(s).

(b) Qualification and certification of Level III (Examiner) personnel shall be based on (1) successful completion of appropriate American Society for Nondestructive Testing Level III Examinations, and (2) successful completion of specific and practical examinations developed by the Contractor. NAVSEA Technical Publication T9074-AS-GIB-010/271, "Requirements for Nondestructive Testing Methods" may be used for guidance. Documentation pertaining to the qualification and certification of NDT personnel shall be available to the Contracting Officer for review upon request.

C-22 SHIPBUILDING PRODUCTION PROGRESS CONFERENCES (SPPC) (AT) (JAN 1983) (DEVIATION)

(a) The Contractor agrees to attend progress meetings to be held once every four months at the Naval Sea Systems Command, or if the Government so elects, at the Contractor's plant, beginning four (4) months after the effective date of this contract. Progress meetings may also be held by video-teleconference, if the Contractor and the Government mutually agree. The purpose of the meetings is to report progress, anticipated delays, cost experience in relation to budget and projected end costs, manning, schedules, receipt of Government-furnished property/Contractor-furnished material, production problems, and other related matters.

(b) It is agreed and understood that the reports to be made by the Contractor pursuant to this requirement are additional to, and not in substitution for, reports and notices required to be made or given by the Contractor pursuant to other requirements of this contract, including, but not limited to, the "NOTIFICATION OF CHANGES" requirement.
SCHEDULE

C-23  TARGET PRICE NOTIFICATION REQUIREMENT (NAVSEA) (SEP 1995)
(APPLICABLE TO ITEM 0001 AND IF EXERCISED, OPTION ITEMS 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, AND 0081)

(a) The Contractor shall notify the Contracting Officer, in writing, whenever it has reason to believe that--

(1) the costs the Contractor expects to incur within the next 60 days (including amounts payable to subcontractors), when added to all costs previously incurred, will exceed 75 percent of the target cost specified in the Schedule, or

(2) the projected cost for the performance of this contract, exclusive of target profit, will be greater than the target cost specified in Section B of the contract.

(b) As part of the notification the Contractor shall provide the Contracting Officer the date when it is estimated that costs incurred will equal or exceed target cost and a revised estimate of the total cost of performing the contract. In the event that the revised estimated cost plus any adjustment for profit or loss exceeds the ceiling price specified in the Schedule, the Government's liability is limited to the ceiling price specified in the Schedule.

(c) This notification requirement shall apply to each separately identified target price specified in Section B of the contract.

C-24  TESTS AND TRIALS – ALTERNATE I (NAVSEA) (MAY 1993)

During the conduct of required tests and trials, the vessel shall be under the control of the Contractor and the Contractor's crew with representatives of the Contractor and the Government on board to determine whether or not the work done by the Contractor has been satisfactorily performed. The Contractor shall provide and install all fittings and appliances which may be necessary for dock and sea trials to enable the representatives of the Government to determine whether the requirements of the contract have been met, and the Contractor shall install and remove instruments and apparatus furnished by the Government for such trials, as required by the specifications.

C-25  UPDATING SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)

If, during the performance of this or any other contract, the Contractor believes that any contract contains outdated or different versions of any specifications or standards, the Contractor may request that all of its contracts be updated to include the current version of the applicable specification or standard. Updating shall not affect the form, fit or function of any deliverable item or increase the cost/price of the item to the Government. The Contractor should submit update requests to the Procuring Contracting Officer with copies to the Administrative Contracting Officer and cognizant program office representative for approval. The Contractor shall perform the contract in accordance with the existing specifications and standards until notified of approval/disapproval by the Procuring Contracting Officer. Any approved alternate specifications or standards will be incorporated into the contract.
C-26 YEAR 2000 WARRANTY—INFORMATION TECHNOLOGY (NAVSEA) (FEB 1999)

(a) All information technology (IT), whether commercial or noncommercial, delivered under this contract that will be required to perform date/time processing involving dates subsequent to December 31, 1999, shall be Year 2000 compliant if properly installed, operated, and maintained in accordance with the contract specifications and applicable documentation. If the contract requires that specific deliverables operate together as a system, this requirement shall apply to those deliverables as a system.

(b) "Information Technology" or "IT," as used in this requirement, means "information technology" as that term is defined at FAR 2.101, and further including those items that would otherwise be excluded by paragraph (c) of that definition. "Year 2000 compliant" (as defined at FAR 39.002) means that the IT accurately processes date/time data (including), but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other IT, used in combination with the IT being delivered, properly exchanges date/time data with it. The "proper exchange" of date/time data shall be in accordance with the interface requirements specification(s) of the contract.

(c) For line item deliverables which are commercial items (as defined at FAR 2.101), and which include commercial IT, the terms and conditions of the standard commercial warranty covering such commercial IT shall apply in addition to, and to the extent such terms and conditions are consistent with, this requirement. Any applicable commercial warranty shall be incorporated into this contract by attachment.

(d) Notwithstanding any provision to the contrary in any other warranty of this contract, or in the absence of any such warranty(ies), the remedies available to the Government under this requirement shall include those provided in the Inspection clause(s) of this contract. Nothing in this requirement shall be construed to limit any rights or remedies the Government may otherwise have under this contract.

(e) Unless specified elsewhere in the contract, the Contractor will also deliver to the Government a report summarizing any Year 2000 compliance testing that was performed, and the results thereof.

(f) The remedies available to the Government for noncompliance with this requirement shall remain available until 31 January 2001, or one hundred eighty (180) days after acceptance of the last deliverable IT item under this contract (including any option exercised hereunder), whichever is later.

C-27 SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994) (DEVIATION)

(a) Definitions.

A "zero-tier reference" is either: (1) a specification, standard, or drawing that is cited in the contract (including its attachments), or (2) the drawings listed in this subparagraph:
A “first-tier reference” is either: (1) a specification, standard, or drawing cited in a zero-tier reference, or (2) a specification cited in a first-tier drawing.

(b) Requirements.

All zero-tier and first-tier references, as defined above, are mandatory for use. All lower tier references in Government specifications and standards shall be used for guidance only.

All tiers of reference in non-Government standards which are cited in this contract are mandatory for use. This applies to military specifications and standards that are lower-tier references in the cited non-Government standards.

C-28 NUCLEUS CREW

The Nucleus Crews are composed of three separate ship’s force compliments for each ship. These facilities shall be provided in the vicinity of the delivery location for each ship.

Provisions for Nucleus Crew 1 are described and included in the General Requirement of SECTION C of this contract entitled “SUPERVISOR/SHIPS FORCE FACILITIES.”

The Nucleus Crew 2 will total approximately 25 personnel. They shall have reasonable access to the Contractor’s plant at all reasonable times for a period commencing approximately one (1) month prior to ship builder’s trials.

The Nucleus Crew 3 will be comprised of the remainder of ship’s personnel. They shall have reasonable access to the Contractor’s plant at all reasonable times for a period commencing at delivery through the Fitting Out Availability.

The Contractor shall provide the Nucleus Crew 2 with separate offices at the Contractor’s plant, similar to those of the Supervisor, which include the necessary space, furnishings and facilities for a minimum of 15 officers and 10 crew. The space allocation shall be at least 100 square feet per officer for officers, and 75 square feet per man for crew. Concurrently, the Contractor shall make available telephone services, classified material and cash stowage facilities, use of network supported classrooms, a network supported conference room for daily meetings, toilet
SCHEDULE

facilities/rest rooms/shower, and parking spaces adjacent to the offices and their ship for three official vehicles.

The Contractor shall equip these spaces with the following:

- 1 paper shredder with crosscut capability
- 1 facsimile machine
- 10 phone instruments and lines
- 2 photo reproduction machines (copiers) with collator, enlarge/reduce capability.

The Contractor shall provide an office automation capability similar to that provided to the Supervisor. The Contractor shall provide 15 workstations and 2 high capacity laser printers. If provided to the Supervisor, the Nucleus crew shall also be provided with IDE access.

Nucleus Crew facilities shall be located contiguous to the ships under this contract such that no more than an approximate 15-minute walk or 5 minute motor vehicle/boat ride is required of nucleus crew members for access to the ship.

A minimum of 20 parking spaces in the shipyard employee parking lot shall be available to the Nucleus crew. A minimum of 100 parking spaces in the shipyard employee parking lot shall be available to the Nucleus Crew 3. If such parking spaces are distant from the Contractor’s plant, any personnel transportation services available to shipyard personnel between parking lot and shipyard shall be available to the ship’s personnel.

To the extent that each nucleus crew’s activities will not interfere with the Contractor’s obligations to deliver the ship in accordance with the contract terms and conditions, all nucleus crew shall be allowed reasonable access to the ship for the following activities:

1. Indoctrination and familiarization with the general arrangement and condition of the ship.

2. Participation during sea trials to the extent permitted by available ship’s accommodations and consistent with INSURV requirements.

3. Assisting the Supervisor’s personnel in conducting inspections of the ship.

4. Assisting the Supervisor’s personnel in the witnessing of tests.

C-29 SUPERVISOR/SHIPS FORCE FACILITIES

(a) The facilities to be provided at each ship construction location shall be equal to those provided by the Contractor for his use for generally similar purposes. Suitable office facilities and services shall be provided for the following personnel: (1) Supervisor and staff, (2) MSC Owner’s Representative and staff, and (3) Nucleus Crew 1/MILDET for each ship. These facilities shall be provided at each ship construction facility. The offices provided shall be collocated, and located convenient to the ship, management and other shipyard shops and offices.
(b) **Office Space and Equipment.** The Contractor shall provide separate but adjacent offices, drafting rooms, conference room, rooms and equipment for the reproduction of items such as plans, booklets, test memoranda, and allowance lists for the use of personnel designated in paragraph (a) above. The Contractor shall also provide toilet, shower spaces, and a changing area with lockers for all government personnel. The Contractor shall provide a kitchen with refrigerator, sink (hot and cold water), microwave oven, with sufficient counter and storage space. These spaces shall be of adequate size for such purposes and shall be furnished, ventilated, lighted and heated. The Contractor shall furnish electric fans where they are required, services for keeping the rooms in order and clean, including soap and towels for the toilet/shower facilities. All spaces shall be maintained and stocked with supplies as needed. Heating, ventilation and air conditioning, with local temperature control and interior communication shall be provided in the offices that are utilized. The office and equipment matrix included herein, as may be modified from time to time under the provisions of this contract, sets forth the minimum acceptable rooms and furnishings. Furniture, desks, chairs, stools, clothes lockers, drafting tables and classified or unclassified file cabinets for cards, letters, plans and reports shall be furnished by the Contractor for the assigned rooms (including locks where appropriate). The Contractor shall provide sufficient network cabling and bandwidth for seamless connectivity to both the local area network established by the Supervisor and the Internet (Internet service to be provided via access to a T1 line or higher).

(c) **Telephone Service.** The Contractor shall provide and maintain telephones to the Contractors telephone system and at least one private line per office space for calls to be direct dial, local and long distance (not through the shipyard switchboard). Voice mail capabilities, as well as provision for computer modem connections, shall be included with the telephone service. All private telephones for this type of service shall be provided with dial locks or equivalent locks and keys. After ship's delivery, the Contractor shall provide at the ship's gangway, a switchboard, and single line telephone.

1. As soon as practical in the construction phase, the Contractor shall provide, at the direction of the Supervisor, additional switchboard telephones to the Ship's Master's office and the Chief Engineer's offices.

2. The Contractor shall include in the contract price the full cost of providing all telephone service except for long distance calls. Long distance calls shall be billed to the Government on the basis of actual cost.

(d) **Parking Spaces.** The Contractor shall provide lighted, secure parking spaces adjacent to the office to accommodate their normal occupants. Four additional parking spaces shall be provided for visitors designated by the Supervisor.

(e) **Adjustments to Office Facilities.** The Contracting Officer may, by written notice to the Contractor, effect substitution, elimination or addition of the office facilities or services specified in this general requirement. If any such substitution, elimination or addition causes an increase or decrease in the Contractor's cost, an equitable adjustment shall be made in accordance with the clause of this contract entitled "CHANGES-FIXED PRICE."
<table>
<thead>
<tr>
<th>Item</th>
<th>SUPERVISOR</th>
<th>MSC OWNER'S REP</th>
<th>NUCLEUS CREW 1/MILDET (Per Ship)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Private Offices included in Space (15’x15”)</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Double Pedestal Desk and Chair</td>
<td>24</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>4 – 6 Drawer Lay-Flat Drawing File Cabinet</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Drafting Board</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>5-Drawer File Cabinet-Legal Size</td>
<td>15</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Telephone Lines</td>
<td>24</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Modem Lines</td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Telefax (w/ Separate phone line)</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Parking Spaces Assigned (at office)</td>
<td>28</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Parking Spaces Assigned (at ship)</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3’x5’ Conference Table w/ chairs</td>
<td>4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Conference Room with seating for 20 people, Large Conference Table w/ chairs and Teleconference Facility including computer, modem, camera, video and large (40”min.) screen</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>White Board</td>
<td>5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Plan Review Table</td>
<td>2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Clothes Locker</td>
<td>24</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Side Chair</td>
<td>24</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Book Case</td>
<td>24</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>Walkie-Talkie (equivalent of those used by Contractor’s security/test organization)</td>
<td>8</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Copy Machine (Konica 7150 Copier or equivalent)</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Color Copy Machine (Hewlett-Packard HP280 or equivalent)</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### SCHEDULE

<table>
<thead>
<tr>
<th>Personal Computer (IBM compatible Intel Pentium 1.5Ghz processor, 256MB RAM, 20GB Hard drive, 17 inch flat screen monitor, network card, outfitted with MS Office 2000 Professional and network software used by the Supervisor of Shipbuilding)</th>
<th>SUPERVISOR</th>
<th>MSC OWNER’S REP</th>
<th>NUCLEUS CREW 1/MILDELT (Per Ship)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24</td>
<td>3</td>
<td>8</td>
</tr>
</tbody>
</table>

| Oversized- CAD Quality Computer monitor (24” min.) | 4 | - | 1 |

| Letter Quality Printer (Hewlett-Packard HP5000DN or equivalent) | 1 | 1 | 1 |

| Plotter (Hewlett-Packard Designjet 1000 or equivalent) | 1 | - | - |

| Color Printer (Hewlett-Packard HP4550DN or equivalent) | 1 | - | - |

| Color Scanner (Hewlett-Packard 6390C Professional Series or equivalent) | 1 | - | - |

| Storeroom (30’x20’) outfitted with shelving, 5 stand up lockers and 10 five drawer lockable file cabinets | 1 | - | - |

| Minimum Area of space assigned (Sq. FT) | 3,600 | 650 | 900 |

Dates Office Required:

- SUPERVISOR and MSC OWNER’S REP – Ten (10) Days After Contract Award
- NUCLEUS CREW 1/MILDELT – One hundred eighty (180) Days Before Contract Ship Delivery for Each Ship

### C-30 RECOGNITION OF ELECTRONIC DELIVERABLES

Data required to be delivered under the Data Requirement List (DRL) or this contract, that would be deemed Technical Data under DFARS 252.227-7013, if it were delivered in written form, shall not lose its status as Technical Data because access by the Government, or delivery by the
SCHEDULE

Contractor, is by electronic means. The rights of the parties in said Technical Data shall be as specified in DFARS 252.227-7013.

C-31 NOT USED

C-32 POST-AWARD CONFERENCE

The Government may, at its option, conduct a post-award conference within sixty (60) days after the effective date of this contract. The conference will be held at the Contractor's facility. Topics will include, but not be limited to, documentation review, the Contractor's understanding of the technical requirements, and schedule considerations.

C-33 REGULATORY BODIES, STANDARDS, CERTIFICATIONS AND DATA REQUIREMENTS

(a) The ship as delivered shall comply with all the applicable laws of the United States and the requirements of the various regulatory bodies and rules, in issue at the time of the proposal due date, and as identified in the System Specification. All necessary certifications or documents that cover the approval and indicate compliance shall be obtained by the Contractor. Data necessary for the Contractor to obtain the required USCG, ABS, SOLAS, FCC, and USPHS certifications, classification, or statements of voluntary compliance shall also be provided. Additionally, the Contractor shall accomplish all work necessary to comply with those applicable laws of the United States, the requirements of the various regulatory bodies and imposed rules. All of the above which are imposed as a requirement subsequent to contract award must be accomplished in order to obtain certification prior to delivery.

(b) Copies of all correspondence between the Contractor and Regulatory Bodies shall be provided to the Supervisor.

(c) Before delivery of the ship, the original certificates/documents demonstrating approval by regulatory bodies or indicating compliance with the contract shall be mounted onboard the ship as required either by the issuing regulatory body or as directed by the Supervisor.

(d) The Contractor in all other cases shall provide data to the Government as required by the Data Requirements List, attached hereto.

C-34 CONTRACTOR USE OF EQUIPMENT

The Contractor shall provide to the Government a history of usage, material condition and maintenance of equipment that the Contractor has provided and installed on the vessel. This history shall document all usage, maintenance performed on the equipment, both corrective and preventative, indicating problems and solutions or corrections made. This history shall also include date of usage, maintenance, running hours, date and type of reconditioning or overhaul, date of receivership, name plate and configuration data, and whether such usage or age has so deteriorated the equipment as to impair its usefulness or safety.
C-35 EQUIVALENT EQUIPMENT

(a) In the event that the Contractor wishes to substitute equipment, other than Critical Equipment, which is equivalent to an item referenced in the contract, by manufacturer's make and model number “or equal,” the Contractor shall submit a substitution request in writing to the Government for approval (Supervisor in accordance with the DRL). Such requests shall be made sixty (60) days in advance of the Contractor’s anticipated order of the equipment to allow the Government time to determine equivalency. Any equivalency request not responded to by the Government within sixty days after receipt will be deemed approved by the Government. This does not imply that reviews of equivalency requests will be completed in sixty days; reviews may take more or less time depending on the complexity of the equipment and the quality of the information provided to support the equivalency request. The Government will provide notice to the Contractor if an equivalency request will take longer than sixty days to complete.

(b) The substitution request shall include sufficient detail to demonstrate that all the requirements of the contract governing the determination of equivalence have been met, including but not limited to the equipment equivalency certification prepared by the Contractor for acceptance by the Government (Supervisor).

C-36 SINGLE SYSTEM VENDOR

The Contractor shall select a Single System Vendor (SSV) to be responsible for the overall engineering design, integration, and testing of the main propulsion and electric plant systems including but not limited to (as applicable):

- Propulsion Engine(s) and associated clutches and couplings
- Reduction Gear(s), Shafting and Bearings, Propulsor(s)
- Propulsion Motor(s), Propulsion Motor Controller(s) and interconnecting cabling
- Propulsion Generators, Ships Service Generators, and Emergency Generator
- Propulsion, Ship Service, and Emergency Switchboards, transformers, and Motor Generators and/or SSFCs
- Machinery Control and Ship Control Systems.

The SSV shall also be responsible for the supply of, as a minimum, the propulsion, ship service, and emergency switchboards, the propulsion power conversion/control equipment, the machinery control system and the ship control system (as applicable).

The SSV shall be experienced in marine propulsion plants and controls and shall have experience as a supplier of control system equipment for this type of application. The Contractor is prohibited from acting as the SSV.

The SSV shall be responsible for the system design and integration of the various system equipment and sensor interfaces. In addition, the SSV shall integrate the main diesel generator sets, emergency diesel generator set, main propulsion motor, and bow thruster motor into the machinery and ship control systems, and take into account the electrical characteristics of this
equipment in order to assure the design of the ship's combined electrical system is fully integrated and meets the requirements of the System Specification.

Formal design and progress reviews shall be presented by the SSV for the Contractor and Government concurrent with the ship design reviews up to FCDR and at approximately four (4) month intervals thereafter. The reviews shall continue through the design/ manufacture of the equipment, delivery to the Contractor, and during installation and checkout at the shipyard. Design and progress review agendas and minutes shall be prepared. As a minimum, each design and progress review shall address the following:

- Schedule (design, procurement, fabrication, testing and installation)
- System design and integration
- Harmonic and spike voltage limitations
- Equipment design (copies of all drawings, whether issued or in process, shall be provided at least two weeks in advance of each design review)
- Regulatory Body review status (including schedule of submittals to regulatory bodies and presentation of regulatory body review comments)
- Man/Machine interface developments
- Equipment construction status
- Factory testing status
- Interface issues between system equipment and suppliers and the ship
- Problem areas, planned resolution, and impacts on design/schedule
- Logistics integration status.

The Government shall be notified and invited to witness factory acceptance testing of all equipment systems for which the SSV is responsible for supplying. Test procedures and reports for all factory acceptance tests shall be prepared.

During the guarantee period for each ship, the SSV shall provide a qualified integrating technician to assist the crew with troubleshooting, calibration, adjustment, and repair of SSV-integrated equipment. A total of sixty (60) days of on board service shall be provided at the discretion of the Supervisor, and may be scheduled while the ship is underway. The SSV will be responsible for costs of dispatching the technician to the ship. The Contractor and SSV subcontractor shall document field changes and modifications made during the guarantee period. Technical manuals, drawings and other documentation shall be updated to reflect all such modifications.

C-37 NOT USED

C-38 HEAVY WEATHER PLAN (NAVSEA) (JUN 1999)

In order to ensure that Naval vessels and material are protected during gales, storms, hurricanes and destructive weather, the Contractor is required to have a written Heavy Weather Plan (HWP) which assigns responsibilities and prescribes actions to be taken on the approach of and during heavy weather conditions as delineated in NAVSEA Standard Item (SI) 009-69. In accordance with SI 009-69, the Contractor shall furnish to the cognizant Shipbuilding, Conversion and Repair, U.S.
SCHEDULE

Navy, a copy of such HWP, and shall make such changes in the plan as the Supervisor considers necessary and reasonable to protect and care for vessels and machinery and equipment to be installed therein.

In the event the Supervisor directs the Contractor to implement the HWP pursuant to SI 009-69 the Contractor may submit to the Contracting Officer a request for reimbursement for costs resulting from such actions together with any documentation that the Contracting Officer may reasonably require. The Government shall reimburse the Contractor for all reasonable, allowable and allocable costs resulting from the Contractor's implementation of the HWP based on such Government direction.

C-39 EXCLUSION OF MERCURY (NAVSEA) (MAR 1998)

Mercury or mercury containing compounds shall not be intentionally added or come in direct contact with hardware or supplies furnished under this contract.

C-40 SPECIAL AGREEMENT REGARDING SWITCHBOARD SUBCONTRACTS (NAVSEA) (JUN 2000)

(a) The Government has an interest in maintaining a competitive market for switchboards to be used on U.S. Naval vessels. The requirements of 10 U.S.C. 2534 result in a major component of certain switchboards (i.e., air circuit breakers) being available from a single domestic source who is also a competitor for such switchboards. Therefore, the Contractor shall evaluate subcontract proposals for such switchboards exclusive of air circuit breaker content or on some other basis that ensures an equitable switchboard competition.

(b) The Contractor shall, in all cases involving subcontracts which contain air circuit breakers for switchboards, give advance notification to the contracting officer and obtain written consent of the contracting officer prior to placing any such subcontract. Such advance notification shall include the information listed under paragraph (f)(1) of the clause entitled "SUBCONTRACTS" (FAR 52.244-2).

C-41 CONTRACT DATA RIGHTS


(1) Attachment J-14a, which was submitted as part of the Contractor’s proposal, identifies all noncommercial technical data and noncommercial computer software and computer software documentation restrictions in accordance with DFARS 252.227-7017 "Identification and Assertion of Use, Release or Disclosure Restrictions."

(2) If the Contractor asserts government purpose rights the Government shall have government purpose rights for a period of five years from the effective date of contract award or
option exercise, after which the Government shall have unlimited rights to any such asserted noncommercial technical data or noncommercial computer software and computer software documentation as provided in DFARS 252.227-7013(b)(2) "Rights in Technical Data — Noncommercial Items" and DFARS 252.227-7014(b)(2) "Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation," respectively.

(3) If the Contractor asserts Limited Rights or Restricted Rights in any noncommercial technical data or noncommercial computer software and computer software documentation, the Contractor shall, per DFARS 252.227-7013(b)(3)(iii) or 252.227-7014(b)(3)(ii), promptly enter into negotiations with the Government to determine if there are mutually acceptable terms for transferring any additional license rights that the Government desires. Per DFARS 252.227-7013(b)(4) and DFARS 252.227-7014(b)(4), all noncommercial technical data or noncommercial computer software in which the Contractor agrees to grant that Government additional license rights shall be listed or described in a license agreement made part of the contract. The license shall enumerate the additional rights granted to the Government.

(b) Commercial - Computer Software (CCS), Computer Software Documentation (CSD), and Technical Data (CTD).

(1) Attachment J-14b (Commercial Restrictions List), which was submitted as part of the Contractor’s proposal, identifies all CCS, CCSD, and CTD restrictions. Deliverable CCS, CCSD, and CTD for which a restriction applies shall be marked appropriately.

(2) Post-Award Identification and Delivery of CCS, CCSD and CTD, to be Furnished with Restrictions on the Government’s Use, Release or Disclosure. In addition to the assertions made in the Commercial Restrictions List (Attachment J-14b), the Contractor may make other such assertions, after award of the contract, when based on upon new information or inadvertent omissions, unless the inadvertent omissions would have materially affected the source selection decision for this contract.

(i) Format and Submission of Post-Award Assertions of CCS, CCSD and CTD Restrictions. The Contractor shall submit post-award assertions, concerning restrictions on the Government’s use, release or disclosure of CCS, CCSD and CTD, to the Government as soon as practicable after discovery of the new information or inadvertent omission. Such post-award assertions shall be in the format of Attachment J-14b and signed by an official authorized to contractually obligate the Contractor.

(ii) Requirement to Provide Copies of Commercial Licenses. For post-award assertions required by paragraph (b)(2) above that indicate that the asserted rights category is the license customarily provided to the public, the Contractor shall attach to its assertions a copy of such license, except that if any particular license is identified as applying to more than one such entry, only one copy of that license need be provided.

(iii) Requirement to Provide Information to Evaluate Post-Award Assertions. Upon request by the Government, the Contractor shall provide sufficient information to enable
the Government to evaluate any post-award assertion by the Contractor on the Government’s right to use, release or disclose CCS, CCSD and CTD.

(3) Effect of Delivering Unidentified CCS, CCSD Or CTD. If the Contractor delivers CCS, CCSD or CTD that is not identified prior to contract award in the Commercial Restrictions List (Attachment J-14b), or after contract award in accordance with paragraph (b)(2) above, the Government may, at its option:

(i) Require the Contractor to update, as part of the contract work with no increase in contract price, the Commercial Restrictions List (Attachment J-14b) to include the unidentified CCS, CCSD or CTD; and

(ii) Either of the following:

(A) Reduce the contract price not to exceed the estimated price of the unidentified CCS, CCSD or CTD; or

(B) Be entitled to such other consideration as mutually agreed upon by the Government and the Contractor. But in no event may the Contractor be required to sell or otherwise relinquish any additional or greater rights in the CCS, CCSD or CTD than those rights to which the Contractor is entitled.

(c) Background Inventions.

(1) Attachment J-14c ((Background Inventions – Identification and Licensing) (hereinafter referred to as the BIIL List)), which was submitted as part of the Contractor’s proposal, identifies all inventions, (hereinafter background inventions), other than subject inventions disclosed in any patents or pending patent applications in which the Contractor has:

(i) Any title, right or interest; and

(ii) Intends to include in any items, Components or Processes (ICP) developed or delivered under the contract, or that are described or disclosed in any Technical Data (TD), Computer Software (CS) or Computer Software Documentation (CSD) developed or delivered under the contract.

(2) If the Contractor provides the Government a license to practice the background invention, to be of value to the Government, any such license must grant the Government the right to practice, and to have practiced on its behalf, the background inventions related to the ICP, TD, CS and CSD that includes or discloses the background invention.

(3) Required Procedure for Updating the BIIL List. The BIIL List (Attachment J-14c) may be updated, as part of the contract work with no increase in contract price, after mutual agreement by the Government and the Contractor, based upon new information or inadvertent omissions by the Contractor, unless the inadvertent omission would have materially affected the source selection decision for this contract.
(4) **Effect of Failure to Identify Background Inventions in the BIIL List.** If the Contractor fails to identify a background invention in the BIIL List (Attachment J-14c), it will constitute a grant to the Government of a nonexclusive, nontransferable, irrevocable, worldwide, paid-up license to practice, and to have practiced on its behalf, such background invention for Government Purposes related to the ICP, TD, CS or CSD that includes or discloses the background invention.
SECTION D - PACKAGING AND MARKING

All unclassified data shall be prepared for shipment in accordance with best commercial practice.


AS ORDERED, ITEM 0003 AND IF EXERCISED, OPTION ITEMS 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, AND 0083

Supplies shall be cleaned, preserved, packaged, packed and marked in accordance with the instructions provided by the Contracting Officer, Provisioning Activity, or ACO. When not otherwise specified, supplies shall be packaged to ensure protection against corrosion, deterioration, physical, and electrical damage during shipment from the Contractor to the point of delivery.

ITEMS 0004 AND 0005

The supplies furnished hereunder shall be packaged in accordance with best commercial practice.

D-1 IDENTIFICATION MARKING OF PARTS (NAVSEA) (NOV 1996)

Identification marking of individual parts within the systems, equipments, assemblies, subassemblies, components, groups, sets or kits, and of spare and repair parts shall be done in accordance with applicable specifications and drawings. To the extent identification marking of such parts is not specified in applicable specifications or drawings, such marking shall be accomplished in accordance with the following:

(1) Parts shall be marked in accordance with generally accepted commercial practice.

(2) In cases where parts are so small as not to permit identification marking as provided above, such parts shall be appropriately coded so as to permit ready identification.

D-2 MARKING AND PACKING LIST(S) (NAVSEA) (NOV 1996)

(a) Marking. Shipment, shipping containers and palletized unit loads shall be marked in accordance with best commercial practice.

(b) Packing List(s). A packing list (DD Form 250 Material Inspection and Receiving Report may be used) identifying the contents of each shipment, shipping container or palletized unit load shall be provided by the Contractor with each shipment. When a contract line item identified under a single stock number includes an assortment of related items such as kit or set components, detached parts or accessories, installation hardware or material, the packing list(s) shall identify the assorted items.
SCHEDULE

Where assortment of related items is included in the shipping container, a packing list identifying the contents shall be furnished.

(c) Master Packing List. In addition to the requirements in paragraph (b) above, a master packing list shall be prepared where more than one shipment, shipping container or palletized unit load comprise the contract line item being shipped. The master packing list shall be attached to the number one container and so identified.

(d) Part Identification. All items within the kit, set, installation hardware or material shall be suitably segregated and identified within the unit pack(s) or shipping container by part number and/or national stock number.
SECTION E - INSPECTION AND ACCEPTANCE

ITEM 0001 AND IF EXERCISED, OPTION ITEMS 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, AND 0081

The ship(s) shall be inspected and accepted at origin (i.e., the Contractor’s facility shown below) by an authorized representative of the Government.

National Steel and Shipbuilding Company
(NAME OF PRIME CONTRACTOR’S FACILITY)
2798 Harbor Drive
(STREET ADDRESS)
San Diego, CA 92113
(CITY, STATE, & ZIP CODE)

Bath Iron Works
(NAME OF SECOND SHIPYARD’S FACILITY)
700 Washington Street
(STREET ADDRESS)
Bath, ME 04530
(CITY, STATE, & ZIP CODE)

ITEM 0002 AND IF EXERCISED, OPTION ITEMS 0012, 0019, 0026, 033, 0040, 0047, 0054, 0061, 0068, 0075, AND 0082

Technical manuals shall be inspected and accepted at the Contractor’s facility (as described under Item 0001, above) by an authorized representative of the Government.

AS ORDERED, ITEM 0003 AND IF EXERCISED, OPTION ITEMS 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, AND 0083

Inspection and acceptance of supplies shall be as established in each PIO. Unless otherwise stated in the PIO, supplies shall be inspected and accepted at the Contractor’s facility (as described under Item 0001, above) by an authorized representative of the Government.

ITEM 0004

Structural Test Sections shall be inspected and accepted at destination by an authorized representative of the Government.

ITEM 0005

The Tow Tank Ship Model shall be inspected and accepted at destination by an authorized representative of the Government.
SCHEDULE

AS ORDERED, ITEM 0006 AND IF EXERCISED, OPTION ITEMS 0014, 0021, 0028, 0035, 0042, 0049, 0056, 0063, 0070, 0077, AND 0084

The Additional Government Requirements (Special Studies, Analyses, and Reviews) shall be inspected and accepted at the Contractor’s facility (as described under Item 0001, above) by an authorized representative of the Government.

AS ORDERED, ITEM 0007 AND IF EXERCISED, OPTION ITEMS 0015, 0022, 0029, 0036, 0043, 0050, 0057, 0064, 0071, 0078, AND 0085

The Additional Government Requirements (Engineering and Industrial Services) shall be inspected and accepted at the Contractor’s facility (as described under Item 0001, above) by an authorized representative of the Government.

ITEM 0008 AND IF EXERCISED, OPTION ITEMS 0016, 0023, 0030, 0037, 0044, 0051, 0058, 0065, 0072, 0079, AND 0086

Data shall be inspected and accepted as specified in the attached Data Requirements List(s) (DRLs), Attachment J-2.

E-1 INSPECTION FACILITIES (FT) (NAVSEA) (JAN 1990)

The facilities to be provided pursuant to paragraph (d) of the clause entitled "FAR 52.246-2 INSPECTION OF SUPPLIES--FIXED-PRICE (JUL 1985) - ALTERNATE I (JUL 1985) (DEVIAION)" shall be equal to those provided by the Contractor for his use for generally similar purposes, and shall include offices and related equipment; drafting rooms; convenient parking facilities; equipment for reproduction of such items as plans, booklets, test memoranda and allowance lists; and telephones connected to the Contractor’s and local telephone system. Toll charges for the Supervisor’s calls will be paid by the Government. In lieu of providing reproduction equipment, the Contractor may provide reproduction services to the Supervisor. Assistance shall include services necessary in testing or handling machinery, equipment, and materials for the purpose of inspection or test.

E-2 INSPECTION AND ACCEPTANCE LANGUAGE FOR LSI

Notwithstanding any other requirement or clause of this contract, the Government may accept, conditionally accept, or reject the Logistics Support Information (LSI) within sixty days after its delivery, or as specified on the applicable Data Requirements List(s) (DRLs), Attachment J-2. A notice of conditional acceptance shall state any corrective action required to be submitted by the Contractor. If LSI is rejected, the Contractor may be required, at the option of the Government, to correct any or all of the LSI. The Contractor shall at no additional cost to the Government make any necessary changes, modifications or corrections to the LSI. The Government shall take action on the corrected LSI within the time limit specified above. Government action under this requirement shall not affect or limit any other rights it may have under this contract.
SCHEDULE

E-3 CALIBRATION SYSTEM REQUIREMENTS (NAVSEA) (MAY 1995)

Calibration System Requirements - The calibration of measuring and testing equipment shall, as a minimum, adhere to the requirements of ANSI/NCSL Z540-1.

E-4 INSPECTION AND TEST RECORDS (NAVSEA) (MAY 1995)

Inspection and Test Records: Inspection and test records shall, as a minimum, indicate the nature of the observations, number of observations made, and the number and type of deficiencies found. Data included in inspection and test records shall be complete and accurate, and shall be used for trend analysis and to assess corrective action and effectiveness.

E-5 GUARANTY PERIOD (FT) (NAVSEA) (JAN 1990) (DEVIATION)

(a) As used in this contract, the term "defects" includes any and all defects, deficiencies, deteriorations, and failure in the vessel(s). There shall be a guaranty period for each vessel beginning at the time of preliminary acceptance and ending eleven (11) months after preliminary acceptance of the vessel, unless extended as provided in paragraph (b) below.

(b) The guaranty period for each vessel shall be extended by the time during which such vessel is not available for unrestricted service by reason of any defects for which the Contracting Officer shall determine the Contractor to be responsible. During said period the vessel, after being fully equipped and armed and in all respects complete and ready for service, may be finally tried by and at the expense of the Government under conditions prescribed by the Secretary of the Navy.

(c) The Contractor shall have an engineer on board such vessel during the guaranty period. Such engineer shall have every reasonable opportunity to inspect the working of such vessel in all its parts but shall have no power to direct or control its operation.

E-6 PRELIMINARY ACCEPTANCE (AT) (NAVSEA) (JAN 1983)

Upon satisfactory completion of the applicable trial requirements and upon delivery as provided in Section F of this contract, each vessel shall be preliminarily accepted.

E-7 FINAL ACCEPTANCE (AT) (NAVSEA) (JAN 1983)

Each vessel shall be finally accepted upon the expiration of its guaranty period.

E-8 LIMITATION OF CONTRACTOR'S LIABILITY FOR CORRECTION OF DEFECTS (FT) (NAVSEA) (JAN 1990)

The liability of the Contractor as to any vessel for the correction of defects, as determined pursuant to the "INSPECTION" and "GUARANTY PERIOD" requirements of this contract, discovered during the guaranty period (other than defects resulting from fraud or such gross mistakes as amount to fraud) shall be limited to $6,000,000.
E-9 QUALITY SYSTEM REQUIREMENTS (NAVSEA) (MAY 1995)

Quality System Requirements - The Contractor shall provide and maintain a quality system that, as a minimum, adheres to the requirements of ANSI/ASQC Q9001-1994 Quality Systems-Model for Quality Assurance in Design/Development, Production, Installation, and Servicing and supplemental requirements imposed by this contract. The quality system procedures, planning, and all other documentation and data that comprise the quality system shall be made available to the Government for review. Existing quality documents that meet the requirements of this contract may continue to be used. The Government may perform any necessary inspections, verifications, and evaluations to ascertain conformance to requirements and the adequacy of the implementing procedures. The Contractor shall require of subcontractors a quality system achieving control of the quality of the services and/or supplies provided. The Government reserves the right to disapprove the quality system or portions thereof when it fails to meet the contractual requirements.

E-10 GOVERNMENT FURNISHED MATERIAL (NAVSEA) (MAY 1995)

Government Furnished Material: When material is furnished by the Government, the contractor's procedures shall include at least the following:

(a) Examination upon receipt, consistent with practicality, to detect damage in transit;

(b) Inspection for completeness and proper type;

(c) Periodic inspection and precautions to assure adequate storage conditions and to guard against damage from handling and deterioration during storage;

(d) Functional testing, either prior to or after installation, or both, as required by contract to determine satisfactory operation;

(e) Identification and protection from improper use or disposition; and

(f) Verification of quantity.

Damaged Government Furnished Material: The contractor shall report to the Government representative any Government-furnished property found damaged, malfunctioning, or otherwise unsuitable for use. In event of damage or malfunction during or after installation, the contractor shall determine and record probable cause and necessity for withholding material from use.

Bailed Property: The contractor shall, as required by the terms of the Bailment Agreement, establish procedures for the adequate storage, maintenance, and inspection of bailed Government property. Records of all inspections and maintenance performed on bailed property shall be maintained. These procedures and records shall be subject to review by the Government representative.
SCHEDULE

[As used in the foregoing, the term "material" applies to Government-furnished equipment to be installed in or furnished with the end item. The term "property" is Government equipment that is used in the fabrication or assembly of the end item, and is not delivered as part of the end item.]

E-11 QUALITY IN SOFTWARE DEVELOPMENT AND PRODUCTION (NAVSEA) (MAY 1995)

Quality in Software Development and Production: The contractor's software quality program shall be an integral part of the overall Quality Assurance Program. Software quality program controls shall be applicable to all project software that is developed, maintained, or modified within the following categories:

(a) All deliverable software.

(b) All deliverable software that is included as part of deliverable hardware or firmware.

(c) Non deliverable software (commercially available or user-developed) used for development, fabrication, testing, or acceptance of deliverable software or hardware (includes automated fabrication, test, and inspection/acceptance equipment software and software design, test, and inspection tools).

(d) Commercially available, reusable, or Government software designated as part of a deliverable item.

E-12 COST OF QUALITY DATA (NAVSEA) (MAY 1995)

Cost of Quality Data: The contractor shall maintain and use quality cost data as a management element of the quality program. The specific quality cost data to be maintained and used will be determined by the contractor. These data shall, on request, be identified and made available for "on site" review by the Government representative.

CLAUSES INCORPORATED BY REFERENCE

FAR 52.246-2 INSPECTION OF SUPPLIES--FIXED PRICE (AUG 1996)
(Not applicable to Item 0001 and if exercised, Option Items 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, and 0081)

FAR 52.246-3 INSPECTION OF SUPPLIES--COST REIMBURSEMENT (APR 1984)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

FAR 52.246-4 INSPECTION OF SERVICES--FIXED PRICE (AUG 1996)

FAR 52.246-5 INSPECTION OF SERVICES--COST REIMBURSEMENT (APR

03AUGUST2000
CLAUSES INCORPORATED IN FULL TEXT

FAR 52.246-2 INSPECTION OF SUPPLIES--FIXED PRICE (JUL 1985) - ALTERNATE I (JUL 1985) (DEVIATION) (96-601)
(Applicable only to Item 0001 and if exercised, Option Items 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, and 0081)

(a) Definition. "Supplies," as used in this clause, includes but is not limited to the vessel(s), raw materials, components, intermediate assemblies, end products, and lots of supplies.

(b) The Contractor shall provide and maintain, prior to and at all times during manufacture, an inspection system acceptable to the Government covering supplies under this contract and shall tender to the Government for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by the Contractor to be in conformity with contract requirements. As part of the system, the Contractor shall prepare records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to the Government during contract performance and for as long afterwards as the contract requires. The Government may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. These reviews and evaluations shall be conducted in a manner that will not unduly delay the contract work. The right of review, whether exercised or not, does not relieve the Contractor of the obligations under the contract nor impose any liability on the Government therefor.

(c) The Government has the right to inspect and test all supplies called for by the contract, to the extent practicable, at all places and times, including the period of manufacture, and in any event before final acceptance. The Government shall perform inspections and tests in a manner that will not unduly delay the work. The Government assumes no contractual obligation to perform any inspection and test for the benefit of the Contractor unless specifically set forth elsewhere in this contract.

(d) If the Government performs inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish, and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safety and convenient performance of these duties. Except as otherwise provided in the contract, the Government shall bear the expense of Government inspections or tests made at other than the Contractor's or subcontractor's premises; provided, that in case of rejection, the Government shall not be liable for any reduction in the value of inspection or test samples.
SCHEDULE

(e)(1) When supplies are not ready at the time specified by the Contractor for inspection or test, the Contracting Officer may charge to the Contractor the additional cost of inspection or test.

(2) The Contracting Officer may also charge the Contractor for any additional cost of inspection or test when prior rejection makes reinspection or retest necessary.

(f) The Government has the right, in accordance with this clause and other clauses of this contract, including the clause entitled "DELIVERY OF COMPLETED VESSEL," either to reject or to require correction of nonconforming supplies. Supplies are nonconforming when they are defective in material workmanship or are otherwise not in conformity with contract requirements. The Government may reject nonconforming supplies with or without disposition instructions. Supplies rejected prior to preliminary acceptance as not conforming to this contract, and any Contractor responsible defects discovered during the guaranty period, in accordance with the clause entitled "GUARANTY PERIOD," shall, at the election of the Government be replaced or corrected either by the Government or by the Contractor. The Government will, whenever practicable, afford the Contractor an opportunity to examine the nonconforming or defective supplies before they are replaced or corrected. If the Government elects to effect replacement or correction by the Government, the Government shall equitably reduce the target price or, if established, the total final price.

(g) The Contractor shall remove supplies rejected or required to be corrected by the Contractor. However, the Contracting Officer may require or permit correction in place, promptly after notice, by and at the expense of the Contractor, subject to the provisions of paragraph (i) below. The Contractor shall not tender for acceptance corrected or rejected supplies without disclosing the former rejection or requirement for correction, and, when required, shall disclose the corrective action taken.

(h) If the Contractor fails to promptly remove, replace, or correct rejected supplies that are required to be removed or to be replaced or corrected, the Government may either (1) by contract or otherwise, remove, replace, or correct the supplies and charge the cost to the Contractor or (2) may terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the delivery schedule, the Contracting Officer may require their delivery and equitably reduce any target price or, if it is established, the total final contract price. Failure to agree to a price reduction shall be a dispute.

(i) The cost of any removal, replacement or correction for which the Contractor is responsible shall be borne by the Contractor in accordance with paragraphs (g) and (h) above, except that the liability of the Contractor for the correction of defects discovered during the guaranty period (other than defects resulting from fraud or gross mistakes amounting to fraud) shall be limited as set forth in the clause entitled "LIMITATION OF CONTRACTOR'S LIABILITY FOR CORRECTION OF DEFECTS." Any increase in the contract price on account of any replacement or correction for which the Contractor is not responsible shall be determined pursuant to the clause of this contract entitled "CHANGES."

(j)(1) If this contract provides for the performance of Government quality assurance at source, and if requested by the Government, the Contractor shall furnish advance notification of the time (i)
SCHEDULE

when Contractor inspection or tests will be performed in accordance the terms and conditions of the contract and (ii) when the supplies will be ready for Government inspection.

(2) The Government’s request shall specify the period and method of the advance notification and the Government representative to whom it shall be furnished. Requests shall not require more than 2 workdays of advance notification if the Government representative is in residence in the Contractor’s plant, nor more than 7 workdays in other instances.

(k) The Government shall accept or reject supplies as in the contract. Government failure to inspect and accept or reject the supplies shall not relieve the Contractor from responsibility, nor impose liability on the Government, for nonconforming supplies.

(l) Inspections and tests by the Government do not relieve the Contractor of responsibility for defects or other failures to meet contract requirements discovered before final acceptance. Final acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud or as otherwise provided in the contract.

(m) If final acceptance is not conclusive for any of the reasons in paragraph (l) hereof, the Government, in addition to any other rights and remedies provided by law, or under other provisions of this contract, shall have the right to require the Contractor (1) at no increase in any target price or if it is established, the total final price of this contract, to correct or replace the defective or nonconforming supplies at the original point of delivery or at the Contractor’s plant at the Contracting Officer’s election, and in accordance with reasonable delivery schedule as may be agreed upon between the Contractor and the Contracting Officer; provided, that the Contracting Officer may require a reduction in any target price, or if it is established, the total final price of this contract, if the Contractor fails to meet such delivery schedule, or (2) within a reasonable time after receipt by the Contractor of notice of defects or nonconformance, to repay such portion of the contract as is equitable under the circumstances if the Contracting Officer elects not to require correction or replacement. When supplies are returned to the Contractor, the Contractor shall bear the transportation cost from the original point of delivery to the Contractor’s plant and return to the original point when that point is not the Contractor’s plant. If the Contractor fails to perform or act as required in (1) or (2) above and does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure, the Government shall have the right by contract otherwise to replace or correct such supplies and equitably reduce any target price or, if it is established, the total final price of this contract.
SCHEDULE

SECTION F - DELIVERIES OR PERFORMANCE

ITEM 0001 AND IF EXERCISED, OPTION ITEMS 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, AND 0081

The Contractor shall deliver the ship(s) to the Government at the Contractor's construction facility fully outfitted and tested in accordance with the requirements of the contract. The first ship and follow ships (if options are exercised) shall be delivered in accordance with the following schedule:

<table>
<thead>
<tr>
<th>SHIP</th>
<th>NO LATER THAN DELIVERY DATE*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ship #1</td>
<td>19 March 2005</td>
</tr>
<tr>
<td>Ship #2</td>
<td>15 September 2005</td>
</tr>
<tr>
<td>Ship #3</td>
<td>29 May 2006</td>
</tr>
<tr>
<td>Ship #4</td>
<td>01 September 2006</td>
</tr>
<tr>
<td>Ship #5</td>
<td>01 May 2007</td>
</tr>
<tr>
<td>Ship #6</td>
<td>31 July 2007</td>
</tr>
<tr>
<td>Ship #7</td>
<td>01 May 2008</td>
</tr>
<tr>
<td>Ship #8</td>
<td>31 July 2008</td>
</tr>
<tr>
<td>Ship #9</td>
<td>01 May 2009</td>
</tr>
<tr>
<td>Ship #10</td>
<td>02 August 2009</td>
</tr>
<tr>
<td>Ship #11</td>
<td>03 May 2010</td>
</tr>
<tr>
<td>Ship #12</td>
<td>07 August 2010</td>
</tr>
</tbody>
</table>

*Although the Contractor may deliver the ship(s) prior to the required delivery dates, the Contractor shall not deliver more than three (3) ships per calendar year and there shall be at least three (3) months between ship deliveries.

ITEM 0002 AND IF EXERCISED, OPTION ITEMS 0012, 0019, 0026, 0033, 0040, 0047, 0054, 0061, 0068, 0075, AND 0082

Technical Manuals shall be delivered in accordance with the applicable Data Requirements Lists (DRLs), Attachment J-2.

AS ORDERED, ITEM 0003 AND IF EXERCISED, OPTION ITEMS 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, AND 0083

Supplies shall be delivered in accordance with the delivery schedule and requirements established in each PIO.
SCHEDULE

ITEM 0004

The Contractor shall deliver the Structural Test Sections three (3) months after ICDR to the following addresses:

(a) For Panel Test Sections - Naval Surface Warfare Center, Carderock Division, (Attn: Larry Ripley Code 673), Bethesda, Maryland 20084.

(b) For Compartment Test Sections - U.S. Army Test Center, Aberdeen, Maryland (Attn: David Wilson, NSWCCD Code 674).

ITEM 0005

The Contractor shall deliver the Tow Tank Ship Model to the Naval Surface Warfare Center, Carderock Division, Bethesda, MD 20084 no later than 3 months after the delivery of the lead ship.

AS ORDERED, ITEM 0006 AND IF EXERCISED, OPTION ITEMS 0014, 0021, 0028, 0035, 0042, 0049, 0056, 0063, 0070, 0077, AND 0084

The Additional Government Requirements (Special Studies, Analyses, and Reviews) shall be delivered in accordance with the terms of orders issued pursuant to the General Requirement in SECTION C of this contract entitled “PROVISIONED ITEMS ORDER – ALTERNATE II.”

AS ORDERED, ITEM 0007 AND IF EXERCISED, OPTION ITEMS 0015, 0022, 0029, 0036, 0043, 0050, 0057, 0064, 0071, 0078, AND 0085

The Additional Government Requirements (Engineering and Industrial Services) shall be delivered in accordance with the terms of orders issued pursuant to the General Requirement in SECTION C of this contract entitled “PROVISIONED ITEMS ORDER – ALTERNATE II.”

ITEM 0008 AND IF EXERCISED, OPTION ITEMS 0016, 0023, 0030, 0037, 0044, 0051, 0058, 0065, 0072, 0079, AND 0086

All data to be furnished under this contract shall be delivered prepaid to the destination(s) and at the time(s) specified on the Data Requirements List, Attachment J-2.

CLauses incorporated by reference

FAR 52.242-15 STOP-WORK ORDER (AUG 1989)
FAR 52.242-17 GOVERNMENT DELAY OF WORK (APR 1984)
FAR 52.247-29 F.O.B. ORIGIN (JUN 1988)
| FAR 52.247-34 | F.O.B. DESTINATION (NOV 1991) |
| FAR 52.247-48 | F.O.B. DESTINATION--EVIDENCE OF SHIPMENT (FEB 1999) |
| FAR 52.247-52 | CLEARANCE AND DOCUMENTATION REQUIREMENTS—SHIPMENTS TO DOD AIR OR WATER TERMINAL TRANSSHIPMENT POINTS (APR 1984) |
| FAR 52.247-55 | F.O.B. POINT FOR DELIVERY OF GOVERNMENT-FURNISHED PROPERTY (APR 1984) |
| FAR 52.247-58 | LOADING, BLOCKING AND BRACING OF FREIGHT CAR SHIPMENTS (APR 1984) |
| FAR 52.247-61 | F.O.B. ORIGIN—MINIMUM SIZE OF SHIPMENTS (APR 1984) |
| FAR 52.247-65 | F.O.B. ORIGIN, PREPAID FREIGHT—SMALL PACKAGE SHIPMENTS (JAN 1991) |
SECTION G - CONTRACT ADMINISTRATION DATA

(a) Electronic Funds Transfer (EFT) Payment Requirements

FAR 52.232-33, PAYMENT BY ELECTRONIC FUNDS TRANSFER—CENTRAL CONTRACTOR REGISTRATION, is included in this solicitation/contract. All Contractor payments will be made by EFT unless excepted or otherwise determined by the paying office designated in the contract.

The Contractor must initiate enrollment in EFT by contacting the paying office designated in the contract and requesting form SF 3881, Automated Clearing House (ACH) Vendor/Miscellaneous Payment Enrollment Plan. This form must be completed by the Contractor and their financial institution and returned to the paying office. The paying office will complete the process and notify the Contractor that EFT enrollment is complete. All payments under this contract will be held until the Contractor provides the required EFT enrollment information.

(b) Enter below the address (street and number, city, county, state and zip code) of the Contractor’s facility which will administer the contract if such address is different from the address shown on the SF 26 or SF 33, as applicable.

Same as SF 33, Block 15

PURCHASING OFFICE REPRESENTATIVE:

COMMANDER
NAVAL SEA SYSTEMS COMMAND
ATTN: MS. SUSAN HOSOKAWA SEA 02232
1333 ISAAC HULL AVENUE SE STOP 2020
WASHINGTON NAVY YARD DC 20376-2020
Telephone No. (202) 781-2897
### SCHEDULE

#### SECTION H - SPECIAL CONTRACT REQUIREMENTS

**LISTING OF SPECIAL CONTRACT REQUIREMENTS**

| H-1 | NAVSEA 5252.202-9101 ADDITIONAL DEFINITIONS (FT) - ALTERNATE II (MAY 1993) (DEVIATION) |
| H-2 | NAVSEA 5252.228-9104 ADDITIONAL INSURANCE PROVISIONS (FT) (JAN 1990) |
| H-3 | NAVSEA 5252.245-9127 ADDITIONAL PROVISIONS RELATING TO GOVERNMENT PROPERTY (FT) (JAN 1990) (DEVIATION) |
| H-4 | ECONOMIC PRICE ADJUSTMENT (EPA) |
| H-5 | NAVSEA 5252.233-9103 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (AT) - ALTERNATE I (APRIL 1999) |
| H-6 | NAVSEA 5252.233-9107 EQUITABLE ADJUSTMENTS: WAIVER AND RELEASE OF CLAIMS (AT) (JAN 1983) |
| H-7 | NAVSEA 5252.246-9128 DELIVERY OF COMPLETED VESSEL (FT) (JAN 1983) |
| H-8 | NAVSEA 5252.232-9108 FINAL SETTLEMENT (FT) (JAN 1983) |
| H-9 | NAVSEA 5252.225-9100 FOREIGN SHIPYARD CONSTRUCTION PROHIBITION (AT) (JAN 1983) |
| H-10 | NAVSEA 5252.245-9109 GOVERNMENT-FURNISHED PROPERTY (INCORPORATION) (SEP 1990) |
| H-11 | NAVSEA 5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (AUG 1997) |
| H-12 | NAVSEA 5252.228-9105 INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS (FT) (NOV 1996) |
| H-13 | NAVSEA 5252.245-9124 LIENS AND TITLE (FI) (MAR 1998) (DEVIATION) |
| H-14 | NAVSEA 5252.227-9112 LOGISTIC SUPPORT REQUIREMENT (AT) (MAY 1998) |
| H-15 | NAVSEA 5252.243-9105 NOTIFICATION OF CHANGES (FT) - ALTERNATE I (JAN 1983) |
| H-16 | NAVSEA 5252.243-9113 OTHER CHANGE PROPOSALS (FT) - ALTERNATE I (JAN 1990) |
| H-17 | NAVSEA 5252.232-9105 PAYMENTS (FI) (JAN 1990) (DEVIATION) |
| H-18 | PERFORMANCE INCENTIVE |
| H-19 | NAVSEA 5252.215-9106 PRICE ADJUSTMENT FOR CHANGES IN FEDERAL LAW (FT) (NOV 1996) |
| H-20 | NAVSEA 5252.246-9124 SHIPBUILDING SUPPORT OFFICE SCHEDULES (AT) (JAN 1983) |
| H-21 | NAVSEA 5252.237-9106 SUBSTITUTION OF PERSONNEL (SEP 1990) |
| H-22 | NAVSEA 5252.247-9110 TUG AND PILOT SERVICES (SEP 1990) |
| H-23 | MAIN PROPULSION DIESEL ENGINES AND PROPULSORS FOR T-AKE SHIP(S) |
| H-24 | NAVSEA 5252.209-9102 WEIGHT CONTROL (SEP 1990) (DEVIATION) |
| H-25 | NAVSEA 5252.217-9121 INDEMNIFICATION FOR ACCESS TO VESSEL (MAY 1989) (DEVIATION) |
SCHEDULE

H-26 CONTRACTOR RESPONSIBILITY FOR DESIGN AND CONSTRUCTION
H-27 ORDER OF PRECEDENCE
H-28 NOT USED
H-29 NOT USED
H-30 SUBCONTRACTOR FOR MAIN PROPULSION AND ELECTRIC PLANT SINGLE SYSTEMS VENDOR
H-31 SUBCONTRACTOR FOR SECOND SHIPYARD CONSTRUCTION
H-32 AMERICAN BUREAU OF SHIPPING (ABS) PROGRAM MANAGER
H-33 GOVERNMENT SURVEILLANCE OF SECOND SHIPYARD (SUBCONTRACTOR)
H-34 GOVERNMENT ACCESS TO THE SECOND SHIPYARD (SUBCONTRACTOR)
H-35 REQUIREMENTS FOR DOMESTIC MANUFACTURE OF CERTAIN SHIPBOARD SYSTEMS AND EQUIPMENT

H-1 NAVSEA 5252.202-9101 ADDITIONAL DEFINITIONS (FT) - ALTERNATE II (MAY 1993) (DEVIAIION)

As used throughout this contract, the following terms shall have the meanings set forth below:

(a) DEPARTMENT - means the Department of the Navy.

(b) COMMANDER, NAVAL SEA SYSTEMS COMMAND - means the Commander of the Naval Sea Systems Command of the Department of the Navy or his duly appointed successor or duly authorized representative.

(c) NAVSEA 08 - means the Deputy Commander, Nuclear Propulsion Directorate, Naval Sea Systems Command of the Department of the Navy.

(d) SUPERVISOR - means the cognizant Supervisor of Shipbuilding Conversion and Repair, Department of the Navy.

(e) PROGRAM MANAGER (SHAPM)(PMS) - means the PMS325 Program Manager, or his duly appointed successor or duly authorized representative, of the Department of the Navy.

(f) PRIME CONTRACTOR, LEAD YARD OR LEAD SHIPYARD - means (List contractor) in its capacity as Contractor under Contract No. N00024-02-C-2300 for the construction of the T-AKE Ship Class.

(g) SECOND SHIPYARD, FOLLOW YARD OR FOLLOW SHIPYARD - means a contractor performing the construction of a ship(s) as a subcontractor of the prime contractor for the T-AKE Class.

(h) LEAD SHIP OR FIRST SHIP OF THE CLASS - means the first ship of the T-AKE Class.
SCHEDULE

(i) FOLLOW SHIP - means any ship of the T-AKE Class other than the first ship.

(j) ADJUSTMENT IN CONTRACT PRICE - means adjustment in target cost, target profit, target price and ceiling price or fixed price, as appropriate under the circumstances and except as otherwise provided in the contract.

(k) DESIGN AGENT - means (List contractor) in its capacity as Design Agent, not in its capacity as shipbuilding contractor.

(l) NATIONAL STOCK NUMBERS - Whenever the term Federal Item Identification Number and its acronym FIIN or the term Federal Stock Number and its acronym FSN appear in the contract, order or their cited specifications and standards, the terms and acronyms shall be interpreted as National Item Identification Number (NIIN) and National Stock Number (NSN) respectively which shall be defined as follows:

1. National Item Identification Number (NIIN). The number assigned to each approved Item Identification under the Federal Cataloging Program. It consists of nine numeric characters, the first two of which are the National Codification Bureau (NCB) Code. The remaining positions consist of a seven digit non-significant number.

2. National Stock Number (NSN). The National Stock Number (NSN) for an item of supply consists of the applicable four position Federal Supply Class (FSC) plus the applicable nine position National Item Identification Number (NIIN) assigned to the item of supply.

(m) NAVY REORGANIZATION - Pursuant to the reorganization within the Department of the Navy, effective 1 July 1974, the Naval Sea Systems Command has become the successor to the Naval Ship Systems Command and the Naval Ordnance Systems Command. The Naval Ship Systems Command was the successor to the Bureau of Ships. The Naval Ordnance Systems Command and the Naval Air Systems Command were the successors to the Bureau of Naval Weapons, which was the successor to the Bureau of Ordnance and the Bureau of Aeronautics. Accordingly, as appropriate in view of the foregoing, reference in the contract and in the documents referenced therein to the Naval Ship Systems Command, the Bureau of Ships, the Naval Ordnance Systems Command, the Naval Air Systems Command, the Bureau of Naval Weapons, the Bureau of Ordnance or the Bureau of Aeronautics shall be deemed to refer to the Naval Sea Systems Command.

(n) REFERENCES TO ARMED SERVICES PROCUREMENT REGULATION OR DEFENSE ACQUISITION REGULATION - All references in this document to either the Armed Services Procurement Regulation (ASPR) or the Defense Acquisition Regulation (DAR) shall be deemed to be references to the appropriate sections of the Federal Acquisition Regulation (FAR) and the Defense FAR Supplement (DFARS).

(o) REFERENCES TO THE FEDERAL ACQUISITION REGULATION (FAR) - All references to the FAR in this contract shall be deemed also to include the Defense FAR Supplement (DFARS), unless clearly indicated otherwise.
(p) TOTAL OWNERSHIP COSTS (TOC) AND LIFE CYCLE COSTS (LCC) - refer to the
Operational and Support and, Acquisition costs over the lifetime of the ship and are used
interchangeably throughout this contract.

H-2 NAVSEA 5252.228-9104 ADDITIONAL INSURANCE PROVISIONS (FT) (JAN
1990)
(APPLICABLE ONLY TO ITEM 0001 AND IF EXERCISED, OPTION ITEMS 0011, 0018,
0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, AND 0081)

(a) The provisions contained in the standard form of Marine Builder’s Risk (Navy Form -
Syndicate) policy referred to in paragraph (a) of the requirement of this contract entitled
"INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS"..."with
leave to fire guns and torpedoes, but no claim to attach thereto for loss of or damage to the vessel or
machinery unless the accident results in a total loss of a vessel," shall not include, or be construed as
including, any operation conducted under the "General Scope of Work" and "Specifications"
paragraphs of Section C of this contract; and further, the operations referred to in these aforesaid
paragraphs shall not be deemed to be "warlike operation" as used in the Collision Liability and
Protection and Indemnity Liabilities (Government Syndicate Form) policy referred to in paragraph
(b) of the requirement of this contract entitled "INSURANCE-PROPERTY LOSS OR
DAMAGE-LIABILITY TO THIRD PERSONS." Further, the Contractor shall not carry Collision
Liability and Protection and Indemnity Liabilities insurance (Government Syndicate Form) referred
to in the first sentence of paragraph (b) of the requirement of this contract entitled
"INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS" during
the period of the performance of the underway trials required by this contract, and the Government
will indemnify the Contractor against liability (including expenses incidental thereto) to third
persons which would have been covered by the aforesaid insurance if the Contractor had carried
such insurance during the period stated above; provided, however, that the Contractor shall not be
relieved of any other obligations required by the aforesaid paragraph (b) of the
"INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS"
requirement.

(b) Notwithstanding any provisions to the contrary in paragraph (a) of the requirement entitled
"INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS," the
assumption by the Government of the risk of loss of or damage to the vessels and the materials and
equipment therefor provided for by the aforesaid paragraph (a) of the requirement entitled
"INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS," shall
continue until the expiration of the guaranty periods of the vessels, or until completion of all work
under this contract, whichever is later. The Government does not, however, assume the risk of loss
of or damage to any equipment which results from a defect in a part thereof for which the
Contractor is responsible pursuant to the "PRELIMINARY ACCEPTANCE," "GUARANTY
PERIOD," or "INSPECTION OF SUPPLIES--FIXED-PRICE (JUL 1985) - ALTERNATE I (JUL
1985) (DEVIATION)" (FAR 52.246-2) requirements of this contract. The term "equipment" as
used in the preceding sentence means the largest integrated unit (e.g., component, subassembly, or
individual system, as the case may be) furnished by the same supplier who furnished the part
causing the loss or damage.
SCHEDULE

(c) Any material furnished by the Government under this contract shall be deemed to be materials or equipment for the vessels within the meaning of the "INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS" requirement hereof.

(d) It is understood that the operation of firing explosive charges to eject missiles is an operation conducted under the "General Scope of Work" and "Specifications" paragraphs of Section C of this contract, and accordingly, this requirement applies to such operations.

(e) The Government’s liability under the last sentence of paragraph (a) of this requirement, paragraph (b) of the requirement of this contract entitled "INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS," and the Collision Liability and Protection and Indemnity Liabilities Insurance forms set forth in the pamphlet entitled "Standard Forms of Marine Builders Risk (Navy Form Syndicate) and War Damage Insurance Policies, Referred to in Vessel Contracts of the Bureau of Ships" dated 23 November 1942, is subject to the availability of appropriated funds at the time a contingency occurs. Nothing in this contract shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet deficiencies.

H-3 NAVSEA 5252.245-9127 ADDITIONAL PROVISIONS RELATING TO GOVERNMENT PROPERTY (FT) (JAN 1990) (DEVIAISON)

(a) The Contracting Officer may increase the amount of property to be furnished under this contract and the contract shall be equitably adjusted to reflect such increase in accordance with procedures of the "CHANGES" clause of the contract.

(b)(1) As to all equipments listed in NAVSEA Form 4205/19 or Schedule A, as applicable, which will be permanently installed or otherwise will be built into the vessel(s), the AN nomenclature or other model designations given therein are to indicate only the basic description of equipments to be furnished and do not indicate the specific model or manufacturer’s equipment that will be furnished. The Government may furnish, without issuing a change under the "CHANGES" clause of the contract, other equipments bearing nomenclature and model designations which further define the specific equipment to be furnished and to further substitute other equipments with different nomenclature or model designations as long as they are geometrically congruent dimensionally, and mechanically and electrically interchangeable with the equipment identified in NAVSEA Form 4205/19 or Schedule A, as applicable.

(2) As to all equipments listed in NAVSEA Form 4205/19 or Schedule A, as applicable, which are portable in nature and require only means for stowage in the vessel(s), the AN nomenclature or other model designations given therein are to indicate only the basic description of the equipments to be furnished. The Government may furnish, without issuing any change under the "CHANGES" clause of the contract, other equipments bearing different AN nomenclature or other model designations as long as the equipments furnished are functionally interchangeable with the equipments specified in NAVSEA Form 4205/19 or Schedule A, as applicable, and no changes in ship stowage provisions are required.

(c) Unless otherwise specifically directed by the Supervisor, nonreusable crates and other nonreusable packaging in which Government Property is delivered to the Contractor shall become
SCHEDULE

the property of the Contractor upon removal of the packaged or crated material, in which event such crates and other packaging shall not be subject to the provisions of the clause of this contract entitled "GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) (DEVIATION)" (FAR 52.245-2).

(d) Any packaging or preparation for delivery or for other disposal of Government Property by the Contractor at the direction or authorization of the Contracting Officer pursuant to paragraph (i) of the clause of this contract entitled "GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS)" shall be provided for by change order and an appropriate adjustment shall be made in the contract price in accordance with the clause of the contract entitled "CHANGES."

(e)(1) In addition to the equipments listed on NAVSEA Form 4205/19 or Schedule A, as applicable, the Government may provide installation and checkout (I&C) spares. The Contractor shall provide segregated stowage and inventory management for Government furnished I&C spares. These I&C spares will be pre-positioned by the Government at the shipyard for use by Contractor or Government personnel for the installation and checkout of Government Furnished Equipment (GFE). The Contractor shall maintain these spares in a suitable warehouse accessible 24 hours per day during GFE installation and checkout, in accordance with the ship construction test program. I&C spares do not include parts to support installation and checkout of reactor plant equipment. Requirements governing such reactor plant repair parts, known as Shipyard Load List (SLL) parts, are defined in the Ship Specification.

(2) The Contractor shall provide proposed I&C storage, inventory management and issue procedures for Government review and approval. These procedures shall address the Contractor's methods for receipt inspection, identification of damage, control of sensitive material, special environmental capabilities, security and availability of timely status information. The procedures must take into consideration any special requirements associated with electronic components such as electrostatic discharge precautions. The procedures should reference applicable military or commercial standards used in management of I&C spares. A list of planned I&C spares, estimated volume, and special requirements will be provided by the Government to allow for warehouse planning.

(f) The Contractor is required to maintain control of Government property in accordance with Federal Acquisition Regulation (FAR) Subpart 45.5 and Defense FAR Supplement (DFARS) Subpart 245.5. In addition to the specific requirements of FAR 45.5 and DFARS 245.5, the Contractor shall have an automated system for controlling Government property and the automated records shall constitute the official Government property control records. The automated system shall be sufficient to identify the location, quantity and hull assignment of all items of Government property from the time of receipt through issue for installation or disposition of the property from the Contractor's facility. The automated system shall be equivalent, as a minimum, to the automated systems the Contractor uses to control Contractor-owned property and material. The Contractor may include Government property in the same computer used to control Contractor-owned property provided that separate records are kept for Government-owned and Contractor-owned property. The Contractor shall provide the Government a list of all items and quantities of Government property accountable to this contract in the Contractor's possession. The list shall be provided annually, or upon request, in automated format suitable for comparing Contractor records of
SCHEDULE

Government property with similar Government records. The list shall be sorted in material categories defined by the Government and shall include data elements specified by the Government.

(g) The Contractor shall have an automated system for I&C allowances. The system shall accept replacement or new requisition document numbers. The system shall include allowance requirements, on hand, on order, inventory status, identification of assets excess to allowance, on line, real time, processing, inventory posting records, inventory usage statistics and available prices.

(h) SUPSHIP shall have the ability to retrieve information from the Contractor's database using Contractor terminals already in place or by using Government owned terminals.

H-4 ECONOMIC PRICE ADJUSTMENT (EPA)
(APPLICABLE ONLY TO ITEM 0001 AND IF EXERCISED, OPTION ITEMS 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, AND 0081)

Note: The tables referenced throughout this requirement are from Attachment J-12.

Economic price adjustments shall only be made in accordance with the following:

(a) For each ship, costs subject to EPA include one hundred percent (100%) of allowable direct labor and direct material costs, and ninety-five percent (95%) of allowable indirect costs, incurred from the date of contract award, or the date of option exercise, as applicable, through twelve (12) months after the last day of the month in which ship delivery is scheduled to occur as specified in Section F of this contract; or twelve (12) months after the last day of the month in which actual delivery occurs, whichever is earlier. In no event shall an EPA be applied to costs incurred subsequent to twelve (12) months after the last day of the month in which ship delivery is scheduled to occur as specified in Section F of this contract. "Direct material costs," "direct labor costs," and "indirect costs" shall have the meanings set forth in Part 31 of the Federal Acquisition Regulation (FAR) and Part 231 of the Defense FAR Supplement in effect on the effective date of this contract.

(b) EPA shall be computed on an individual ship basis and shall be based on a comparison of the average projected index value and average actual index value of the recognized cost indices. Projected index values are those determined in accordance with paragraph (c)(2) of this clause. Actual index values used in any price adjustment under this clause shall be determined from the indices identified below:

Direct Labor Cost Index:

Bureau of Labor Statistics (BLS) Labor Index of Straight-Time Average Hourly Earnings For Selected Shipyards for Steel Vessel Construction - All Regions. (Base: May 1987 = 100 including Lump Sum Payments)
SCHEDULE

Indirect Cost Index:

A composite of the following (Composite Index base: JAN 1999=100):

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLS Employment Cost Index for Wages and Salaries (not seasonally adjusted), Private Industry Workers. (Base: June 1989 = 1.0000)</td>
<td>30%</td>
</tr>
<tr>
<td>BLS Employment Cost Index for Benefits (not seasonally adjusted), Private Industry Workers. (Base: June 1989 = 1.0000)</td>
<td>50%</td>
</tr>
<tr>
<td>BLS Producer Price Index, Industrial Commodities (not seasonally adjusted). (Base: 1982 = 1.0000)</td>
<td>10%</td>
</tr>
<tr>
<td>BLS Producer Price Index, Stages of Processing (not seasonally adjusted) Intermediate Manufacturing Supplies (SOP2610). (Base: 1982 = 1.0000)</td>
<td>10%</td>
</tr>
</tbody>
</table>

NOTE: Table 7 shall be used to calculate actual monthly composite Indirect Cost Index values.

Direct Material Cost Index:

A composite of the following (Composite Index Base: 1982=100):

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLS Index Commodity Code 101, Iron and Steel. (Base: 1982 = 100)</td>
<td>10%</td>
</tr>
<tr>
<td>BLS Index Commodity Code 114, General Purpose Machinery and Equipment. (Base: 1982 = 100)</td>
<td>60%</td>
</tr>
<tr>
<td>BLS Index Commodity Code 117, Electrical Machinery and Equipment. (Base: 1982 = 100)</td>
<td>30%</td>
</tr>
</tbody>
</table>

(c) Worksheets for making EPA calculations are provided as Tables 1, 2, and 3, Economic Price Adjustment for Direct Labor Costs, Economic Price Adjustment for Indirect Costs, and Economic Price Adjustment for Direct Material costs, respectively. Tables 1, 2, and 3 shall be completed for each ship as follows:

(1) Column (1) - Computation Period: EPA for direct labor, indirect, and direct material costs shall be computed on a calendar year basis for each ship awarded, including any option ship(s) exercised, under this contract. The computation periods for each ship shall begin at contract award, or the date of option exercise, as applicable, and continue through twelve (12) months after the last day of the month in which actual ship delivery occurs or twelve (12) months after the last day of the
SCHEDULE

month in which delivery is scheduled to occur as specified in Section F of the contract, whichever is earlier. Column (1) shall be modified for partial year computation periods.

(2) Column (2) - Projected Index Value: The projected index value shall be the index value as set forth in Column (2) for each computation period. The projected index values in column (2) reflect the average of the projected index values for the months of January through December rounded to the first decimal place, as set out in Table 4 for the direct labor cost index, Table 5 for indirect cost index, and Table 6 for direct material cost index, of the applicable computation period. For partial year computation periods (i.e., contract award, option exercise, and twelve (12) months after the month of actual delivery, or twelve (12) months after the month of ship delivery as specified in Section F of the contract, whichever is earlier), the projected index value shall be calculated by averaging the projected value indexes, set out in Tables 4, 5 and 6 for the applicable months within the partial computation period using the formula set forth below. Column (2) shall be modified using the resultant projected index value.

Direct Labor Costs, Indirect Costs and Direct Material Costs:

\[ \text{PYPIV} = \frac{X}{n} \]

where:

- \( \text{PYPIV} = \text{Partial Year Projected Index Value} \)
- \( X = \text{Sum of each monthly projected index value (set out in Tables 4, 5 or 6, as applicable) within the partial year computation period.} \)
- \( n = \text{Number of months in the partial year computation period.} \)

(3) Column (3) - Tolerance Band: The tolerance band values are set forth in Column (3) for each computation period. For calendar years 2000 through 2012, a tolerance band of plus or minus five percent (5.0%) of the projected index values is established by multiplying 95% and 105% by the projected index values determined in accordance with paragraph (c)(2).

(4) Column (4) - Actual Index Value: When actual monthly index values for an entire computation period have been published, the average of the actual index values for the months of January through December, rounded to the first decimal place, of the applicable year for the direct labor cost index, for the indirect cost index, and for the direct material cost index shall be entered in the actual index value column (4) of Tables 1, 2 and 3 respectively (see note below). For partial year computation periods, the actual index value shall be calculated by averaging the actual index values for the applicable months within the partial year computation period. The resultant value for the direct labor cost index, for the indirect cost index and for the direct material cost index shall be entered in the Actual Index Value column (4) of Table 1, 2 and 3, respectively. If the actual index value falls within the tolerance band, no economic price adjustment will be entered in Column (8) for that computation period.

NOTE: BLS indices ECI-Benefits, ECI-Wages, and PPI-Industrial Commodities are published quarterly. For purposes of this clause, the quarterly published index value shall be the value for each month within that quarter. Table 7 shall be used to calculate actual monthly composite Indirect Cost Index values.
SCHEDULE

(5) Column (5) - Index Difference: If the actual index value is outside the tolerance band, the index difference is the difference between the actual index value and (a) the lower Tolerance Band index value if the actual index value is less than the lower Tolerance Band index value or (b) the upper Tolerance Band index value if the actual index value is greater than the upper Tolerance Band index value.

(6) Column (6) - Index change: The index difference divided by the applicable tolerance band index value described in the preceding paragraph (c)(5).

(7) Column (7) - Actual Costs: For the applicable computation period, 100% of incurred actual allowable direct labor costs shall be entered in Table 1, 95% of incurred actual allowable indirect costs shall be entered in Table 2, and 100% of incurred actual allowable direct material costs shall be entered in Table 3. "Actual costs" shall include only "incurred" costs and "allowable" costs as defined in paragraph (f) of the requirement entitled "PAYMENTS" except that "incurred" costs for direct material shall include the full amounts of all billings received from vendors during the specified computation period regardless of whether the Contractor has paid the full amount of such billings. Further, for this clause, the imputed cost of facilities capital shall not be treated as "incurred indirect cost". The actual costs identified in column (7) shall be subject to audit and inspection by the Contracting Officer in accordance with paragraph (h) of the requirement entitled "PAYMENTS."

(8) Column (8) - Period Adjustment: EPA adjustment for each computation period shall be determined by multiplying the index change (column (6)) by the actual costs (column (7)) for the computation period. An entry of zero will be made if the Actual Index Value falls within the Tolerance Band. Period adjustments where the actual index value is less than the lower tolerance band value shall be a negative number. Period adjustments where the actual index value is greater than the upper tolerance band value shall be a positive number. A final EPA amount for each ship shall be the sum of the period adjustments for each computation period identified in Tables 1, 2 and 3.

(d) Computation of Economic Price Adjustment shall be in accordance with the following:

(1) Calculations required by the clause will be made by the Contractor using Tables 1, 2 and 3 as applicable and will be submitted on an annual basis to the Administrative Contracting Officer within thirty (30) days after publication of all the specified indices for the computation period.

(2) The Administrative Contracting Officer (ACO) shall verify calculations provided by the Contractor and forward copies of Tables 1, 2 and 3 to the Procuring Contracting Officer and the PMS325 Financial Manager. The parties agree to execute a bilateral modification incorporating Tables 1, 2 and 3 which reflects the Final EPA adjustments used to determine "Total Final Price" in accordance with paragraph (e) below.

(3) Any subsequent changes resulting from (a) the publication of revised or final indices, (b) revised actual costs, or (c) an agreed to "Total Final Negotiated Cost" in accordance with paragraph (e)(1) below shall be reflected in updated Tables 1, 2 and 3.
SCHEDULE

(e) The provisions of this clause shall result in no adjustment to the target cost, target profit, target price, ceiling price or FCCM for any ship, including any option ship(s), awarded under this contract. Any EPA required under this clause shall be made on a per ship basis in accordance with the following:

(1) In accordance with Section I-2 clause entitled FAR 52.216-16 INCENTIVE PRICE REVISION--FIRM TARGET, a "Total Final Negotiated Cost" will be established. The Total Final EPA amount (positive or negative) shall be subtracted from the "Total Final Negotiated Cost."

(2) The EPA adjusted "Total Final Negotiated Cost" shall be used to calculate a "Total Final Price" in accordance with the SECTION I-2 clause referenced in paragraph (e)(1) above. For purposes of this subparagraph, "Total Final Price" shall not exceed total ceiling price set forth in SECTION B.

(3) The "Total Final Price" as calculated in paragraph (e)(2) above shall be adjusted by adding the final EPA amount (positive or negative). The result of this adjustment shall represent the "Total Final Price" set forth in the SECTION I-2 clause referenced in paragraph (e)(1) above.

(f) Nothing contained in this clause shall be considered as prohibiting changes in the contract prices made pursuant to any other provision of this contract.

(g) In the event the Bureau of Labor Statistics discontinues publication or changes the content of any index used in this clause, the parties shall mutually agree on an appropriate substitute for the affected index for use in determining economic price adjustments in accordance with this clause. In the event the Bureau of Labor Statistics alters its methods of calculating or reporting an index used in this clause (including a change in the base period), the appropriate adjustments shall be made by the parties to put the revised index on a comparable basis with the index as calculated before the change.

(h) Any dispute arising under this clause shall be determined in accordance with and subject to the provisions of the "Disputes" clause of this contract.

(i) The Contractor hereby agrees that the indices (including composite weights) used herein are proper and appropriate for use in this clause.

H-5 NAVSEA 5252.233-9103 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (AT) - ALTERNATE I (APRIL 1999)

(a) For the purposes of this requirement, the term "change" includes not only a change that is made pursuant to a written order designated as a "change order" but also (i) an engineering change proposed by the Government or the Contractor pursuant to the "Other Change Proposals" or other requirements of this contract and (ii) any act or omission to act on the part of the Government in respect of which a request is made for equitable adjustment under the "CHANGES" clause or any other article or requirement of this contract.
SCHEDULE

(b) Whenever the Contractor requests or proposes an equitable adjustment of $100,000 or more per vessel in respect of a change made pursuant to a written order designated as a "change order" or in respect of a proposed engineering change and whenever the Contractor requests an equitable adjustment in any amount in respect of any other act or omission to act on the part of the Government, the proposal supporting such request shall include the following information for each individual item or element of the request:

(1) A description (i) of the work required by the contract before the change, which has been deleted by the change, and (ii) of the work deleted by the change which already has been completed. The description is to include a list of identifiable components, equipment, and other identifiable property involved. Also, the status of manufacture, procurement, or installation of such property is to be indicated. Separate description is to be furnished for design and production work. Items of identifiable raw material, purchased parts, components and other identifiable hardware, which are made excess by the change and which are not to be retained by the Contractor, are to be listed for later disposition;

(2) Description of work necessary to undo work already completed which has been deleted by the change;

(3) Description of work which is substituted or added by the change. A list of identifiable components and equipment (not bulk materials or items) involved, should be included. Separate descriptions are to be furnished for design work and production work;

(4) Description of interference and inefficiencies in performing the change;

(5) Description of disruption attributable solely to the change; which description shall include the following information:

(i) Description of each identifiable element of disruption and how work has been, or may be, disrupted;

(ii) The calendar period of time during which disruption occurred, or may occur;

(iii) Area(s) of the Contractor's operations where disruption occurred, or may occur;

(iv) Trade(s) or functions disrupted, with a breakdown of manhours and material for each trade or function;

(v) Scheduling of trades before, during, and after period of disruption insofar as such scheduling may relate to or be affected by the estimated disruption;

(vi) Description of any measures taken to lessen the disruptive effect of the change;

(6) Delay in delivery attributable solely to the change;

(7) Other work or increased costs attributable to the change;
(8) Supplementing the foregoing, a narrative statement of the nature of the alleged Government act or omission, when the alleged Government act or omission occurred, and the "casual" relationship between the alleged Government act or omission and the claimed consequences thereof, cross-referenced to the detailed information provided as required above.

(c) Each proposal submitted in accordance with this requirement shall include a copy of the Contractor's ship's labor budget at the cost level in effect as of the date the event began, the cost incurred at the cost level as of the same date, and the proposed effect of the change at the cost class level.

(d) It is recognized that individual claims for equitable adjustment may not include all of the factors listed in subparagraphs (b)(1) through (b)(8) above, or that the Contractor may not reasonably be able to furnish complete information on all of the factors listed in subparagraph (b)(1) through (b)(8) above. Accordingly, the Contractor is only required to set forth in its request for equitable adjustment information with respect to those factors which are relevant to the individual request for equitable adjustment, or in the level of detail which is reasonably available to the Contractor.

(e) In addition to any information required under paragraph (b) above, each proposal submitted in support of a claim for equitable adjustment, under any requirement of this contract, in an amount which requires certified cost or pricing data, shall contain such cost or pricing data as the Contracting Officer shall require with respect to each individual claim item, and shall be in sufficient detail to permit the Contracting Officer to cross-reference the claimed increased costs, or delay in delivery, or both, as appropriate, with the information submitted pursuant to subparagraphs (b)(1) through (b)(8) hereof.

H-6 NAVSEA 5252.233-9107 EQUITABLE ADJUSTMENTS: WAIVER AND RELEASE OF CLAIMS (AT) (JAN 1983)

(a) Whenever the Contractor, after receipt of a change made pursuant to the clause of this contract entitled "CHANGES" or after affirmation of a constructive change under the "NOTIFICATION OF CHANGES" (FAR 52.243-7) requirement, submits any claim for equitable adjustment under the foregoing, such claim shall include all types of adjustments in the total amounts to which the foregoing entitle the Contractor, including but not limited to adjustments arising out of delays or disruptions or both caused by such change.

(b) Further, the Contractor agrees (except as the parties may otherwise agree) that, if required by the Contracting Officer, it will execute a release, in form and substance satisfactory to the Contracting Officer, as part of the supplemental agreement setting forth the aforesaid equitable adjustment, and that such release shall discharge the Government, its officers, agents and employees, from any further claims including but not limited to further claims arising out of delays or disruptions or both, caused by the aforesaid change.
SCHEDULE

H-7 NAVSEA 5252.246-9128 DELIVERY OF COMPLETED VESSEL (FT) (JAN 1983)

The term "vessel" as used in this requirement refers to each of the vessels to be constructed and delivered under this contract.

(a) The vessel shall not be presented for acceptance trials (as used in this requirement acceptance trials means acceptance trials or combined acceptance trials) until it is determined by the Supervisor that the Contractor has satisfactorily carried out those parts of the builder's trials for which the Contractor is responsible, including builder's dock and sea trials, and that the Contractor has:

(i) Corrected all Contractor responsible deficiencies discovered before completion of all builder's sea trials, unless otherwise agreed to in writing by the Contracting Officer; and

(ii) Corrected all Contractor responsible deficiencies discovered after completion of the builder's sea trials which are determined by the Contracting Officer to be necessary to avoid an adverse effect on the operational capability of the vessel.

(b) The Contractor shall be responsible for scheduling an interval of a minimum of thirty (30) days between the satisfactory completion of acceptance trials and delivery of the vessel. During this period, the Contractor shall satisfactorily correct all Contractor responsible deficiencies, whether discovered before, during, or after completion of acceptance trials, which are determined by the Contracting Officer to be necessary to avoid an adverse effect on the operational capability of the vessel.

(c) Prior to delivery of the vessel, to the extent necessary for tests, crew training, or operations which the Government is to perform and which do not require the Government to have control of the entire vessel, the Contractor shall make parts of the vessel available to the Government; to the extent necessary for tests, crew training, trials or operations which the Government is to perform and which require the Government to have control of the entire vessel, such as alongside training, fast cruise and underway trials, the Contractor shall make the entire vessel available to the Government at dockside, at the Contractor's plant, for such periods of time as are necessary for such trials and operations. During all periods of time when the entire vessel is made available to the Government, the Contractor shall, as requested by the Government and required by the specifications, provide technical assistance and provide assistance necessary to correct defects which develop or are discovered during trials or operations of the vessel. Following the completion of each such trial or operation, the Government shall return the vessel to the Contractor at dockside, at the Contractor's plant, for the correction of defects, if any, and completion of construction in accordance with the terms of this contract.

(d) Upon satisfactory completion (i) of acceptance trials and (ii) of the correction of deficiencies as provided in paragraph (b) above, the Contractor shall deliver the vessel to the Government for preliminary acceptance.

(e) Following preliminary acceptance, the Government may, during the guaranty period, make the vessel available to the Contractor, at the Contractor's plant, (i) for correction of defects noted at the time of preliminary acceptance, or which are discovered during the guaranty period, and (ii) for the
SCHEDULE

performance of any additional work required by change orders issued pursuant to the "CHANGES" clause of this contract prior to preliminary acceptance and not theretofore performed. If the Government elects to make the vessel(s) available to the Contractor, at the Contractor's plant, for the accomplishment of the above described post delivery work, the Contractor agrees to accept the vessel(s) and perform the work. The Contractor also agrees to consider the accomplishment of additional work during the post-shakedown availability under a standard Government contract. If the post-shakedown availability period shall begin during but extend beyond the expiration of the guaranty period, the Government may during the extended period leave the vessel at the Contractor's plant or return the vessel thereto for the correction of defects not previously corrected and for the performance of any additional work required by change orders issued pursuant to the "CHANGES" clause of this contract prior to preliminary acceptance and not theretofore performed.

(f) The Contractor shall exercise reasonable care to protect the vessel at all times until the delivery of the vessel, and thereafter during such times as the vessel is at the Contractor's plant during the guaranty period or during the post-shakedown availability period if the latter shall extend beyond the expiration of the guaranty period, except for periods of time when the entire vessel is made available to the Government. During such periods, while the vessel is at the Contractor's plant, the Contractor shall provide assistance to protect and service the vessel, and shall effect any correction of defects or performance of uncompleted work, to the extent permitted or required by the Government.

(g) In accordance with the inspection requirements of the contract, all actions of the Government pursuant to this requirement shall be performed in such a manner as to not unduly delay the work.

H-8 NAVSEA 5252.232-9108 FINAL SETTLEMENT (FT) (JAN 1983)

Upon final acceptance of the vessel(s), or in the event of the termination of this contract on such terms that none of the vessel(s) is to be completed, then upon such termination, the Contractor shall be entitled to receive the balance owing to it under this contract, such payment to be made promptly after the amount of such balance shall have been determined. The Contractor and each assignee under an assignment in effect at the time of final settlement shall execute and deliver at the time of and as a condition precedent to final payment, a release in form and substance satisfactory to and containing such exemptions as may be found appropriate by the Contracting Officer, discharging the Government, its officers, agents and employees of and from liabilities, obligations and claims arising under this contract. The Contracting Officer may authorize partial payments on account of any such balance to be made in advance of final settlement. If this contract shall have been terminated in whole or in part, any such release shall also contain a release of all claims against the Government arising out of or by virtue of such termination.

H-9 NAVSEA 5252.225-9100 FOREIGN SHIPYARD CONSTRUCTION PROHIBITION (AT) (JAN 1983)

Neither the vessel nor the hull, midbody, or other major fixed structural component of the vessel shall be constructed in a foreign shipyard.
SCHEDULE

H-10  NAVSEA 5252.245-9109 GOVERNMENT-FURNISHED PROPERTY
(INCORPORATION) (SEP 1990)

The Government will provide only that property set forth below, notwithstanding any term or
condition of this contract to the contrary. Upon Contractor's written request to the cognizant
Technical Program Manager, via the cognizant Contract Administration Office, the Government
will furnish the following for incorporation in the equipment to be delivered under Item(s) of this
contract: the equipment listed in Schedule A (Attachment J-7).

H-11  NAVSEA 5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE
PROGRAM (AUG 1997)

(a) The Contractor shall participate in the appropriate interchange of the Government-Industry Data
Exchange Program (GIDEP) in accordance with NAVSEA S0300-BU-GYD-010 dated November
1994. Data entered is retained by the program and provided to qualified participants. Compliance
with this requirement shall not relieve the Contractor from complying with any other requirement of
the contract.

(b) The Contractor agrees to insert paragraph (a) of this requirement in any subcontract hereunder
exceeding $500,000.00. When so inserted, the word "Contractor" shall be changed to
"Subcontractor."

(c) GIDEP materials, software and information are available without charge from:

GIDEP Operations Center
P.O. Box 8000
Corona, CA 91718-8000

Phone: (909) 273-4677 or DSN 933-4677
FAX: (909) 273-5200
Internet: http://www.gidep.corona.navy.mil

H-12  NAVSEA 5252.228-9105 INSURANCE-PROPERTY LOSS OR
DAMAGE-LIABILITY TO THIRD PERSONS (FT) (NOV 1996)
(APPLICABLE ONLY TO ITEM 0001 AND IF EXERCISED, OPTION ITEMS 0011, 0018,
0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, AND 0081)

(a) The Contractor shall not, unless otherwise directed or approved in writing by the Department,
carry or incur the expense of any insurance against any form of loss of or damage to the vessels or
to the materials or equipment therefor to which the Government has acquired title or which have
been furnished by the Government for installation by the Contractor. The Government assumes the
risks of loss of and damage to the vessels and such materials and equipment which would have been
assumed by the underwriters if the Contractor had procured and maintained throughout the term of
this contract, on behalf of itself and the Government, insurance with respect to the vessels and such
materials and equipment for full value against pre-keel and post-keel laying risks (i) under the forms
of Marine Builders Risk (Navy Form-Syndicate) policy, including the rider attached to the "Free of

26 January 2001 Page 16

SECTION H
Capture and Seizure" clause thereof, and War Damage policy, both as set forth in the pamphlet entitled "Standard Forms of Marine Builders Risk (Navy Form-Syndicate) and War Damage Insurance Policies referred to in Vessel Contracts to the Bureau of Ships," dated 23 November 1942, or (ii) under any other policy forms which the Assistant Secretary of the Navy (R,D&A). Insurance Office shall determine were customarily carried or would have been customarily carried by the Contractor in the absence of the foregoing requirement that the Contractor not carry or incur the expense of insurance, provided, that the Government does not assume any risk with respect to loss or damage compensated for by insurance or otherwise or resulting from risks with respect to which the Contractor has failed to procure or maintain insurance, if available, as required or approved by the Department; provided, further, that under the above identified policies or under this requirement the Government does not assume any risk with respect to, and will not pay for any costs of the Contractor for the inspection, repair, replacement, or renewal of any defects themselves in the vessel(s) or such materials and equipment due to (A) defective workmanship, or defective materials or equipment performed by or furnished by the Contractor or its subcontractors or, (B) workmanship, or materials or equipment performed by or furnished by the Contractor or its subcontractors which do(es) not conform to the requirements of the contract, whether or not any such defect is latent or whether or not any such non-conformance is the result of negligence; provided, further, that under the above identified policies or under this requirement the Government does not assume the risk of and will not pay for the costs of any loss, damage, liability or expense caused by, resulting from, or incurred as a consequence of delay or disruption of any type whatsoever. No requirement of this contract shall operate to subject the Contractor to a liability for which the Government has assumed the risk hereunder. Notwithstanding the foregoing, the Contractor shall bear the first $10,000 of loss or damage from each occurrence or incident the risk of which the Government otherwise would have assumed under the requirements of this paragraph.

(b) Unless otherwise directed by the Department, the Contractor shall procure and thereafter maintain with respect to each of the vessels Collision Liability and Protection and Indemnity Liabilities Insurance (Government-Syndicate Form), as set forth in the aforesaid 23 November 1942 pamphlet, if available, in an amount equal to (i) eighty percent (80%) of the sum of the target price of the vessel and an amount estimated by the Department to represent the value of materials and equipment furnished by the Government for installation by the Contractor, or (ii) Two Million Dollars ($2,000,000), whichever shall be less. The Government will indemnify the Contractor against liabilities (including expenses incidental thereto) to third persons which, but for the limitation on amount specified in this paragraph, would have been covered by such Collision Liability and Protection and Indemnity Liabilities Insurance, and which are not compensated for by insurance or otherwise, provided such liabilities are represented by final judgments or by settlements approved in writing by the Department. The Contractor shall not, however, be so indemnified against liabilities with respect to which the Contractor has failed to procure or maintain insurance, if available, as required or approved by the Department. The Contractor shall promptly notify the Department of each suit or action filed and each claim made against which the Contractor may be entitled to indemnification under this paragraph. The Contractor shall furnish the Department with copies of all papers received with respect to each suit, action or claim and, if requested by the Department, shall authorize representatives of the Government to settle, or direct or take charge of the defense of, such suit, action or claim. In the absence of such request, the Contractor shall diligently proceed with such defense. The Government's liability under this paragraph(b) and the Collision Liability and Protection and Indemnity Liabilities Insurance forms...
SCHEDULE

set forth in the pamphlet entitled "Standard Forms of Marine Builders Risk (Navy Form Syndicate) and War Damage Insurance Policies, referred to in Vessel Contracts of the Bureau of Ships, dated 23 November 1942, is subject to the availability of appropriated funds at the time a contingency occurs. Nothing in this contract shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet deficiencies.

(c) The cost of the insurance required by paragraph (b) of this requirement is included in the target price and the cost of all other insurance which may be required or approved pursuant to this clause will be considered allowable costs under this contract. If the Department should require or approve the cancellation of any such insurance, the Contractor will promptly pay to the Government the amount of all unearned premiums refunded to the Contractor, but only to the extent that such premiums shall have been reimbursed to the Contractor by the Government or included in the pricing structure of the contract (firm fixed price or incentive type arrangement, as applicable).

(d) All insurance which is or may be required or approved pursuant to this requirement shall be in such form, in such amounts, for such periods of time, and with such insurers as the Department may from time to time require or approve, provided the Contractor shall be named as an insured and shall be entitled to payment of any loss or damage as its interests may appear. The policies or certificates of insurance shall be deposited with the Assistant Secretary of the Navy (R,D&A), Insurance Office, or as the Department may otherwise direct.

(e) In the event of loss of or damage to any of the vessels or any of the materials or equipment therefor which may result in a claim against the Government under the insurance requirements of this contract, the Contractor promptly shall notify the Contracting Officer of such loss or damages, and the Contracting Officer may, without prejudice to any other right of the Government, either:

(i) Order the Contractor to proceed with replacement or repair in which event the Contractor shall effect such replacement or repair. The Contractor shall submit to the Contracting Officer a request for reimbursement of the cost of such replacement or repair together with such supporting documentation as the Contracting Officer may reasonably require, and shall identify such request as being submitted under this insurance requirement. If the Government determines that the risk of such loss or damages is within the scope of the risks assumed by the Government under this requirement, the Government will reimburse the Contractor for the reasonable, allowable cost of such replacement or repair, plus a reasonable profit, less the deductible amount specified in paragraph (a) of this requirement. Payments by the Government to the Contractor under this insurance requirement are outside the scope of and shall not affect the pricing structure of the contract (firm fixed price or incentive type arrangement, as applicable), and are additional to the compensation otherwise payable to the Contractor under this contract; or

(ii) In the event the Contracting Officer decides that the loss or damage shall not be replaced or repaired,

(A) Modify the contract appropriately consistent with the reduced requirements reflected by the unreplaced or unrepaid loss or damage, or

(B) Terminate the construction of any part or all of the vessel(s) under the clause of
SCHEDULE

this contract entitled "TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE)" (FAR 52.249-2).

(f) The coverage provided by this requirement is extended geographically to include material or equipment to which the Government has acquired title or which has been furnished by the Government and is located in the following Contractor facilities or in transit between facilities:

Bath Iron Works, Bath, ME
and
National Steel and Shipbuilding Company, San Diego, CA

The Contractor may request the Contracting Officer to extend the geographical coverage of this requirement to newly acquired or leased facilities which are to be used in the performance of this contract.

H-13 NAVSEA 5252.245-9124 LIENS AND TITLE (FI) (MAR 1998) (DEVIATION)

(a) Any and all partial and progress payments made hereunder on account of the vessels and the materials and equipment therefor shall be secured, when made, by a lien in favor of the Government upon such material and equipment on account of all payments so made, except to the extent that the Government, by virtue of any other requirement of this contract, or otherwise, shall have valid title to such material and equipment as against other creditors of the Contractor. If such property is not identified by marking or segregating, the Government shall be deemed to have a lien upon a proportionate part of any mass of property with which such property is commingled. Any lien provided for by virtue of this requirement is paramount to all other liens under the provisions of U.S.C. Sec 2307. Upon completion and delivery of the vessels, said lien shall be discharged as to any materials and equipment which have not been included in the vessels and which are no longer required therefor.

(b) The Contractor shall immediately discharge or cause to be discharged any lien or rights in rem of any kind, other than in favor of the Government, which at any time exists or arises with respect to the machinery, fittings, equipment or materials for the vessels. If any such lien or right in rem is not immediately discharged, the Government may discharge or cause to be discharged said lien or right in rem at the expense of the Contractor.

(c) Title to the vessels under construction shall be in the Government and title to all materials and equipment acquired for each vessel shall vest in the Government upon delivery thereof to the plant of the Contractor or other place of storage selected by the Contractor, whichever of said events shall first occur; provided, that the Supervisor may, by written direction, require that title shall vest in the Government upon delivery of such materials and equipment to the carrier for transportation to the plant of the Contractor or other place of storage selected by the Contractor. The amount of any freight charges, transportation, taxes or other costs which would have been paid by the Contractor, either directly or as an element of any subcontract cost, and which the Contractor shall not be required to pay as a result of such earlier vesting of title and any use of Government bills of lading, shall be determined and treated as though resulting from a change order and the contract price reduced accordingly. Upon completion of the contract, or at such earlier date as may be fixed by
the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of property not consumed in the performance of this contract (including any resulting scrap) or not theretofore delivered to the Government. The Contractor shall deliver or make such other disposal of such property as may be directed or authorized by the Contracting Officer. The Contracting Officer, in lieu of directing or authorizing delivery or disposal of such property, may authorize the Contractor to take title to all or any part of such property, except for materials and equipment which were furnished by the Government and except for models, mockups, plans and other items which the Contractor is expressly required to construct, prepare or furnish to the Government (all of which shall remain the property of the Government). In the event the Contracting Officer authorizes the Contractor to take title to all or any part of such property, the Contractor shall credit the cost incurred in the performance of this contract by an amount equal to the fair market value of such property. In the event the Contracting Officer directs or authorizes the delivery or disposal of such property, any costs incurred by the Contractor in delivering or disposing of such property shall be included in the total final costs incurred or to be incurred and shall be included in the total final price determined pursuant to the clause of this contract entitled "INCENTIVE PRICE REVISION--FIRM TARGET (FT) (DEVIATION)" (FAR 52.216-16). Recoverable scrap from such property shall be reported in accordance with such procedure and in such form as the Contracting Officer may direct. The net proceeds of any such disposal shall be credited to the Government and shall be paid in such manner as the Contracting Officer may direct. For the purpose of this requirement, "net proceeds" means actual amount collected from such sale of disposal less sales, collection fees and other reasonable related expenses.

H-14 NAVSEA 5252.227-9112 LOGISTIC SUPPORT REQUIREMENT (AT) (MAY 1998)

(a) This requirement applies whenever the contract specifications, by reference to a Military Specification or otherwise, specify repair parts or stock components (hereinafter called "repair parts") for a ship component or item of equipment.

(b) With respect to ship components or equipments manufactured other than in the United States or Canada, the Contractor agrees that, in addition to any other data required by this contract, it will furnish under this contract sufficient data so that the repair parts can be reproduced in the United States or Canada unless the suppliers of the ship components or equipments shall have made arrangements satisfactory to the Contractor and approved by the Contracting Officer for the manufacturing of repair parts in the United States or Canada. For the purpose of this requirement, "sufficient data" shall mean detail drawings and other technical information sufficiently extensive in detail to show design, construction, dimensions, and operation or function, manufacturing methods or processes, treatment or chemical composition of materials, plant layout and tooling. All data shall be in the English language and according to the United States system of weights and measures, and drawings for components, assemblies, subassemblies and parts protected by U.S. patents shall contain a prominent notation to that effect fully identifying the patent or patents involved, and bearing the number of this contract.

(c) In order to satisfy the requirements of paragraph (b), above, unless the supplier of the ship components or equipments shall have made arrangements, satisfactory to the Contractor and approved by the Contracting Officer, for the manufacture of such repair parts in the United States or Canada, the Contractor shall include in all subcontracts for the purchase of ship components or
equipments from foreign sources a clause, acceptable to the Contracting Officer, granting to the United States Government for a period of seven (7) years, "Government Purpose Rights" (as defined in paragraph (a)(12) of the clause of this contract entitled "RIGHTS IN TECHNICAL DATA--NONCOMMERCIAL ITEMS" (DFARS 252.227-7013) in all technical data necessary to manufacture spare and repair parts for such components or equipments.

H-15  NAVSEA 5252.243-9105 NOTIFICATION OF CHANGES (FT) - ALTERNATE I (JAN 1983)
(APPLICABLE ONLY TO ITEM 0001 AND IF EXERCISED, OPTION ITEMS 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, AND 0081)

(a) Definitions. As used in this requirement, the term "Contracting Officer" does not include any representative of the Contracting Officer whether or not such representative is acting within the scope of his authority nor does it include any other individuals or activities that in any way communicate with the Contractor. As used in this requirement, the term "conduct" includes both actions and failures to act, and includes the furnishing of, or the failure to furnish, any item under any provision of this contract.

(b) Notice. The primary purpose of this requirement is to obtain prompt reporting of any conduct which the Contractor considers would constitute or would require a change to this contract. The parties acknowledge that proper administration of this contract requires that potential changes be identified and resolved as they arise. Therefore, except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Contracting Officer of any conduct which the Contractor considers would constitute or would require a change to this contract. Such notice shall be provided promptly, and in any event within thirty (30) calendar days from the date the Contractor identifies any such conduct. The Notice shall be written and shall state, on the basis of the most accurate information available to the Contractor:

(i) The date, nature, and circumstances of the conduct regarded as a change;

(ii) The name, function, and activity of the individuals directly involved in or knowledgeable about such conduct;

(iii) The identification of any documents and the substance of any oral communication involved in such conduct;

(iv) The particular elements of contract performance for which the Contractor might seek an equitable adjustment under this requirement, including:

1) What ship(s) have been or might be affected by the potential change;

2) To the extent practicable, labor or materials or both which have been or might be added, deleted, or wasted by the potential change;

3) To the extent practicable, the Contractor's preliminary order of magnitude estimate of cost and schedule effect of the potential change; and
(4) What and in what manner are the particular technical requirements or contract requirements regarded as changed.

(c) Continued Performance. Except as provided in paragraph (f) below, following submission of notice, the Contractor shall take no action to implement a potential change until advised by the Contracting Officer in writing as provided in (d) below, unless the potential change was previously directed by the Contracting Officer, in which case the Contractor shall conform therewith. Nothing in this paragraph (c) shall excuse the Contractor from proceeding with contract work other than implementation of the potential change or from proceeding in accordance with directions issued by the Contracting Officer.

(d) Government Response. The Contracting Officer shall promptly, and in any event within twenty-one (21) calendar days after receipt of Notice, respond thereto in writing. In such response, the Contracting Officer shall either:

   (i) Confirm that the conduct of which the Contractor gave notice would constitute a change, and when necessary, direct the mode of further performance, or;

   (ii) Countermand any conduct regarded by the Contractor as a change, or;

   (iii) Deny that the conduct of which the Contractor gave notice would constitute a change and, when necessary, direct the mode of further performance, or;

   (iv) In the event the Contractor’s notice information is inadequate to make a decision under (i), (ii) or (iii) above, advise the Contractor what additional information is required. Failure of the Government to respond within the time required above shall be deemed a countermand under (d)(ii).

(e) Equitable Adjustments. Equitable adjustments for changes confirmed or countermanded by the Contracting Officer shall be made in accordance with the clause of this contract entitled "CHANGES," or any other requirement of this contract which provides for an equitable adjustment.

(f) Special Procedures. Paragraph (c) provides that the Contractor is to take no action to implement a potential change pending the Contracting Officer’s response to the Contractor’s notice of the potential change, except where specifically directed by the Contracting Officer. In special situations, however, where

   (i) The circumstances do not allow sufficient time to notify the Contracting Officer of the facts prior to the need to proceed with the work, and;

   (ii) The work must proceed to avoid hazards to personnel or property or to avoid additional cost to the Government, the Contractor may proceed with work in accordance with the potential change. In such special situations, the Contractor shall advise the Contracting Officer in writing within ten (10) days of the conduct giving rise to the potential change that the Contractor has proceeded and shall describe the nature of the special situation which required proceeding prior to
notification. Within thirty (30) calendar days of the conduct giving rise to the potential change, the Contractor shall provide notice as required in (b) above. The Contracting Officer shall respond as set forth in (d) above. If the Contracting Officer determines that the conduct constitutes a change and countermands it, the Contractor shall be entitled to an equitable adjustment for performance in accordance with that change prior to the countermand including performance resulting from the countermand.

(g) When the Contractor identifies any conduct which may result in delay to delivery of the ship(s), the Contractor shall promptly so inform the Contracting Officer thereof prior to providing the notice required by paragraph (b) above.

(h) Despite good faith best efforts, occasions may arise in which the Contractor does not provide notice within the time periods specified in paragraphs (b) and (f) above. Accordingly, prior to the end of the first and third quarters of each calendar year through the period of performance of this contract, beginning with the first quarter of 2002, the Contractor shall deliver to the Government an executed bilateral contract modification, in the format set forth in Exhibit "A" to this requirement, covering the six month period of time ending with the second and fourth quarters, respectively, of the preceding year, with such specific exceptions, if any, as are identified by the Contractor. If the Contractor cites specific exceptions to the release, the Contractor shall concurrently provide the Contracting Officer with notice, containing the information set forth in paragraph (b) of this requirement, for each item excepted from the release. However, the release required by this requirement shall not make unallowable any costs which are otherwise allowable under any other requirement of this contract.

*To be completed at contract award.

Within sixty (60) days of receipt of the release, the Contracting Officer shall sign and return a copy of the release to the Contractor. If the Contracting Officer fails to execute and return the release within the required time, then the release shall be deemed to be void and of no effect for the period involved.

(i) If the release in accordance with paragraph (h) above is not provided to the Government by the Contractor in the time required, the Contracting Officer may execute the release as set forth in Exhibit "A" and send it to the Contractor. If the Contractor fails to execute the release and return it to the Government (with any specific exceptions) within sixty (60) days of receipt thereof, the required release shall then be deemed effective as if signed by the Contractor.

Exhibit A to the Requirement entitled "NOTIFICATION OF CHANGES"

This modification reflects the agreement of the parties to the mutual full and final releases for the consequences of that conduct (as conduct is defined in the requirement entitled "NOTIFICATION OF CHANGES"), described below, except the conduct identified in Attachment A hereto is excluded and not covered by the terms of this release.

1. Except for the conduct listed in Attachment A by either party, neither the Contractor nor the Government shall be entitled to any equitable adjustment or to money damages and/or other
relief for any conduct, as specified below.

2. In consideration of the foregoing the parties hereby agree to the following release:

   a. The Government, for itself, its assigns, vendors, suppliers, and contractors,
      hereby remises, releases, and forever discharges the Contractor, its officers,
      agents and employees from any and all entitlement of the Government to equitable
      adjustment of the contract price and delivery schedule due to conduct under this
      contract, which occurred on or before __.

   b. The Contractor, for itself, its successors, assigns, vendors, suppliers, and
      subcontractors, hereby remises, releases and forever discharges the Government, its
      officers, agents and employees from (i) any and all entitlement of the Contractor to equitable
      adjustment of the contract cost and fee and/or delivery schedule of this contract or of any
      other Government contract (with this or any other Contractor) or any contract between
      the Contractor and any third party by reason of any conduct which increases the Contractor's
      cost or time of performance of work under this contract and meets the following conditions
      (1) known to the Contractor, (2) occurred on or before __, and (3) the Contractor failed to give
      notice prior to date of this release, and (ii) any and all liabilities to the Contractor for
      money damages and/or other relief for the impact of any such conduct, upon this contract or
      any other Government contract (with this or any other Contractor) or any contract between
      the Contractor and any third party.

H-16 NAVSEA 5252.243-9113 OTHER CHANGE PROPOSALS (FT) - ALTERNATE I
(JAN 1990)

(a) The Contracting Officer, in addition to proposing engineering changes pursuant to other
requirements of this contract, and in addition to issuing changes pursuant to the clause of this
contract entitled "CHANGES," may propose other changes within the general scope of this contract
as set forth below. Within forty-five (45) days from the date of receipt of any such proposed
change, or within such further time as the Contracting Officer may allow, the Contractor shall
submit the proposed scope of work, plans and sketches, and its estimate of: (A) the cost, (B) the
weight and moment effect, (C) effect on delivery dates of the vessel(s), and (D) status of work on
the vessels affected by the proposed change. The proposed scope of work and estimate of cost shall
be in such form and supported by such reasonably detailed information as the Contracting Officer
may require. Within sixty (60) days from the date of receipt of the Contractor's estimate, the
Contractor agrees to either (A) enter into a supplemental agreement covering the estimate as
submitted, or (B) if the estimate as submitted is not satisfactory to the Contracting Officer, enter into
negotiations in good faith leading to the execution of a bilateral supplemental agreement. In either
case, the supplemental agreement shall cover an equitable adjustment in the contract price,
including an equitable adjustment for the preparatory work set forth above, scope, and all other
necessary equitable adjustments. The Contractor's estimate referred to in this subparagraph shall be
a firm offer for sixty (60) days from and after the receipt thereof by the Contracting Officer having
cognizance thereof, unless such period of time is extended by mutual consent.

(b) Pending execution of a bilateral agreement or the direction of the Contracting Officer pursuant
to the "CHANGES" clause, the Contractor shall proceed diligently with contract performance
without regard to the effect of any such proposed change.
(c) In the event that a change proposed by the Contracting Officer is not incorporated into the contract, the work done by the Contractor in preparing the estimate in accordance with subparagraph (a) above shall be treated as if ordered by the Contracting Officer under the "CHANGES" clause. The Contractor shall be entitled to an equitable adjustment in the contract price for the effort required under subparagraph (a), but the Contractor shall not be entitled to any adjustment in delivery date. Failure to agree to such equitable adjustment in the contract price shall be a dispute within the meaning of the clause of this contract entitled "DISPUTES" (FAR 52.233-1).

H-17 NAVSEA 5252.232-9105 PAYMENTS (FI) (JAN 1990) (DEVIATION)
(APPLICABLE ONLY TO ITEM 0001 AND IF EXERCISED, OPTION ITEMS 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, AND 0081)

(a) Computation of Payments

(1) Until such time as physical progress in the performance of the work on a vessel is fifty percent (50%) complete, the Government, upon submission by the Contractor of invoices certified by the Contractor as hereinafter provided, will promptly make payments, on account of the total contract price(s), at ninety percent (90%) of the amount determined by multiplying the allocated total contract price of such vessel by the percentage of physical progress in the performance of work on such vessel as certified by the Contractor subject to the approval of the Supervisor; provided, that no such payment shall be made in an amount which when added to the total of all payments previously made with respect to such vessel under paragraph (a) of this requirement exceeds one hundred percent (100%) of the allowable costs certified by the Contractor on the related invoice to have been incurred in the performance of work on such vessel.

(2) After the percentage of physical progress in the performance of work on a vessel has reached fifty percent (50%), the Government, upon submission by the Contractor of invoices certified by the Contractor as hereinafter provided, will promptly make payments, on account of the total contract price(s), of one hundred percent (100%) of the amount determined by: (i) multiplying the allocated total contract price of such vessel by the percentage of physical progress in the performance of work on such vessel as certified by the Contractor subject to the approval of the Supervisor, and (ii) subtracting from that product five percent (5%) of the allocated total contract price of such vessel; provided, that no such payment shall be made in an amount which when added to the total of all payments made previously with respect to such vessel under paragraph (a) of this requirement exceeds one hundred five percent (105%) of the allowable costs certified by the Contractor on the related invoice to have been incurred in the performance of work on such vessel; provided, further, that the Contractor furnishes data on actual cumulative costs and estimated future costs acceptable to the Supervisor which demonstrates to the satisfaction of the Supervisor that the Contractor will make a profit of at least five percent (5%) on completion of the contract, and the Contractor provides updated information on a quarterly basis. If updated data indicate the Contractor will not make a profit of at least five percent (5%) on completion of the contract, the progress payments shall be adjusted retroactively so that the total of all payments made with respect to the vessel under paragraph (a) of this requirement shall not exceed one hundred percent (100%) of the allowable costs certified by the Contractor on the related invoice to have been incurred in the
performance of work on such vessel.

(b) **Billing Price**

(1) For the purpose of this requirement, until the establishment of the total final price(s) in accordance with paragraph (d) of the clause of this contract entitled “INCENTIVE PRICE REVISION--FIRM TARGET (FI) (DEVIATION)” (FAR 52.216-16), the term “total contract price” means the billing price; initially the billing price shall be the initial total contract target price(s), and thereafter the billing price shall be revised as provided in paragraph (b)(2) below. After establishment of the total final price(s) in accordance with paragraph (d) of the “INCENTIVE PRICE REVISION--FIRM TARGET (FI) (DEVIATION)” clause, the billing price shall be the total final price(s) so established.

(2) Within fifteen (15) days after each calendar quarter the Contractor shall submit in writing a proposed revised billing price which shall be established as follows:

(i) The Contractor shall certify to the Contracting Officer the percentage of physical progress in the performance of the contract as a whole as of the end of the calendar quarter. Such percentage of physical progress shall be expressed as a decimal carried to four decimal places and shall be subject to the approval of the Supervisor.

(ii) The revised billing price shall be the sum of a projected final cost(s), and a projected profit, computed as follows:

   (A) A projected final cost shall be computed by (i) determining the cumulative sum of the costs as of the end of the calendar quarter and (ii) dividing the sum thereof by the percentage of physical progress certified and approved as set forth in subparagraph (i) above.

   (B) A projected profit shall be determined by applying to the projected final cost(s) the incentive formula set forth in paragraph (d)(2) of the “INCENTIVE PRICE REVISION--FIRM TARGET (FI) (DEVIATION)” clause; provided, that in no event shall the revised billing price exceed the ceiling price(s) of the contract.

(iii) The revised billing price determined as stated above shall be set forth separately in a supplemental agreement to this contract, which also shall set forth the computations upon which the revision of the billing price is based.

(iv) Any revision of the billing prices shall not affect the determination of the total final price(s) under paragraph (d) of the “INCENTIVE PRICE REVISION--FIRM TARGET (FI) (DEVIATION)” clause. After execution of the contract modification referred to in subparagraph (d)(3) of said clause, the total amount paid or to be paid on all invoices or vouchers shall be adjusted to reflect the total final price(s), and any additional payments, refunds, or credits resulting therefrom shall be promptly made.

(c) **Allocated Total Contract Price of Each Vessel**
SCHEDULE

For the purpose of this requirement, the allocated total contract price of each vessel shall be established by multiplying the total contract price(s) by a percentage, expressed as a decimal carried to four decimal places, equal to that fraction whose numerator is the original unit target price of the vessel and whose denominator is the original total target price. The resulting dollar amount shall be rounded to the nearest one hundred thousand dollars ($100,000), upward or downward; provided that in no event shall the sum of the allocated total contract price of the vessel(s) exceed the total contract price(s). The aforesaid percentages of each vessel shall be revised, by contract modification, in the event that either:

(1) Equitable adjustments to the unit target prices of the vessels result in unit target prices of a substantially different proportion to the total target prices than previously provided for under this subparagraph (c); or

(2) Incurred costs indicate that a revision to the percentages is appropriate, provided, however, any such revision shall not be made more frequently than at the end of a calendar quarter unless the total contract price(s) is(are) limited to the contract ceiling price(s) and the contract ceiling price(s) is(are) adjusted during the calendar quarter.

(d) Invoices

Invoices may be submitted every two weeks, but not more frequently; provided, however, that if after contract award more frequent progress payments are approved by cognizant Government authority, this requirement shall be modified accordingly without additional consideration by the Contractor to the Government for such modification. No payment will be required to be made upon invoices aggregating less than five thousand dollars ($5,000). The Contractor shall certify on each invoice:

(1) the percentage of physical progress in the performance of work on the vessel as a decimal carried to four places; and

(2) the allowable costs incurred in the performance of the work on the vessel as of the date the invoice is submitted. Such certification shall provide for cost category reporting in accordance with the Contractor's normal accounting system and shall be broken down into direct material, direct labor, and indirect costs.

(e) Physical Progress and Weighting Factors

(1) Within sixty (60) days after contract award the Contractor shall submit a progressing system description for review and approval by the Contracting Officer. Upon approval of such system, progress payments shall be in accordance with the approved system. Subsequent revisions to the approved system shall be submitted to the Contracting Officer for approval prior to implementation. The progressing system description shall include weighting factors for the categories of labor and material for each vessel.

(2) The mutually agreed upon weighting factors for the categories of labor and material for each vessel shall constitute the baseline for this contract. The weighting factors shall be revised
SCHEDULE

quarterly concurrent with the billing price revisions specified in paragraph (b). Notwithstanding the above, revision of weighting factors may be requested by either party when factual data indicate that the weighting factors then in use are no longer representative of the actual labor and material distribution. Revisions of weighting factors shall be supported by detailed (estimated final) direct material, direct labor, and indirect costs and additional data concerning the cause of the change in the weighting factors. Any change in the weighting factors shall be set forth in a supplemental agreement to this contract.

(f) Incurred Costs

For the purpose of this clause, "incurred costs" are those costs identified through the use of the accrual method of accounting, as supported by the records maintained by the Contractor and which are allowable in accordance with Part 31 of the Federal Acquisition Regulation (FAR) and Part 231 of the Department of Defense FAR Supplement (DFARS) in effect on the effective date of this contract and include only:

(1) Costs incurred for items or services purchased directly for the contract. These costs are limited to the amounts that have been paid by cash, check, or other forms of payment, or when the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs that will be paid to subcontractors—

(i) In accordance with the terms and conditions of a subcontract or invoice; and

(ii) Ordinarily prior to the submission of the Contractor's next payment request to the Government; and

(2) Costs incurred, but not necessarily paid, for materials issued from the Contractor's stores inventory and placed in the production process for use on the contract, for direct labor, for direct travel, for other direct in-house costs and for properly allocable and allowable overhead (indirect) costs, all as shown by records maintained by the Contractor for the purpose of obtaining payment under Government contracts, provided that the Contractor is not delinquent in payment of costs of contract performance in the ordinary course of business; and

(3) With respect to allocated and allowable costs of pension contributions, when pension contributions are paid by the Contractor to the retirement fund less frequently than quarterly, accruals of the costs of these pension contributions shall be excluded from the Contractor's incurred costs until such costs are paid. If pension contributions are paid on a quarterly or more frequent basis, accruals of such costs may be included in the Contractor's incurred costs, provided that the pension contributions are paid to the retirement fund within thirty (30) days after the close of the period covered by payment. If payments are not paid within such thirty- (30-) day period, pension contributions shall be excluded from the Contractor's incurred costs until payment therefor has been made.

(4) Incurred costs shall not include any costs which are required under any requirement of this contract to be reimbursed or paid by the Government to the Contractor or by the Contractor to the Government other than through an equitable adjustment in the contract price(s).
(5) If an overpayment is made relative to this paragraph (f), interest shall be charged at the prevailing per annum rate established by the Secretary of the Treasury, pursuant to Public Law 92-41, from the date such overpayment is made (date of Government check) until the date the overpayment is fully recovered.

(g) Retentions

(1) Upon preliminary acceptance of each vessel and upon the submission of properly certified invoices, the Government will pay to the Contractor the amount withheld under paragraph (a) of this requirement in respect of that vessel in excess of (i) a performance reserve in the amount of one and one half percent (1.5%) of the allocated total contract price for such vessel, or (ii) one hundred thousand dollars ($100,000), whichever is greater. If at any time it shall appear to the Government that the amount of performance reserve may be insufficient to meet the cost to the Government of finishing any unfinished work under the contract for which the Contractor is responsible, or of correcting defects for which the Contractor is responsible which are discovered prior to preliminary acceptance or during the guaranty period of any vessel, the Government may, in making payments under this requirement, deduct or withhold such additional amounts as it may determine to be necessary to render such reserve adequate; provided, that any additional amounts deducted or withheld on account of defects which are discovered during the guaranty period of the vessel shall not exceed the limit of the Contractor's liability as set forth in the requirement entitled "LIMITATION OF CONTRACTOR'S LIABILITY FOR CORRECTION OF DEFECTS," reduced by the amounts of the cost incurred by the Contractor for work on such vessel because of Contractor responsible deficiencies which are discovered during the guaranty period of the vessel.

(2) The Government may, in its discretion, make payments prior to final settlement on account of the reserves established under this requirement, subject to such conditions precedent as the Contracting Officer may prescribe.

(3) The Government shall, at the time of final settlement, in accordance with the provisions of the requirement entitled "FINAL SETTLEMENT," pay the Contractor the balance owing to it under the contract promptly after the amount of such balance shall have been determined.

(h) Certifications and Audits

At any time or times prior to final payment under this contract, the Contracting Officer may have any invoices and statements or certifications of costs audited. The Contracting Officer may require the Contractor to submit, or make available for examination by the Contracting Officer or his designated representative, the supporting documentation upon which invoices, statements or certifications of costs are based. Each payment theretofore made shall be subject to reduction as necessary to reflect the exclusion of amounts included in the invoices or statements or certifications of costs which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable costs. Any payment may be reduced for overpayments, or increased for underpayments on preceding invoices.
SCHEDULE

H-18 PERFORMANCE INCENTIVE

(a) **Establishment.** The Government, at its sole discretion and at any time, may decide to establish a performance incentive under Items 0009, 0017, 0024, 0031, 0038, 0045, 0052, 0059, 0066, 0073, 0080, and 0087 of the contract. The amount of the performance incentive, if any, will be determined by the Government after contract award and incorporated into the contract through a unilateral contract modification. The unilateral contract modification will not obligate funds. Funds will be obligated under the contract in accordance with paragraph (f). If the Government decides to establish the performance incentive, the following paragraphs shall govern the operation of the performance incentive process.

(b) **Changes to Performance Incentive Criteria.** The Government, at its sole discretion, has the right to change the performance incentive criteria, provided the Contractor is notified of such changes by the Contracting Officer prior to the beginning of the evaluation period for which the changes will be effective.

(c) **Performance Profit.** In addition to any profit or other compensation, which may be paid to the Contractor pursuant to other clause(s) of this contract, for Item 0001 and if exercised, Option Items 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, and 0081 the Contractor may earn performance profit as determined by the Profit Determining Official. The Government’s purpose in granting such performance profit is to encourage and reward superior Contractor effort directed toward performance of this contract. By way of overseeing the Contractor’s performance, the Government will continuously monitor the manner in which the Contractor is proceeding to attain such objectives and to discharge such obligations. It is recognized that the standards by which the Contractor’s performance is to be judged are not susceptible to precise definition; however, the general areas on which particular emphasis will be placed in evaluating the Contractor’s performance are set forth in paragraph (g) below.

(d) **Evaluation Board.** The Contractor’s performance evaluation for each period will be conducted by an Evaluation Board consisting of no less than four of the following members:

1. Chairman: SUPSHIP Project Officer or Designated Representative;
2. T-AKE Assistant Program Manager (APM) or Designated Representative;
3. Procuring Contract Officer (PCO) or Designated Representative;
4. Military Sealift Command On-site Owner’s Representative or Designated Representative;
5. T-AKE Program Manager or Designated Representative;
6. Administrative Contract Officer (ACO) or Designated Representative;
7. Logistics Manager (PMS325L) or Designated Representative.

(e) **Profit Determining Official.** The Profit Determining Official (PDO) will be either the PMS325 Program Manager (PMS325) or the PMS325 Deputy Program Manager (PMS325C). The PDO shall determine the performance profit the Contractor will be provided in accordance with the procedures set forth in paragraph (f) below.
(f) **Performance Profit Evaluation Procedure.**

(1) Within a reasonable time after the end of each evaluation period, the Contractor shall furnish to the board such information, as may be reasonably required, to assist the board in the evaluation of the Contractor’s effectiveness in meeting the evaluation criteria established by the Government. In addition, the Government will also utilize SPPC data for this evaluation.

(2) Within a reasonable time after the receipt of the Contractor’s information, an Evaluation Board meeting will be held. The meeting may be held in the Washington, DC area or at the Contractor’s location, as determined by the Government. During the meeting, the Contractor will be given the opportunity to deliver a brief presentation on its performance for the evaluation period. At the conclusion of the Evaluation Board meeting, the Board shall, in closed session, arrive at a scoring consensus and advise the PDO of its recommendation. The recommendation will include the Board’s reasons, rationale and justifications for its findings.

(3) Within a reasonable time after the conclusion of the Evaluation Board meeting, the Evaluation Board findings shall be furnished to the Contractor, who will be given five working days to provide written comments on the Board’s findings. In the event that the Contractor does not concur with the Board’s findings, he may present to the PDO an exception to the Board’s findings. In support of his exception, the Contractor may furnish a written description of his performance. This description shall clearly identify specifics where disagreements exist and the rationale for the Contractor’s own rating of performance. These comments shall be considered by the PDO in establishing the performance profit.

(4) The PDO shall, within ten working days of receipt of the Contractor’s comments on the Evaluation Board findings or if no comments are received, within ten working days of the Contractor’s receipt of the Evaluation Board findings, provide the performance profit determination (including the amount, rationale and justification for the determination) in writing to the PCO and request that the PCO issue a contract modification formally providing the performance profit for the evaluation period.

(5) Any performance profit earned by the Contractor shall be provided to the Contractor by the execution of a unilateral contract modification within thirty (30) calendar days after the performance profit determination and shall not be subject to any payment withholding percentage, notwithstanding any other provision of this contract.

(g) **Evaluation Criteria.** The evaluation category criteria that the Government will judge during each evaluation period are listed below. The evaluation category criteria are equally weighted.

**Evaluation Category: Cargo Flow Rates.** The Contractor’s performance will be judged based on his ability to increase cargo flow rates as follows:

(1) **Effectiveness of the Management Organization.**

The effectiveness of the management structure which the Contractor utilizes to manage the cargo flow rate engineering effort and to incorporate improved cargo flow features into the
detail design and construction of the ship. Effectiveness will be judged with respect to deficiency anticipation and avoidance as well as timely correction of identified deficiencies.

Effectiveness of the management structure to ensure that all cargo flow rate analyses and drawings containing cargo handling features are certified by the cargo flow engineers before submittal to the Government.

Effectiveness of briefings of personnel concerning cargo flow rate and cargo handling equipment/systems throughout the detail design and construction of the ship.

(2) Effectiveness of the Engineering Organization

Evaluation will be based on the performance of the required cargo flow rate analyses during the detail design and installation. Effectiveness will be judged with respect to cargo flow rates designed to meet the performance specification.

(3) Effectiveness of the Purchasing Organization

The purchasing organization will be evaluated on the methods and effectiveness of the methods used to procure machinery and equipment which meets or is above specified cargo flow rate criteria levels.

(4) Effectiveness of Configuration Control

Effectiveness of the actions taken to assess the impact of engineering change proposals on cargo flow rates. Proposals for the relocation, substitution, and/or removal of significant cargo handling equipment/systems to improve cargo flow rates will be considered in the evaluation.

Effectiveness of the cargo-handling program to indoctrinate both management and technical personnel both formally and informally with regard to cargo handling and cargo flow rates.

(5) Effectiveness of Quality Assurance

Evaluation will be based on the effectiveness of the Quality Assurance Organization to review ship and equipment drawings for cargo flow features and to inspect the ship during construction for proper installation of cargo handling equipment/systems. The effectiveness of the organization to find and correct discrepancies with the goal of improving overall cargo flow rates will be considered during evaluation.

**Evaluation Category: Total Ownership Cost Reduction.** The Contractor's performance will be judged based on his ability to reduce total ownership costs as follows:
(1) Effectiveness of Total Ownership Cost Reduction Program

The effectiveness of the Total Ownership Cost Reduction Program required in Section C. Effectiveness will be judged with respect to the quality, timeliness and quantity of results from this cost reduction initiative.

(2) Effectiveness of the Management Organization

The effectiveness of the management structure which the Contractor utilizes to manage the reduction of total ownership costs during the engineering effort and to incorporate cost reduction features into the detail design and construction of the ship. Effectiveness will be judged with respect management’s ability to control and ensure the level and the quality of the cost reduction program.

(3) Effectiveness of the Engineering Organization

Evaluation will be based on the performance of the required Total Ownership Cost Reduction Program. The quality of the research and analysis that is performed during the detail design and construction and its effectiveness will be judged. The quality of the design, equipment, and systems intended to meet cost reduction, value engineering, quality, and RMA targets will also be judged.

(4) Effectiveness of the Purchasing Organization

The purchasing organization will be evaluated on the methods and effectiveness of the methods used to procure machinery and equipment which reduces total ownership cost and increases reliability.

(5) Effectiveness of Configuration Control

Effectiveness of the actions taken to assess the impact of engineering change proposals on the total ownership cost reduction program. Actions and proposals for the relocation, substitution, and/or removal of significant equipment/systems to improve total ownership cost will be considered in the evaluation.

Effectiveness of the Total Ownership Cost Reduction Program to indoctrinate management, operational, quality and technical personnel both formally and informally with regard to cost reductions.

(6) Effectiveness of Production Personnel

Evaluation will be based on the effectiveness of the Production Organization to construct the ship and install its equipment/systems with total ownership cost reduction features and to inspect the ship during construction for proper installation of equipment/systems. The effectiveness of the organization to find and correct discrepancies with the goal of
improving total ownership cost will be considered during evaluation.

(7) Effectiveness of Total Ownership Cost Reduction Integrated Product Teams (if provided)

The effectiveness of the Total Ownership Cost Reduction Integrated Product Teams (if provided) which the Contractor utilizes to research, analyze and ultimately reduce total ownership costs to incorporate improved cost features into the detail design and construction of the ship. Effectiveness will be judged with respect to capability of team constituents and their demonstrated performance developing and executing viable quality cost reduction initiatives.

(8) Effectiveness of Quality Assurance

Evaluation will be based on the effectiveness of the Quality Assurance Organization to review ship and equipment drawings for total ownership cost reduction, review processes and to inspect the ship during construction for proper installation of cost reducing equipment/systems. The effectiveness of the organization to find and correct discrepancies with the goal of improving overall cost reduction will be considered during evaluation.

(9) Effectiveness of Change Control Process

The effectiveness of the Change Control Process to generate and execute required changes to the Contract that support total ownership cost reductions. Processes which the Contractor utilizes to estimate cost, assess impact, research, analyze and reduce total ownership costs will be judged. The speed, quality and effectiveness of the change documentation and its supporting process to incorporate cost saving features into the detail design and construction of the ship will be assessed. Effectiveness will be judged with respect to the performance in developing and executing those changes that positively affect total ownership costs reduction initiatives.

(h) Evaluation Periods (for each ship). The evaluation periods will coincide with events from the Contractor’s schedule. The number of evaluation periods and specific events will be provided by the Government at the time the performance incentive is established.

(i) Performance Profit Pool (for each ship). Performance profit will be available for each evaluation period as follows:
(j) Performance Profit Ratings/Amounts.

(1) In evaluating the Contractor’s performance, the following adjective and numerical ratings will be used:

<table>
<thead>
<tr>
<th>Adjective Rating</th>
<th>Numerical Rating</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding</td>
<td>98-100</td>
<td>The Contractor’s performance exceeds the required level of performance set forth in this performance incentive by a substantial margin.</td>
</tr>
<tr>
<td>Excellent</td>
<td>94-97</td>
<td>The Contractor’s performance exceeds the required level of performance set forth in this performance incentive. The evaluator may cite one or more areas for improvement, but they are relatively minor and are more than offset by outstanding performance in other areas.</td>
</tr>
<tr>
<td>Good</td>
<td>85-93</td>
<td>The Contractor’s performance is above the required level of performance set forth in this performance incentive, with areas for improvement being offset by higher performance in other areas being evaluated.</td>
</tr>
<tr>
<td>Acceptable</td>
<td>80-84</td>
<td>The Contractor’s performance meets the required level of performance set forth in this performance incentive. There are areas requiring significant improvement; however, these are offset by better performance in other areas.</td>
</tr>
<tr>
<td>Marginal</td>
<td>71-79</td>
<td>The Contractor’s performance is less than the required level of performance set forth in this performance incentive by a substantial margin. Many areas require improvement, which are not offset by</td>
</tr>
</tbody>
</table>
SCHEDULE

better performance in other areas.

Unacceptable 70 and below The Contractor's performance is below minimum acceptable standards for the required level of performance set forth in this performance incentive. Performance requires major improvement in most areas.

(2) The amount of performance profit earned, subject to the determination of the PDO, will be calculated as follows:

\[
\text{Performance Profit Earned} = \text{Total Rating} \times \text{Profit Available}
\]

*Total Rating, determined as follows:

<table>
<thead>
<tr>
<th>Numerical Rating</th>
<th>Total Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-70</td>
<td>0</td>
</tr>
<tr>
<td>71-100</td>
<td>(Numerical Rating - 70) x (100/30)</td>
</tr>
</tbody>
</table>

(3) The unearned performance profit for each evaluation period will not be transferred to other periods.

(k) Payment of Performance Profit. The Contractor shall be paid performance profit, if any, upon submitting a proper invoice or voucher to the cognizant payment office, together with a copy of the unilateral modification to the contract authorizing payment of the performance profit for the applicable evaluation period.

H-19 NAVSEA 5252.215-9106 PRICE ADJUSTMENT FOR CHANGES IN FEDERAL LAW (FT) (NOV 1996)
(APPLICABLE ONLY TO ITEM 0001 AND IF EXERCISED, OPTION ITEMS 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, AND 0081)

(a) Definitions

(1) For the purpose of this requirement:

(i) The term "Currently Applicable Federal Laws" is defined to mean and include only the statutes listed below and regulations thereunder, promulgated by Federal authorities as in effect on the date of the issuance of this solicitation.

   (A) Contract Work Hours and Safety Standards Act
   (B) Occupational Safety and Health Act

26JANUARY2001

Page 36

SECTION H
(C) Atomic Energy Act

(D) National Environmental Policy Act

(E) Clean Air Act

(F) Clean Water Act

(G) Refuse Act

(H) Noise Control Act

(I) Toxic Substances Control Act

(J) Solid Waste Disposal Act

(K) Marine Protection, Research and Sanctuaries Act

(L) Comprehensive Environmental Response, Compensation, and Liability Act

(M) Act to Prevent Pollution from Ships

(N) Hazardous Materials Transportation Act

(ii) The term "New Federal Law" is defined to mean a new Federal Statute enacted subsequent to the date of the issuance of this solicitation pertaining to (1) workplace conditions affecting employees or the public, or (2) environmental standards and requirements, and regulations thereunder promulgated by Federal authorities.

(iii) The term "change" shall be deemed to mean the amendment or repeal of any Currently Applicable Federal Law or New Federal Law or regulations promulgated thereunder by Federal authorities.

(b) If, at any time after the effective date of this contract, a New Federal Law is enacted or a change is made to a Currently Applicable Federal Law or a New Federal Law or regulations thereunder promulgated by Federal authorities, and compliance with such new law or change directly results in an increase or decrease in the Contractor’s cost of performance of this contract, the contract price(s) shall be adjusted as provided in paragraph (c) below. No such adjustment shall be made for contract costs incurred or projected to be incurred during the two- (2-) year period after the effective date of this contract.

(c) The price adjustment provided for in paragraph (b) above shall be made, in the same amount, in each of the Target Cost(s), the Target Price(s), and the Ceiling Price(s) or Fixed Price(s) of this contract, as appropriate, and shall include only the properly allowable and allocable direct and
SCHEDULE

indirect costs of additional labor and materials directly resulting from compliance with the new law or with the change, but shall not include:

(1) Costs of delay, disruption, or acceleration of performance;

(2) Increases or decreases in prices charged by subcontractors or suppliers;

(3) Costs of additional facilities or of any portion thereof constructed or acquired after the date of the issuance of this solicitation unless such additional facilities or the portion thereof have been constructed or acquired by the Contractor solely in order to comply with a New Federal Law or a change in Currently Applicable Federal Laws or New Federal Laws, or regulations thereunder promulgated by Federal authorities.

The price adjustment shall consider and exclude any tax, depreciation, or other special allowances provided to the Contractor in the New Federal Law or change for compliance therewith. No adjustment shall be made in the Profit or Delivery Schedule of the contract, provided, however, that the Contractor's right, if any, to extension of the delivery schedule under any other requirement of this contract shall not be prejudiced thereby. No adjustment shall be made unless a New Federal Law or a change directly causes an increase or decrease in the Contractor's cost of performance of this contract in excess of $125,000 per ship.

(d) The Contractor shall promptly notify the Contracting Officer, in writing, of the enactment of New Federal Laws or of a change that reasonably may be expected to result in an adjustment under the provisions of this requirement.

(e) Requests for price adjustments hereunder shall be made in accordance with the procedures of the requirement entitled "DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT."

H-20 NAVSEA 5252.246-9124 SHIPBUILDING SUPPORT OFFICE SCHEDULES (AT) (JAN 1983)

The U.S. Navy Shipbuilding Support Office, which is responsible within the Department for providing central scheduling for ship programs, may, but shall not be obligated to, promulgate from time to time Master Program Schedules and other documents relating to the design, material procurement for, and orderly erection of the vessel(s). Such schedules and documents, if promulgated, are intended to facilitate integration of all work required in connection with the vessels, and other vessels, if any, in the same ship program and to serve as a planning aid for the Contractor and its agents, but such schedules and documents shall not alter or increase the obligations of the Government and the use thereof or adherence thereto is not a requirement of this contract. Neither the promulgation of such schedules and documents nor any use thereof by the Contractor or its agent shall in any way relieve the Contractor of its obligation to complete and deliver the vessel(s) by the date and in accordance with the other requirements set forth in this contract or affect responsibility for any delays.
SCHEDULE

H-21 NAVSEA 5252.237-9106 SUBSTITUTION OF PERSONNEL (SEP 1990)

(a) The Contractor agrees that a partial basis for award of this contract is the list of key personnel proposed. Accordingly, the Contractor agrees to assign to this contract those key persons whose resumes were submitted with the proposal necessary to fulfill the requirements of the contract. No substitution shall be made without prior notification to and concurrence of the Contracting Officer in accordance with this requirement.

(b) All proposed substitutes shall have qualifications equal to or higher than the qualifications of the person to be replaced. The Contracting Officer shall be notified in writing of any proposed substitution at least forty-five (45) days, or ninety (90) days if a security clearance is to be obtained, in advance of the proposed substitution. Such notification shall include: (1) an explanation of the circumstances necessitating the substitution; (2) a complete resume of the proposed substitute; and (3) any other information requested by the Contracting Officer to enable him/her to judge whether or not the Contractor is maintaining the same high quality of personnel that provided the partial basis for award.

H-22 NAVSEA 5252.247-9110 TUG AND PILOT SERVICES (SEP 1990)

The Contractor shall provide necessary tug and pilot services to move the vessel(s) from the fairway of the plant to the pier or dock, and upon completion of all work from the pier or dock, to the fairway of the plant.

H-23 MAIN PROPULSION DIESEL ENGINES AND PROPULSORS FOR T-AKE SHIP(S)

Pursuant to Section 8105 of the Defense Appropriations Act for Fiscal Year 2000, P.L. 106-79, the main propulsion diesel engines and propulsors for the T-AKE class of ships must be manufactured in the United States by a domestically operated entity; provided, that the Secretary of Defense may waive this restriction on a case-by-case basis by certifying in writing to the Committees on Appropriations of the House of Representatives and the Senate that adequate domestic supplies are not available to meet Department of Defense requirements on a timely basis and that such an acquisition must be made in order to acquire capability for national security purposes or there exists a significant cost or quality difference.

H-24 NAVSEA 5252.209-9102 WEIGHT CONTROL (SEP 1990) (DEVIAITION)

(a) The Contractor shall enter into agreement with the Government as to the Allocated Baseline Weight Estimate (ABWE) for the vessel(s) under this contract, and such agreement shall be set forth in a Supplemental Agreement. The ABWE shall consist of a lightship weight estimate including space and weight reservations, and separate accounts for Design & Building, Contract Modification, and Government Furnished Material margins, and the Full Load (Condition D) loads, in accordance with the System Specification, Attachment J-1. The ABWE values for Full Load (Condition D) Displacement and vertical center of gravity above the bottom of keel (KG) are the baseline for measuring Contractor responsibility within the meaning of this requirement. The aforementioned ABWE values including Design & Building, Contract Modification, and Government Furnished...
SCHEDULE

Material margins for the ship(s) under this contract shall provide the Service Life Allowances (SLA) for displacement and KG required in the System Specification.

(b) The net weight and moment effect of any changes incorporated into this contract shall be agreed upon and set forth in a Supplemental Agreement. Notwithstanding the foregoing, where the purpose of a change is the acceptance of a Value Engineering Change Proposal and such a proposal includes a resulting saving in the existing weight or moment values for any vessel, the weight and moment effect to be set forth in the Supplemental Agreement implementing such change shall be one-half (½) of the amount of the related saving set forth in the accepted proposal.

(c) One month prior to the inclining experiment, the net weight and moment differences to Government Furnished Material (GFM) since the ABWE, that were beyond the control of the Contractor, excluding the effect of contract changes, shall be agreed upon and set forth in a Supplemental Agreement. All weight and moment differences to GFM resulting from either the correction of data for which accurate information was available prior to the ABWE, or from the relocation of GFM at the discretion of the Contractor, are considered to be within the control of the Contractor.

(d) The Contractor shall be responsible for the Full Load (Condition D) Displacement and KG of the delivered vessel(s) with the Service Life Allowances for displacement and KG required by the System Specification, minus the weight and vertical moment values agreed upon for contract changes and differences to GFM in excess of the margins included in the ABWE. Also, the Contractor shall be responsible for the delivery of the vessel(s) within the trim and list requirements specified in System Specification. However, the Contractor, will not be responsible for the net total adverse effect on trim or list caused by contract changes and differences to GFM in excess of the margins included in the ABWE.

(e) If the Contractor proposes cost or contract changes solely for the purpose of meeting the values of SLA for displacement and/or KG, and/or meeting trim or list requirements, and if the Contracting Officer approves, the changes shall be non-reimbursable and implemented with no increase in the cost of, or change in the period of performance of, this contract. Changes described in this paragraph, as well as Value Engineering Changes that reduce weight, are not considered contract changes when computing the Contractor responsible condition described in paragraph (d) above.

H-25 NAVSEA 5252.217-9121 INDEMNIFICATION FOR ACCESS TO VESSEL (MAY 1989) (DEVIATION)

Notwithstanding any provision in the “ACCESS TO THE VESSEL(S) (AT) (NAVSEA) (JAN 1983)” clause or any other clause of the contract, the Contractor agrees to allow officers, employees, and associates of the Government, or other prime contractors with the Government and their subcontractors, and officers, employees, and associates of offerors on other contemplated work, admission to the Contractor’s facilities and access to the vessel without any further request for indemnification from any party, which has not been previously included in the contract price.
H-26 CONTRACTOR RESPONSIBILITY FOR DESIGN AND CONSTRUCTION

(a) Inasmuch as the construction specifications (exclusive of the System Specification) and contract design were prepared and developed by the Contractor, the Contractor assumes the responsibility for the completeness, thoroughness and adequacy of the specifications for designing and constructing the T-AKE ship meeting the requirements of the System Specification based upon which the Contractor's specifications were proposed. In the event there are any errors or omissions in the contract specifications, or in the accompanying plans that affect the detail design and construction of the T-AKE ship, the Contractor shall correct such errors or omissions as a part of the contract work with no increase in contract price. This includes the correction of errors or omissions to the construction of the ship.

(b) Furthermore, the Contractor shall be responsible for ensuring that the vessel as delivered after construction shall comply with all the applicable laws of the United States and the requirements and standards of the various Regulatory Bodies and other organizations identified in the specifications. The Contractor shall also be responsible for ensuring that the vessel, as constructed, meets the requirements to be classified by the American Bureau of Shipping and U.S. Coast Guard and certified as required by other Regulatory Bodies.

(c) Any inquiries or comments made or not made by the Navy in its evaluation of the Contractors specifications and contract design upon which this contract is awarded shall not relieve the Contractor of the responsibilities described above.

H-27 ORDER OF PRECEDENCE

Within the attachments to this contract, the following order of precedence applies:

(a) System Specification for the Auxiliary Cargo Ammunition Ship, Attachment J-1
(b) Naval Communications Turnkey Approach, Attachment J-9
(c) All other attachments listed in Section J of this contract, other than those attachments listed in (d) through (f) of this clause
(d) Ship Specification, Attachment J-3b
(e) General Arrangement Drawing, Attachment J-3a
(f) Manning Levels, Attachment J-3e and Critical Equipment List, Attachment J-3c.

H-28 NOT USED

H-29 NOT USED

H-30 SUBCONTRACTOR FOR MAIN PROPULSION AND ELECTRIC PLANT SINGLE SYSTEMS VENDOR

(a) The Contractor's Main Propulsion and Electric Plant Single Systems Vendor subcontractor named below shall be an integral part of the Contractor's T-AKE team throughout the life of the contract.
SCHEDULE

Single Systems Vendor Subcontractor

Name: ALSTOM Power Conversion Inc.
Address: Quarters K
1123 Admiral Peary Way
Philadelphia, PA 19112

(b) The Contractor agrees to assign that firm listed in paragraph (a) above. No substitutions shall be made without written consent of the Contracting Officer in accordance with paragraph (c) of this clause.

(c) All requests for substitutions must provide a detailed explanation of the circumstances necessitating the proposed substitutions and any other information requested by the Contracting Officer necessary for a determination to approve the proposed substitution. All proposed substitute subcontractors must have qualifications that are equal to the qualifications of the firm to be replaced. The Contracting Officer will evaluate such requests and promptly notify the Contractor of his approval or disapproval thereof. The Contracting Officer will be the sole judge of the adequacy of the qualifications of any proposed substitute subcontractor.

H-31 SUBCONTRACTOR FOR SECOND SHIPYARD CONSTRUCTION

(a) The Contractor's subcontractor, hereafter referred to as the second shipyard, named below shall be fully capable of independently constructing the T-AKE class ships, shall be an integral part of the Contractor's T-AKE team, and shall construct the portion identified in paragraph (b) of the T-AKE class ships as a subcontractor under this contract.

Second Shipyard Subcontractor

Name: Bath Iron Works
Address: 700 Washington Street
Bath, Maine 04530

(b) The Contractor shall specifically identify below the construction work to be performed by the second shipyard, including entire ships or ship components identified by hull number.

Machinery outfit modules, ships 3-12

H-32 AMERICAN BUREAU OF SHIPPING (ABS) PROGRAM MANAGER

As part of the Contractor's contract with ABS, an ABS Program Manager shall be provided. The ABS Program Manager shall be responsible for maintaining a complete and up-to-date awareness of all matters related to classification, statutory certification or other compliance verification for this program for which ABS is responsible. The Contractor shall include in its contract with ABS a requirement that ABS provide the Government a copy of all correspondence related to

26 January 2001
classification, statutory certification or other compliance verification for which ABS is responsible as it is promulgated and initially distributed. This is to include drawings and other engineering work requiring ABS approval as well as correspondence generated which relates to such approvals, including all such correspondence dealing with vendors. The Government will not directly correspond with ABS concerning any information contained in its correspondence and will provide comments, if any, directly to the Contractor.

H-33 GOVERNMENT SURVEILLANCE OF SECOND SHIPYARD (SUBCONTRACTOR)

(a) The second shipyard identified in the Special Contract Requirement of SECTION H of this contract entitled “SUBCONTRACTOR FOR SECOND SHIPYARD CONSTRUCTION” is a major/critical subcontractor under this contract, whose failure to perform could seriously jeopardize the successful completion of this contract within the price, quality, schedule, or technical performance specifications. Thus, while it is acknowledged that subcontractor management is the responsibility of the prime contractor, it is hereby expressly recognized and agreed to that the cognizant SUPSHIP located at the prime contractor’s facility and the SUPSHIP located at the second shipyard’s facility, will both take an active role in monitoring the second shipyard subcontract.

(b) Government monitoring of the second shipyard’s subcontract performance will be accomplished through delegation from the Procuring Contracting Officer (PCO) to the cognizant Administrative Contracting Officer (ACO) for the prime contractor, and from the prime contractor’s ACO to appropriate personnel at the second shipyard’s SUPSHIP office. The second shipyard’s SUPSHIP personnel will expeditiously report any subcontractor performance problems to concerned parties (technical, quality, cost, or schedule) which actually do or potentially could have an impact upon prime contract performance.

(c) The overall objective is to ensure the Government’s interests are protected at the subcontractor level. That is, to assure that the risks to the Government are kept to a minimum, that the prime contractor is dealing with its subcontractor (second shipyard) in a prudent manner, that the financial interests of the Government are protected, that all assets owned by the Government but utilized by the subcontractor are protected and utilized in accordance with regulations, law, and common sense, and that transactions between the prime and its subcontractor take place at arms length and are fair, responsible, and within the law and regulations.

(d) Privity of contract is between the prime contractor and its subcontractor (second shipyard). The prime contractor is responsible for ensuring that its subcontractor adheres to all contractual requirements. This responsibility is implicit in the contractual process and cannot be mitigated by the fact that subcontracting activity is of great interest to the Government and may be subject to Government surveillance. Nor shall the Government’s surveillance of the second shipyard’s subcontract performance be construed as creating or giving rise to any implied-in-fact contract between the Government and the prime contractor’s major/critical subcontractor.

H-34 GOVERNMENT ACCESS TO THE SECOND SHIPYARD (SUBCONTRACTOR)
(a) The second shipyard (subcontractor) identified in the Special Contract Requirement of SECTION H of this contract entitled “SUBCONTRACTOR FOR SECOND SHIPYARD CONSTRUCTION” is authorized to receive and shall act upon Special Instructions issued directly by the Government, PCO, prime contractor’s ACO, and on site SUPSHIP to the extent provided for in this special contract requirement. The delegation of this authority is expressly limited to situations where extraordinary events cause normal contractual channels of communication and direction to the second shipyard via the prime contractor to be impractical and detrimental to the interests of the Government, the second shipyard, and/or the prime contractor.

(b) Communication and direction between the Government and the second shipyard shall not alter any contractual rights and responsibilities of the prime contractor. Accordingly, in all cases where Special Instructions are issued, the second shipyard and the Government will ensure the prime contractor receives notice of the communication within five (5) working days.

(c) The second shipyard and the prime contractor agree that Special Instructions issued directly to the second shipyard will be limited to matters pertaining to the following:

1. Time sensitive waivers or approvals necessary to minimize impact to the construction schedule; or

2. Instructions or guidance needed to protect the Government’s interests.

Communications or instructions pertaining to the second shipyard not described by the categories above will be transmitted via the prime contractor.

(d) Special Instructions considered to be contract changes will be processed by the prime contractor in accordance with the Special Contract Requirement of SECTION H of this contract entitled “NOTIFICATION OF CHANGES (FT) - ALTERNATE 1.” Nothing in this special contract requirement shall be construed as creating or giving rise to any implied in-fact contract between the Government and the second shipyard.

H-35 REQUIREMENTS FOR DOMESTIC MANUFACTURE OF CERTAIN SHIPBOARD SYSTEMS AND EQUIPMENT

(a) Pursuant to 10 U.S.C. 2218, the work under Items 0001, and if the option(s) are exercised, Items 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, and 0081 shall be subject to Section 1424(b) of the National Defense Authorization Act for Fiscal Year 1991 (P.L. 101-510), as amended by Section 1015 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (P.L. 102-190), Section 1022 of the National Defense Authorization Act for Fiscal Year 1993, (P.L. 102-484), and Section 125 of the National Defense Authorization Act for Fiscal Year 1995 (P.L. 103-337).

(b) In accordance with the provisions of Section 1424(b) of Public Law 101-510 as amended, the Contractor shall ensure that each vessel constructed under this contract shall (1) incorporate propulsion systems whose main components (that is, the engines, reduction gears, and propellers)
are manufactured in the United States, and (2) shall incorporate bridge and machinery control systems and interior communications equipment which - (A) are manufactured in the United States and (B) have more than half of their value, in terms of cost, added in the United States.

(c) The Contractor agrees to retain until the expiration of three (3) years from the date of final payment under this contract and make available during such period, upon request of the Contracting Officer, records showing compliance with this clause.

(d) The contractor agrees to insert this clause, including this paragraph (d), in every subcontract, purchase order and option agreement issued in performance of this contract.
**SECTION I - CONTRACT CLAUSES**

**SECTION I-1 - CLAUSES INCORPORATED BY REFERENCE**

**FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES:**

<table>
<thead>
<tr>
<th>FAR SOURCE</th>
<th>TITLE AND DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.202-1</td>
<td>DEFINITIONS (OCT 1995)</td>
</tr>
<tr>
<td>52.203-3</td>
<td>GRATUITIES (APR 1984)</td>
</tr>
<tr>
<td>52.203-5</td>
<td>COVENANT AGAINST CONTINGENT FEES (APR 1984)</td>
</tr>
<tr>
<td>52.203-6</td>
<td>RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (JUL 1995)</td>
</tr>
<tr>
<td>52.203-7</td>
<td>ANTI-KICKBACK PROCEDURES (JUL 1995)</td>
</tr>
<tr>
<td>52.203-8</td>
<td>CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)</td>
</tr>
<tr>
<td>52.203-10</td>
<td>PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (JAN 1997)</td>
</tr>
<tr>
<td>52.203-12</td>
<td>LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (JUN 1997)</td>
</tr>
<tr>
<td>52.204-2</td>
<td>SECURITY REQUIREMENTS (AUG 1996)</td>
</tr>
<tr>
<td>52.204-4</td>
<td>PRINTING/COPYING DOUBLE-SIDED ON RECYCLED PAPER (JUN 1996)</td>
</tr>
<tr>
<td>52.209-6</td>
<td>PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JUL 1995)</td>
</tr>
<tr>
<td>52.211-5</td>
<td>MATERIAL REQUIREMENTS (OCT 1997)</td>
</tr>
<tr>
<td>52.211-15</td>
<td>DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (SEP 1990)</td>
</tr>
<tr>
<td>52.215-2</td>
<td>AUDIT AND RECORDS—NEGOTIATION (JUNE 1999)</td>
</tr>
</tbody>
</table>
52.215-8 ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT (OCT 1997)

52.215-11 PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA - MODIFICATIONS (OCT 1997)

52.215-13 SUBCONTRACTOR COST OR PRICING DATA – MODIFICATIONS (OCT 1997)

52.215-14 INTEGRITY OF UNIT PRICES (OCT 1997)

52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS (DEC 1998)

52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POST RETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (OCT 1997)

52.216-7 ALLOWABLE COST AND PAYMENT (MAR 2000)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

52.216-8 FIXED FEE (MAR 1997)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (OCT 1999)

52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN (OCT 1999) AND ALTERNATE II (JAN 1999)

52.219-16 LIQUIDATED DAMAGES -- SUBCONTRACTING PLAN (JAN 1999)

52.222-1 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (FEB 1997)

52.222-3 CONVICT LABOR (AUG 1996)

52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT--OVERTIME COMPENSATION (JUL 1995)

52.222-20 WALSH-HEALEY PUBLIC CONTRACTS ACT (DEC 1996)

52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)
52.222-24  PREAWARD ON-SITE EQUAL OPPORTUNITY COMPLIANCE EVALUATION (FEB 1999)

52.222-26  EQUAL OPPORTUNITY (FEB 1999)

52.222-35  AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (APR 1998)

52.222-36  AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998)

52.222-37  EMPLOYMENT REPORTS ON DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1999)

52.223-6   DRUG-FREE WORKPLACE (JAN 1997)

52.223-11  OZONE-DEPLETING SUBSTANCES (JUN 1996)

52.223-12  REFRIGERATION EQUIPMENT AND AIR CONDITIONERS (MAY 1995)

52.223-14  TOXIC CHEMICAL RELEASE REPORTING (OCT 1996)

52.225-8   DUTY-FREE ENTRY (FEB 2000)

52.225-13  RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (JUL 2000)

52.226-1   UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES (JUN 2000)

52.227-1   AUTHORIZATION AND CONSENT (JUL 1995)

52.227-2   NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (AUG 1996)

52.227-10  FILING OF PATENT APPLICATIONS--CLASSIFIED SUBJECT MATTER (APR 1984)

52.227-12  PATENTS RIGHTS--RETENTION BY THE CONTRACTOR (LONG FORM) (JAN 1997)

52.228-7   INSURANCE--LIABILITY TO THIRD PERSONS (MAR 1996)
            (Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

52.229-3   FEDERAL, STATE, AND LOCAL TAXES (JAN 1991)

26JANUARY2001  Page 3  SECTION I
52.229-5  TAXES--CONTRACTS PERFORMED IN U.S. POSSESSIONS OR PUERTO RICO (APR 1984)

52.230-2  COST ACCOUNTING STANDARDS (APR 1998)

52.230-6  ADMINISTRATION OF COST ACCOUNTING STANDARDS (NOV 1999)

52.232-1  PAYMENTS (APR 1984)

52.232-8  DISCOUNTS FOR PROMPT PAYMENT (MAY 1997)

52.232-9  LIMITATION ON WITHHOLDING OF PAYMENTS (APR 1984)

52.232-11 EXTRAS (APR 1984)

52.232-16 PROGRESS PAYMENTS (MAR 2000)
(Not applicable to Item 0001 and if exercised, Option Items 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, and 0081)

52.232-17 INTEREST (JUN 1996)

52.232-20 LIMITATION OF COST (APR 1984)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

52.232-22 LIMITATION OF FUNDS (APR 1984)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

52.232-23 ASSIGNMENT OF CLAIMS (JAN 1986) AND ALTERNATE I (APR 1984)

52.232-25 PROMPT PAYMENT (JUN 1997)

52.232-33 PAYMENT BY ELECTRONIC FUNDS TRANSFER TRANSFER-CENTRAL CONTRACTOR REGISTRATION (MAY 1999)

52.233-1 DISPUTES (DEC 1998) AND ALTERNATE I (DEC 1991)

52.233-3 PROTEST AFTER AWARD (AUG 1996)
52.233-3 PROTEST AFTER AWARD (AUG 1996) AND ALTERNATE I (JUN 1985)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

52.239-1 PRIVACY OR SECURITY SAFEGUARDS (AUG 1996)

52.242-1 NOTICE OF INTENT TO DISALLOW COSTS (APR 1984)

52.242-3 PENALTIES FOR UNALLOWABLE COSTS (OCT 1995)

52.242-10 F.O.B. ORIGIN--GOVERNMENT BILLS OF LADING OR PREPAID POSTAGE (APR 1984)

52.242-13 BANKRUPTCY (JUL 1995)

52.243-1 CHANGES--FIXED PRICE (AUG 1987) AND ALTERNATE II (APR 1984)

52.243-2 CHANGES--COST REIMBURSEMENT (AUG 1987) AND ALTERNATE II (APR 1984)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

52.243-6 CHANGE ORDER ACCOUNTING (APR 1984)

52.244-5 COMPETITION IN SUBCONTRACTING (DEC 1996)

52.245-18 SPECIAL TEST EQUIPMENT (FEB 1993)

52.246-23 LIMITATION OF LIABILITY (FEB 1997)

52.246-24 LIMITATION OF LIABILITY-HIGH VALUE ITEMS (FEB 1997) AND ALTERNATE I (APR 1984)

52.246-25 LIMITATION OF LIABILITY--SERVICES (FEB 1997)

52.247-1 COMMERCIAL BILL OF LADING NOTATIONS (APR 1984)

52.248-1 VALUE ENGINEERING (FEB 2000)

52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) (SEP 1996)
52.249-6 TERMINATION (COST REIMBURSEMENT) (SEP 1996)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) (APR 1984)

52.249-14 EXCUSABLE DELAYS (APR 1984)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

52.251-1 GOVERNMENT SUPPLY SOURCES (APR 1984)

52.253-1 COMPUTER GENERATED FORMS (JAN 1991)

II. DOD FAR SUPPLEMENT (48 CFR CHAPTER 2) CLAUSES:

<table>
<thead>
<tr>
<th>DFARS SOURCE</th>
<th>TITLE AND DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>252.203-7001</td>
<td>PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE – CONTRACT – RELATED FELONIES (MAR 1999)</td>
</tr>
<tr>
<td>252.203-7002</td>
<td>DISPLAY OF DOD HOTLINE POSTER (DEC 1991)</td>
</tr>
<tr>
<td>252.204-7000</td>
<td>DISCLOSURE OF INFORMATION (DEC 1991)</td>
</tr>
<tr>
<td>252.204-7003</td>
<td>CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)</td>
</tr>
<tr>
<td>252.204-7004</td>
<td>REQUIRED CENTRAL CONTRACTOR REGISTRATION (MAR 2000)</td>
</tr>
<tr>
<td>252.204-7005</td>
<td>ORAL ATTESTATION OF SECURITY RESPONSIBILITIES (AUG 1999)</td>
</tr>
<tr>
<td>252.205-7000</td>
<td>PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS (DEC 1991)</td>
</tr>
<tr>
<td>252.209-7000</td>
<td>ACQUISITION FROM SUBCONTRACTORS SUBJECT TO ON-SITE INSPECTION UNDER THE INTERMEDIATE-RANGE NUCLEAR FORCES (INF) TREATY (NOV 1995)</td>
</tr>
</tbody>
</table>
252.209-7004  SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR
CONTROLLED BY THE GOVERNMENT OF A TERRORIST
COUNTRY (MAR 1998)

252.211-7000  ACQUISITION STREAMLINING (DEC 1991)

252.215-7000  PRICING ADJUSTMENTS (DEC 1991)

252.219-7003  SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED
SMALL BUSINESS SUBCONTRACTING PLAN (DOD
CONTRACTS) (APR 1996)

252.223-7004  DRUG-FREE WORK FORCE (SEP 1988)

252.225-7001  BUY AMERICAN ACT AND BALANCE OF PAYMENTS
PROGRAM (MAR 1998)

252.225-7002  QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS
(DEC 1991)

252.225-7009  DUTY-FREE ENTRY - QUALIFYING COUNTRY SUPPLIES (END
PRODUCTS AND COMPONENTS) (MAR 1998)

252.225-7010  DUTY-FREE ENTRY -- ADDITIONAL PROVISIONS (MAR 1998)

252.225-7012  PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES
(MAY 1999)

252.225-7014  PREFERENCE FOR DOMESTIC SPECIALITY METALS (MAR

252.225-7015  PREFERENCE FOR DOMESTIC HAND OR MEASURING TOOLS
(DEC 1991)

252.225-7016  RESTRICTION ON ACQUISITION OF BALL AND ROLLER
BEARINGS (AUG 1998)

252.225-7019  RESTRICTION ON ACQUISITION OF FOREIGN ANCHOR AND
MOORING CHAIN (DEC 1991)

252.225-7022  RESTRICTION ON ACQUISITION OF POLYACRYLONITRILE
(PAN) CARBON FIBER (JUN 1997)

252.225-7025  RESTRICTION ON ACQUISITION OF FORGINGS (JUN 1997)
<table>
<thead>
<tr>
<th>Document Number</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>252.225-7026</td>
<td>REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (MAR 1998)</td>
</tr>
<tr>
<td>252.225-7029</td>
<td>PREFERENCE FOR UNITED STATES OR CANADIAN AIR CIRCUIT BREAKERS (AUG 1998)</td>
</tr>
<tr>
<td>252.225-7031</td>
<td>SECONDARY ARAB BOYCOTT OF ISRAEL (JUN 1992)</td>
</tr>
<tr>
<td>252.225-7039</td>
<td>RESTRICTION ON ACQUISITION OF TOTALLY ENCLOSED LIFEBOAT SURVIVAL SYSTEMS (APR 1996)</td>
</tr>
<tr>
<td>252.227-7013</td>
<td>RIGHTS IN TECHNICAL DATA--NONCOMMERCIAL ITEMS (NOV 1995)</td>
</tr>
<tr>
<td>252.227-7014</td>
<td>RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION (JUN 1995)</td>
</tr>
<tr>
<td>252.227-7015</td>
<td>TECHNICAL DATA -- COMMERCIAL ITEMS (NOV 1995)</td>
</tr>
<tr>
<td>252.227-7016</td>
<td>RIGHTS IN BID OR PROPOSAL INFORMATION (JUN 1995)</td>
</tr>
<tr>
<td>252.227-7017</td>
<td>IDENTIFICATION AND ASSERTION OF USE, RELEASE OR DISCLOSURE RESTRICTIONS (JUN 1995)</td>
</tr>
<tr>
<td>252.227-7019</td>
<td>VALIDATION OF ASSERTED RESTRICTIONS—COMPUTER SOFTWARE (JUN 1995)</td>
</tr>
<tr>
<td>252.227-7025</td>
<td>LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT–FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS (JUN 1995)</td>
</tr>
<tr>
<td>252.227-7027</td>
<td>DEFERRED ORDERING OF TECHNICAL DATA AND COMPUTER SOFTWARE (APR 1988)</td>
</tr>
<tr>
<td>252.227-7028</td>
<td>TECHNICAL DATA OR COMPUTER SOFTWARE PREVIOUSLY DELIVERED TO THE GOVERNMENT (JUN 1995)</td>
</tr>
<tr>
<td>252.227-7030</td>
<td>TECHNICAL DATA--WITHHOLDING OF PAYMENT (MAR 2000)</td>
</tr>
<tr>
<td>252.227-7036</td>
<td>DECLARATION OF TECHNICAL DATA CONFORMITY (JAN 1997)</td>
</tr>
<tr>
<td>252.227-7037</td>
<td>VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (SEP 1999)</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>252.231-7000</td>
<td>SUPPLEMENTAL COST PRINCIPLES (DEC 1991)</td>
</tr>
<tr>
<td>252.232-7004</td>
<td>DOD PROGRESS PAYMENT RATES (FEB 1996)</td>
</tr>
<tr>
<td></td>
<td>(Not applicable to Item 0001 and if exercised, Option Items 0011, 0018,</td>
</tr>
<tr>
<td></td>
<td>0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, and 0081)</td>
</tr>
<tr>
<td>252.235-7003</td>
<td>FREQUENCY AUTHORIZATION (DEC 1991)</td>
</tr>
<tr>
<td>252.242-7000</td>
<td>POSTAWARD CONFERENCE (DEC 1991)</td>
</tr>
<tr>
<td>252.242-7003</td>
<td>APPLICATION FOR U.S. GOVERNMENT SHIPPING DOCUMENTATION/INSTRUCTIONS (DEC 1991)</td>
</tr>
<tr>
<td>252.242-7004</td>
<td>MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM (SEP 1996)</td>
</tr>
<tr>
<td>252.243-7001</td>
<td>PRICING OF CONTRACT MODIFICATIONS (DEC 1991)</td>
</tr>
<tr>
<td>252.243-7002</td>
<td>REQUESTS FOR EQUITABLE ADJUSTMENTS (MAR 1998)</td>
</tr>
<tr>
<td>252.244-7000</td>
<td>SUBCONTACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DOD CONTRACTS) (MAR 2000)</td>
</tr>
<tr>
<td>252.245-7001</td>
<td>REPORTS OF GOVERNMENT PROPERTY (MAY 1994)</td>
</tr>
<tr>
<td>252.246-7000</td>
<td>MATERIAL INSPECTION AND RECEIVING REPORT (DEC 1991)</td>
</tr>
<tr>
<td>252.246-7001</td>
<td>WARRANTY OF DATA (DEC 1991)</td>
</tr>
<tr>
<td>252.246-7001</td>
<td>WARRANTY OF DATA (DEC 1991) AND ALTERNATE I (DEC 1991)</td>
</tr>
<tr>
<td></td>
<td>(Applicable only to Item 0001 and if exercised, Option Items 0011, 0018,</td>
</tr>
<tr>
<td></td>
<td>0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, and 0081)</td>
</tr>
<tr>
<td>252.249-7002</td>
<td>NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION (DEC 1996)</td>
</tr>
<tr>
<td>252.251-7000</td>
<td>ORDERING FROM GOVERNMENT SUPPLY SOURCES (MAY 1995)</td>
</tr>
</tbody>
</table>
SECTION I-2 • CLAUSES INCORPORATED IN FULL TEXT

FAR 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

(a) The Contractor shall make the following notifications in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall:

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

(c) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

FAR 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA -- MODIFICATIONS (OCT 1997) AND ALTERNATE II (OCT 1997)

(a) Exceptions from cost or pricing data.

(1) In lieu of submitting cost or pricing data for modifications under this contract, for price adjustments expected to exceed the threshold set forth at FAR 15.403-4 on the date of the agreement on price or the date of the award, whichever is later, the Contractor may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable.

(i) Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document, unless it was previously submitted to the contracting office.
(ii) Information on modifications of contracts or subcontracts for commercial items.

(A) If –

1.) The original contract or subcontract was granted an exception from cost or pricing data requirements because the price agreed upon was based on adequate price competition or prices set by law or regulation, or was a contract or subcontract for the acquisition of a commercial item; and

2.) The modification (to the contract or subcontract) is not exempted based on one of these exceptions, then the Contractor may provide information to establish that the modification would not change the contract or subcontract from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

(B) For a commercial item exception, the Contractor shall provide, at a minimum, information on prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the modification. Such information may include –

1.) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished), e.g., wholesale, original equipment manufacturer, or reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities.

2.) For market-priced items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market.

3.) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(2) The Contractor grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this clause, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the Contractor's determination of the prices to be offered in the catalog or marketplace.

(b) Requirements for cost or pricing data. If the Contractor is not granted an exception from the requirement to submit cost or pricing data, the following applies:
(1) The Contractor shall submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

(2) As soon as practicable after agreement on price, but before award (except for unpriced actions), the Contractor shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

(c) When the proposal is submitted, also submit one copy each to:

(1) The Administrative Contracting Officer, and

(2) The Contract Auditor.

FAR 52.216-16 INCENTIVE PRICE REVISION--FIRM TARGET (FI) (APR 1984)
(DEVIATION - 16 NOV 1992) (NAVSEA 5252.216-9127)
(Applicable only to Item 0001 and if exercised, Option Items 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, and 0081)

(a) General. The supplies or services identified in Sections B and C are subject to price revision in accordance with the provisions of this clause; provided, that in no event shall the total final price of such items exceed the total ceiling price as set forth in Section B of the contract. Any supplies or services which are to be ordered separately under, or otherwise added to, this contract, and which are to be subject to price revision in accordance with the provisions of this clause, shall be identified as such in a modification to this contract.

(b) Definition of Cost. For the purposes of this contract, "cost" or "costs" means allowable cost in accordance with Part 31 of the Federal Acquisition Regulation (FAR) and Part 231 of the Department of Defense FAR Supplement (DFARS) as in effect on the date of this contract.

(c) Submission of Data. Within three-hundred and sixty five (365) days after the end of the month in which the Contractor has delivered the last unit of supplies and completed the services called for by those items referred to in paragraph (a) above, the Contractor shall submit, on Standard Form (SF) 1411 or other form as the Contracting Officer may require, (i) a detailed statement of all costs incurred up to the end of that month in performing all work under such items, (ii) an estimate of costs of such further performance, if any, as may be necessary to complete performance of all work with respect to such items, and (iii) a list identifying to the extent practicable residual inventory and the estimated value thereof.

(d) Price Revision. Upon submission of the data required by paragraph (c) above, the Contractor and the Contracting Officer shall promptly establish the total final price in accordance with the following:

(1) On the basis of the information required by paragraph (c) above, together with any other pertinent information, there shall be established by negotiation the total final cost incurred or to be incurred for the supplies delivered (or services performed) and accepted by the Government, which are subject to price revision under this clause. The total final negotiated cost so established shall
include costs incurred or to be incurred for all supplies delivered (or services performed) and accepted by the Government which are subject to price revision, notwithstanding any provisions contained in the specifications or other documents incorporated in this contract by reference or in the Schedule or Contract Clauses hereof designating services to be performed or materials to be furnished by the Contractor at his expense, or without cost to the Government, or with costs to be borne by the Contractor; provided, however, that after the total final price has been established in accordance with this clause, such services shall be performed and such materials shall be furnished at no increase in said total final price. The amounts determined in accordance with the following contract provisions shall not be considered costs incurred or to be incurred for the purpose of negotiating the total final cost or establishing the total final price in accordance with this clause.

(i) Clause H-4 Economic Price Adjustment.

(ii) Any other provision of this contract which provides for an amount to be reimbursed or paid to the Contractor by the Government or to be refunded or paid by the Contractor to the Government, other than through an adjustment of the contract price, including the following:

(A) Paragraphs (b), (c), and (e) of the clause of this contract entitled "INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS."

(B) The clause of this contract entitled "ADDITIONAL INSURANCE PROVISIONS."

(C) The clause of this contract entitled "Indemnification under Public Law 85-804 (FAR 52.250-1)."

(2) The total final price shall be established by adjusting the total final negotiated cost by an amount for profit or loss determined as follows:

<table>
<thead>
<tr>
<th>WHEN THE TOTAL FINAL NEGOTIATED COST IS:</th>
<th>THE AMOUNT FOR PROFIT OR LOSS IS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal to the total target cost--------</td>
<td>Total target profit.</td>
</tr>
<tr>
<td>Greater than the total target cost--</td>
<td>Total target profit less <strong>SEE SECTION B</strong> percent of the amount by which the total final negotiated cost exceeds the total target cost.</td>
</tr>
<tr>
<td>Less than the total target cost------</td>
<td>Total target profit plus <strong>SEE SECTION B</strong> percent of the amount by which the total final negotiated cost is less than the total target cost.</td>
</tr>
</tbody>
</table>

(3) The total final price of the items referred to in paragraph (a) above shall be evidenced by a modification to this contract signed by the Contractor and the Contracting Officer. Such price shall not be subject to revision notwithstanding any changes in the cost of performing the contract, with the following exceptions:
(i) insofar as the parties may agree in writing, prior to the determination of the final price, (A) to exclude any specific elements of cost from the final price and (B) to a procedure to provide subsequent disposition of such elements; and

(ii) to the extent any adjustment or credit is explicitly permitted or required by this or any other clause of this contract.

(e) Subcontracts. No subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

(f) Disagreements. If the Contractor and the Contracting Officer fail to agree upon the total final price within sixty (60) days after the date on which the data required by (c) above are to be submitted, or within such further time as may be specified by the Contracting Officer, such failure to agree shall be deemed to be a dispute within the meaning of the "DISPUTES" clause of this contract and the Contracting Officer shall promptly issue a decision thereunder.

(g) Termination. If this contract is terminated prior to establishment of the total final price, prices of supplies or services subject to price revision under this clause shall be established pursuant to this clause for (i) completed supplies accepted by the Government and services performed and accepted by the Government, and (ii) in the event of a partial termination, supplies and services which are not terminated. The termination shall be otherwise accomplished pursuant to other applicable clauses of this contract.

(h) Equitable Adjustment Under Other Clauses. If an equitable adjustment in the contract price is made under any other clause of this contract before the total final price is established, the adjustment shall be made in the total target cost and may be made in the ceiling price, the total target profit or both. If such an adjustment is made after the total final price is established, adjustment shall be made only in the total final price.

(i) Exclusion From Target Price and Total Final Price. Whenever any clause of this contract provides that the contract price does not or will not include an amount for a specific purpose, such provision shall mean that neither any target price nor the total final price includes or will include any amount for such purpose.

(j) Separate Reimbursement. The cost of performance of an obligation that any clause of this contract expressly provides is at Government expense shall not be included in any target price or in the total final price, but shall be reimbursed separately.

(k) Taxes. As used in the "FEDERAL, STATE, AND LOCAL TAXES" clause of this contract or any other clause of this contract that provides for certain taxes or duties to be included in, or excluded from, the contract price, the term "contract price" includes the total target price, or if it has been established, the total final price. When a provision in such clause requires that the contract price be increased or decreased as a result of changes in the obligation of the Contractor to pay or bear the burden of certain taxes or duties, such increase or decrease shall be made in the total target
price and, in the same amount, the ceiling price or, if it has been established, in the total final price, so as not to affect the Contractor's profit or loss on this contract.

FAR 52.222-2 PAYMENT FOR OVERTIME PREMIUMS (JUL 1990)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

(a) The use of overtime is authorized under this contract if the overtime premium cost does not exceed zero dollars or the overtime premium is paid for work--

(1) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;

(2) By indirect-labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;

(3) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or

(4) That will result in lower overall costs to the Government.

(b) Any request for estimated overtime premiums that exceeds the amount specified above shall include all estimated overtime for contract completion and shall--

(1) Identify the work unit; e.g., department or section in which the requested overtime will be used, together with present workload, staffing, and other data of the affected unit sufficient to permit the Contracting Officer to evaluate the necessity for the overtime;

(2) Demonstrate the effect that denial of the request will have on the contract delivery or performance schedule;

(3) Identify the extent to which approval of overtime would affect the performance or payments in connection with other Government contracts, together with identification of each affected contract; and

(4) Provide reasons why the required work cannot be performed by using multi-shift operations or by employing additional personnel.
FAR 52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (JAN 1997)

(a) "Hazardous material," as used in this clause, includes any material defined as hazardous under the latest version of Federal Standard No. 313 (including revisions adopted during the term of the contract).

(b) The offeror must list any hazardous material, as defined in paragraph (a) of this clause, to be delivered under this contract. The hazardous material shall be properly identified and include any applicable identification number, such as National Stock Number or Special Item Number. This information shall also be included on the Material Safety Data Sheet submitted under this contract.

Material (If none, insert "None") Identification No.
None identified at this time (such material may be identified during detail design).

(c) This list must be updated during performance of the contract whenever the Contractor determines that any other material to be delivered under this contract is hazardous.

(d) The apparently successful offeror agrees to submit, for each item as required prior to award, a Material Safety Data Sheet, meeting the requirements of 29 CFR 1910.1200(g) and the latest version of Federal Standard No. 313, for all hazardous material identified in paragraph (b) of this clause. Data shall be submitted in accordance with Federal Standard No. 313, whether or not the apparently successful offeror is the actual manufacturer of these items. Failure to submit the Material Safety Data Sheet prior to award may result in the apparently successful offeror being considered nonresponsible and ineligible for award.

(e) If, after award, there is a change in the composition of the item(s) or a revision to Federal Standard No. 313, which renders incomplete or inaccurate the data submitted under paragraph (d) of this clause, the Contractor shall promptly notify the Contracting Officer and resubmit the data.

(f) Neither the requirements of this clause nor any act or failure to act by the Government shall relieve the Contractor of any responsibility or liability for the safety of Government, Contractor, or subcontractor personnel or property.

(g) Nothing contained in this clause shall relieve the Contractor from complying with applicable Federal, State, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous material.

(h) The Government’s rights in data furnished under this contract with respect to hazardous material are as follows:

(1) To use, duplicate and disclose any data to which this clause is applicable. The purposes of this right are to –
(i) Apprise personnel of the hazards to which they may be exposed in using, handling, packaging, transporting, or disposing of hazardous materials;

(ii) Obtain medical treatment for those affected by the material; and

(iii) Have others use, duplicate, and disclose the data for the Government for these purposes.

(2) To use, duplicate, and disclose data furnished under this clause, in accordance with subparagraph (h)(1) of this clause, in precedence over any other clause of this contract providing for rights in data.

(3) The Government is not precluded from using similar or identical data acquired from other sources.

FAR 52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (DEC 1994)

(a) Definitions. "Title III industrial resource" means materials, services, processes, or manufacturing equipment (including the processes, technologies, and ancillary services for the use of such equipment) established or maintained under the authority of Title III, Defense Production Act (50 U.S.C. App. 2091-2093.).

"Title III project contractor" means a contractor that has received assistance for the development or manufacture of an industrial resource under 50 U.S.C. App. 2091-2093, Defense Production Act.

(b) The Contractor shall refer any request from a Title III project contractor for testing and qualification of a Title III industrial resource to the Contracting Officer.

(c) Upon the direction of the Contracting Officer, the Contractor shall test Title III industrial resources for qualification. The Contractor shall provide the test results to the Defense Production Act Office, Title III Program, located at Wright Patterson Air Force Base, Ohio 45433-7739.

(d) When the Contracting Officer modifies the contract to direct testing pursuant to this clause, the Government will make an equitable adjustment in the contract for the costs of testing and qualification of the Title III industrial resource.

(e) The Contractor agrees to insert the substance of this clause, including paragraph (e), in every subcontract issued in performance of this contract.

FAR 52.242-4 CERTIFICATION OF FINAL INDIRECT COSTS (JAN 1997)

(a) The Contractor shall –

(1) Certify any proposal to establish or modify final indirect cost rates;
(2) Use the format in paragraph (c) of this clause to certify; and

(3) Have the certificate signed by an individual of the Contractor's organization at a level no lower than a vice president or chief financial officer of the business segment of the Contractor that submits the proposal.

(b) Failure by the Contractor to submit a signed certificate, as described in this clause, may result in final indirect costs at rates unilaterally established by the Contracting Officer.

(c) The certificate of final indirect costs shall read as follows:

Certificate of Final Indirect Costs

This is to certify that I have reviewed this proposal to establish final indirect cost rates and to the best of my knowledge and belief:

(1) All costs included in this proposal (identify proposal and date) to establish final indirect cost rates for (identify period covered by rate) are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final indirect cost rates will apply; and

(2) This proposal does not include any costs which are expressly unallowable under applicable cost principles of the FAR or its supplements.

Firm: ________________________________

Signature: ____________________________

Name of Certifying Official: ____________

Title: ________________________________

Date of Execution: ____________________

FAR 52.243-7 NOTIFICATION OF CHANGES (APR 1984)
(Not applicable to Item 0001 and if exercised, Option Items 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, and 0081)

(a) Definitions. "Contracting Officer," as used in this clause, does not include any representative of the Contracting Officer.

"Specifically Authorized Representative (SAR)," as used in this clause, means any person the Contracting Officer has so designated by written notice (a copy of which shall be provided to the
(b) Notice. The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Administrative Contracting Officer in writing promptly, within 30 calendar days from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the Contractor regards as a change to the contract terms and conditions. On the basis of the most accurate information available to the Contractor, the notice shall state—

(1) The date, nature, and circumstances of the conduct regarded as a change;

(2) The name, function, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;

(3) The identification of any documents and the substance of any oral communication involved in such conduct;

(4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;

(5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including—

(i) What contract line items have been or may be affected by the alleged change;

(ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;

(iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;

(iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and

(6) The Contractor’s estimate of the time by which the Government must respond to the Contractor’s notice to minimize cost, delay or disruption of performance.

(c) Continued performance. Following submission of the notice required by paragraph (b) of this clause, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance; provided, however, that if the Contractor regards the direction or communication as a change as described in
paragraph (b) of this clause, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing promptly and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall promptly countermand any action which exceeds the authority of the SAR.

(d) Government response. The Contracting Officer shall promptly, within 15 calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either --

(1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;

(2) Countermand any communication regarded as a change;

(3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or

(4) In the event the Contractor’s notice information is inadequate to make a decision under subparagraphs (d)(1), (2), or (3) of this clause, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.

(e) Equitable adjustments.

(1) If the Contracting Officer confirms that Government conduct effected a change as alleged by the Contractor, and the conduct causes an increase or decrease in the Contractor’s cost of, or the time required for, performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment shall be made --

(i) In the contract price or delivery schedule or both; and

(ii) In such other provisions of the contract as may be affected.

(2) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time extension for delay reasonably incurred by the Contractor in attempting to comply with the defective drawings, designs or specifications before the Contractor identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by the Contracting Officer under this clause is included in the equitable adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Contractor’s failure to provide notice or to continue performance as provided, respectively, in paragraphs (b) and (c) of this clause.
FAR 52.244-2 SUBCONTRACTS (AUG 1998)

(a) Definitions. As used in this clause--

"Approved purchasing system" means a Contractor's purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR).

"Consent to subcontract" means the Contracting Officer's written consent for the Contractor to enter into a particular subcontract.

"Subcontract," means any contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(b) This clause does not apply to subcontracts for special test equipment when the contract contains the clause at FAR 52.245-18, Special Test Equipment.

(c) When this clause is included in a fixed-price type contract, consent to subcontract is required only on unpriced actions (including unpriced modifications or unpriced delivery orders), and only if required in accordance with paragraph (d) or (e) of this clause.

(d) If the Contractor does not have an approved purchasing system, consent to subcontract is required for any subcontract that--

   (1) Is of the cost-reimbursement, time-and-materials, or labor-hour type; or

   (2) Is fixed-price and exceeds--

       (i) For a contract awarded by the Department of Defense, the Coast Guard, or the National Aeronautics and Space Administration, the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of the contract; or

       (ii) For a contract awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold or 5 percent of the total estimated cost of the contract.

(e) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts:

   (f)(1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (c), (d), or (e) of this clause, including the following information:

       (i) A description of the supplies or services to be subcontracted.
(ii) Identification of the type of subcontract to be used.

(iii) Identification of the proposed subcontractor.

(iv) The proposed subcontract price.

(v) The subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.

(vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.

(vii) A negotiation memorandum reflecting--

(A) The principal elements of the subcontract price negotiations;

(B) The most significant considerations controlling establishment of initial or revised prices;

(C) The reason cost or pricing data were or were not required;

(D) The extent, if any, to which the Contractor did not rely on the subcontractor's cost or pricing data in determining the price objective and in negotiating the final price;

(E) The extent, if any, to which it was recognized in the negotiation that the subcontractor's cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and subcontractor; and the effect of any such defective data on the total price negotiated;

(F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and

(G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and summary of all trade-off possibilities considered.

(2) The Contractor is not required to notify the Contracting Officer in advance of entering into any subcontract for which consent is not required under paragraph (c), (d), or (e) of this clause.

(g) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination--

(1) Of the acceptability of any subcontract terms or conditions
(2) Of the allowability of any cost under this contract; or

(3) To relieve the Contractor of any responsibility for performing this contract.

(h) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.404-4(c)(4)(1).

(i) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(j) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.

(k) Paragraphs (d) and (f) of this clause does not apply to the following subcontracts, which were evaluated during negotiations:

FAR 52.244-2 SUBCONTRACTS (AUG 1998) AND ALTERNATE I (AUG 1998)
(Applicable only to Item 0003 and if exercised, Option Items 0013, 0020, 0027, 0034, 0041, 0048, 0055, 0062, 0069, 0076, and 0083)

(a) Definitions. As used in this clause--

"Approved purchasing system" means a Contractor's purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR).

"Consent to subcontract" means the Contracting Officer's written consent for the Contractor to enter into a particular subcontract.

"Subcontract," means any contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(b) This clause does not apply to subcontracts for special test equipment when the contract contains the clause at FAR 52.245-18, Special Test Equipment.

(c) When this clause is included in a fixed-price type contract, consent to subcontract is required only on unpriced actions (including unpriced modifications or unpriced delivery orders), and only if required in accordance with paragraph (d) or (e) of this clause.
(d) If the Contractor does not have an approved purchasing system, consent to subcontract is required for any subcontract that--

(1) Is of the cost-reimbursement, time-and-materials, or labor-hour type; or

(2) Is fixed-price and exceeds--

(i) For a contract awarded by the Department of Defense, the Coast Guard, or the National Aeronautics and Space Administration, the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of the contract; or

(ii) For a contract awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold or 5 percent of the total estimated cost of the contract.

(e) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts:

(f)(1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (c), (d), or (e) of this clause, including the following information:

(i) A description of the supplies or services to be subcontracted.

(ii) Identification of the type of subcontract to be used.

(iii) Identification of the proposed subcontractor.

(iv) The proposed subcontract price.

(v) The subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.

(vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.

(vii) A negotiation memorandum reflecting--

(A) The principal elements of the subcontract price negotiations;

(B) The most significant considerations controlling establishment of initial or revised prices;

(C) The reason cost or pricing data were or were not required;
(D) The extent, if any, to which the Contractor did not rely on the subcontractor's cost or pricing data in determining the price objective and in negotiating the final price;

(E) The extent, if any, to which it was recognized in the negotiation that the subcontractor's cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and subcontractor; and the effect of any such defective data on the total price negotiated;

(F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and

(G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and summary of all trade-off possibilities considered.

(2) If the Contractor has an approved purchasing system and consent is not required under paragraph (c), (d), or (e) of this clause, the Contractor nevertheless shall notify the Contracting Officer reasonably in advance of entering into any

(i) cost-plus-fixed-fee subcontract, or

(ii) fixed-price subcontract that exceeds the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of this contract.

The notification shall include the information required by paragraphs (f)(1)(i) through (f)(1)(iv) of this clause.

(g) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontractor nor approval of the Contractor's purchasing system shall constitute a determination--

(1) Of the acceptability of any subcontract terms or conditions

(2) Of the allowability of any cost under this contract; or

(3) To relieve the Contractor of any responsibility for performing this contract.

(h) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.404-4(c)(4)(1).

(i) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor
that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(j) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.

(k) Paragraphs (d) and (f) of this clause does not apply to the following subcontracts, which were evaluated during negotiations:

FAR 52.244-6  SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (OCT 1998)

(a) Definitions.

"Commercial item," as used in this clause, has the meaning contained in the clause at 52.202-1, Definitions.

"Subcontract," as used in this clause, includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

(c) Notwithstanding any other clause of this contract, the Contractor is not required to include any FAR provision or clause, other than those listed below to the extent they are applicable and as may be required to establish the reasonableness of prices under Part 15, in a subcontract at any tier for commercial items or commercial components:

(1) 52.222-26, Equal Opportunity (E.O.11246);

(2) 52.222-35, Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (38 U.S.C.4212(a));

(3) 52.222-36, Affirmative Action for Workers with Disabilities (29 U.S.C.793); and


(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.
FAR 52.245-2 GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) (DEC 1989)
(DEVIATION) (99-00012)

(a) Government-furnished property. (1) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the Government-furnished property described in the Schedule or specifications together with any related data and information that the Contractor may request and as reasonably required for the intended use of the property (hereinafter referred to as "Government-furnished property").

(2) The delivery or performance dates for this contract are based upon the expectation that Government-furnished property suitable for use (except for property furnished "as is") will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet the contract's delivery or performance dates.

(3) If Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt of it, notify the Contracting Officer, detailing the facts, and, as directed by the Contracting Officer and at Government expense, either repair, modify, return, or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, the Contracting Officer shall make an equitable adjustment as provided in paragraph (h) of this clause.

(4) If Government-furnished property is not delivered to the Contractor by the required time, the Contracting Officer shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused the Contractor and shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(b) Changes in Government-furnished property. (1) The Contracting Officer may, by written notice, (i) decrease the Government-furnished property provided or to be provided under this contract, or (ii) substitute other Government-furnished property for the property to be provided by the Government, or to be acquired by the Contractor for the Government, under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct regarding the removal, shipment, or disposal of the property covered by such notice.

(2) Upon the Contractor's written request, the Contracting Officer shall make an equitable adjustment to the contract in accordance with paragraph (h) of this clause, if the Government has agreed in the Schedule to make the property available for performing this contract and there is any--

(i) Decrease or substitution in this property pursuant to subparagraph (b)(1) of this clause; or

(ii) Withdrawal of authority to use this property, if provided under any other contract or lease.

(c) Title in Government property. (1) The Government shall retain title to all Government-furnished property.
(2) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(3) Title to each item of facilities and special test equipment acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(4) If this contract contains a provision directing the Contractor to purchase material for which the Government will reimburse the Contractor as a direct item of cost under this contract--

   (i) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and

   (ii) Title to all other material shall pass to and vest in the Government upon--

   (A) Issuance of the material for use in contract performance;

   (B) Commencement of processing of the material or its use in contract performance; or

   (C) Reimbursement of the cost of the material by the Government, whichever occurs first.

(d) Use of Government property. The Government property shall be used only for performing this contract, unless otherwise provided in this contract or approved by the Contracting Officer.

(e) Property administration. (1) The Contractor shall be responsible and accountable for all Government property provided under this contract and shall comply with Federal Acquisition Regulation (FAR) Subpart 45.5, as in effect on the date of this contract.

   (2) The Contractor shall establish and maintain a program for use, maintenance, repair, protection, and preservation of Government property in accordance with sound industrial practice and the applicable provisions of Subpart 45.5 of the FAR.

   (3) If damage occurs to Government property, the risk of which has been assumed by the Government under this contract, the Government shall replace the items or the Contractor shall make such repairs as the Government directs. However, if the Contractor cannot effect such repairs within the time required, the Contractor shall dispose of the property as directed by the Contracting Officer. When any property for which the Government is responsible is replaced or repaired, the Contracting Officer shall make an equitable adjustment in accordance with paragraph (h) of this clause.
(4) The Contractor represents that the contract price does not include any amount of repairs or replacement for which the Government is responsible. Repair or replacement of property for which the Contractor is responsible shall be accomplished by the Contractor at its own expense.

(f) Access. The Government and all its designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting the Government property.

(g) Risk of loss. Unless otherwise provided in this contract, the Contractor assumes risk of, and shall be responsible for, any loss or destruction of, or damage to, Government property upon its delivery to the Contractor or upon passage of title to the Government under paragraph (c) of this clause. However, the Contractor is not responsible for reasonable wear and tear to Government property or for Government property properly consumed in performing this contract.

(h) Equitable adjustment. When this clause specifies an equitable adjustment, it shall be made to any affected contract provision in accordance with the procedures of the Changes clause. When appropriate, the Contracting Officer may initiate an equitable adjustment in favor of the Government. The right to an equitable adjustment shall be the Contractor’s exclusive remedy. The Government shall not be liable for suit for breach of contract or--

(1) Any delay in delivery of Government-furnished property;

(2) Delivery of Government-furnished property in a condition not suitable for its intended use;

(3) A decrease in or substitution of Government-furnished property; or

(4) Failure to repair or replace Government property for which the Government is responsible.

(i) Final accounting and disposition of Government property. Upon completing this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government property (including any resulting scrap) not consumed in performing this contract or delivered to the Government. The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of the Government property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the contract price or shall be paid to the Government as the Contracting Officer directs.

(j) Abandonment and restoration of Contractor’s premises. Unless otherwise provided herein, the Government--

(1) May abandon any Government property in place, at which time all obligations of the Government regarding such abandoned property shall cease; and
(2) Has no obligation to restore or rehabilitate the Contractor's premises under any circumstances (e.g., abandonment, disposition upon completion of need, or upon contract completion). However, if the Government-furnished property (listed in the Schedule or specifications) is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this clause may properly include restoration or rehabilitation costs.

(k) Communications. All communications under this clause shall be in writing.

(l) Overseas contracts. If this contract is to be performed outside of the United States of America, its territories, or possessions, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government-furnished," respectively.

FAR 52.245-17 SPECIAL TOOLING (APR 1984) (DEVIATION 99-00012) (SEP 1999)

(a) Definition. "Special tooling" means jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items, and replacement of these items, that are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or performing particular services. It does not include material, special test equipment, facilities (except foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital items. Special tooling, for the purpose of this clause, does not include any item acquired by the Contractor before the effective date of this contract, or replacement of such items, whether or not altered or adapted for use in performing this contract, or items specifically excluded by the Schedule of this contract.

(b) Use of special tooling. The Contractor agrees to use the special tooling only in performing this contract or as otherwise approved by the Contracting Officer.

(c) Initial list of special tooling. If the Contracting Officer so requests, the Contractor shall furnish the Government an initial list of all special tooling acquired or manufactured by the Contractor for performing this contract (but see paragraph (d) for tooling that has become obsolete). The list shall specify the nomenclature, tool number, related product part number (or service performed), and unit or group cost of the special tooling. The list shall be furnished within 60 days after delivery of the first production end item under this contract unless a later date is prescribed.

(d) Changes in design. Changes in the design or specifications of the end items being produced under this contract may affect the interchangeability of end item parts. In such an event, unless otherwise agreed to by the Contracting Officer, the Contractor shall notify the Contracting Officer of any part not interchangeable with a new or superseding part. Pending disposition instructions, such usable tooling shall be retained and maintained by the Contractor.

(e) Contractor's offer to retain special tooling. The Contractor may indicate a desire to retain certain items of special tooling at the time it furnishes a list or notification pursuant to paragraphs (c), (d), or (h) of this clause. The Contractor shall furnish a written offer designating those items that it wishes to retain by specifically listing the items or by listing the particular products, parts, or
services for which the items were used or designed. The offer shall be made on one of the following bases:

(1) An amount shall be offered for retention of the items free of any Government interest. This amount should ordinarily not be less than the current fair value of the items, considering among other things, the value of the items to the Contractor for use in future work.

(2) Retention may be requested for a limited period of time and under terms as may be agreed to by the Government and the Contractor. This temporary retention is subject to final disposition pursuant to paragraph (i) of this clause.

(f) Property control records. The Contractor shall maintain adequate property control records of all special tooling in accordance with its normal industrial practice. The records shall be made available for Government inspection at all reasonable times. To the extent practicable, the Contractor shall identify all special tooling subject to this clause with an appropriate stamp, tag, or other mark.

(g) Maintenance. The Contractor shall take all reasonable steps necessary to maintain the identify and existing condition of usable items of special tooling from the date such items are no longer needed by the Contractor until final disposition under paragraph (i) of this clause. These maintenance requirements do not apply to those items designated by the Contracting Officer for disposal as scrap or identified as of no further interest to the Government under paragraph (i)(4) of this clause. The Contractor is not required to keep unneeded items of special tooling in place.

(h) Final list of special tooling. When all or a substantial part of the work under this contract is completed or terminated, the Contractor shall furnish the Contracting Officer a final list of special tooling with the same information as required for the initial list under paragraph (c) of this clause. The final list shall include all items not previously reported under paragraph (c). The Contracting Officer may provide a written waiver of this requirement or grant an extension. The requirement may be extended until the completion of this contract together with the completion of other contracts and subcontracts authorizing the use of the special tooling under paragraph (b) of this clause. Special tooling that has become obsolete as a result of changes in design or specification need not be reported except as provided for in paragraph (d).

(i) Disposition instructions. The Contracting Officer shall provide the Contractor with disposition instructions for special tooling identified in a list or notice submitted under paragraphs (c), (d), or (h) of this clause. The instructions shall be provided within 90 days of receipt of the list or notice, unless the period is extended by mutual agreement. The Contracting Officer may direct disposition by any of the methods listed in subparagraphs (1) through (4) of this paragraph, or a combination of such methods. Any failure of the Contracting Officer to provide specific instructions within the 90-day period shall be construed as direction under subparagraph (i)(3).

(1) The Contracting Officer shall give the Contractor a list specifying the products, parts, or services for which the Government may require special tooling and request the Contractor to transfer title (to the extent not previously transferred under any other clause of this contract) and deliver to the Government all usable items of special tooling that were designed for or used in the
production or performance of such products, parts, or services and that were on hand when such production or performance ceased.

(2) The Contracting Officer may accept or reject any offer made by the Contractor under paragraph (e) of this clause to retain items of special tooling or may request further negotiation of the offer. The Contractor agrees to enter into the negotiations in good faith. The net proceeds from the Contracting Officer's acceptance of the Contractor's retention offer shall either be deducted from amounts due the Contractor under this contract or shall be otherwise paid to the Government as directed by the Contracting Officer.

(3) The Contracting Officer may direct the Contractor to sell, or dispose of as scrap, for the account of the Government, any special tooling reported by the Contractor under this clause. The net proceeds of all sales shall either be deducted from amounts due the Contractor under this contract or shall be otherwise paid to the Government as directed by the Contracting Officer. To the extent that the Contractor incurs any costs occasioned by compliance with such directions, for which it is not otherwise compensated, the contract price shall be equitably adjusted in accordance with the Changes clause of this contract.

(4) The Contracting Officer may furnish the Contractor with a statement disclaiming further Government interest or rights in any of the special tooling listed.

(j) **Storage or shipment.** The Contractor shall promptly transfer to the Government title to the special tooling specified by the Contracting Officer and arrange for either the shipment or the storage of such tooling in accordance with the final disposition instructions in subparagraph (i)(1) of this clause. Tooling to be shipped shall be properly packaged, packed, and marked in accordance with the directions of the Contracting Officer. Tooling to be stored shall be stored pursuant to a storage agreement between the Government and the Contractor, and as directed by the Contracting Officer. Tooling shipped or stored shall be accompanied by operation sheets or other appropriate data necessary to show the manufacturing operations or processes for which the items were used or designed. To the extent that the Contractor incurs costs for authorized storage or shipment under this paragraph and not otherwise compensated for, the contract price shall be equitably adjusted in accordance with the Changes clause of this contract.

(k) **Subcontract provisions.** In order to perform this contract, the Contractor may place subcontracts (including purchase orders) involving the use of special tooling. If the full cost of the tooling is charged to those subcontracts, the Contractor agrees to include in the subcontracts appropriate provisions to obtain Government rights comparable to the rights of the Government under this clause (unless the Contractor and the Contracting Officer agree that such rights are not of substantial interest to the Government). The Contractor agrees to exercise such rights for the benefit of the Government as directed by the Contracting Officer.
FAR 52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) (FT) (APR 1984)
ALTERNATE II (DEVIAITION CN-96-602 - 04 JAN 1996)
(Applicable only to Item 0001 and if exercised, Option Items 0011, 0018, 0025, 0032, 0039, 0046, 0053, 0060, 0067, 0074, and 0081)

Modify the clause as follows:

(a) The word "supplies" as used in this clause includes the term "vessel(s)" and has the definition stated in the clause entitled "INSPECTION OF SUPPLIES--FIXED-PRICE."

(b) At the end of paragraph (b), add the following:

"In addition to its other remedies, the Government may, by contract or otherwise, with respect to work terminated as permitted in this clause, proceed with the completion of the vessel(s) and supplies at such plant or plants, including that of the Contractor, as may be designated by the Contracting Officer. If the vessel(s) and other supplies are to be completed at the Contractor's plant, the Government may use all tools, machinery, facilities and equipment of the Contractor determined by the Contracting Officer to be necessary for that purpose. The Government shall also have the right, in the event performance is completed at the Contractor's plant, to procure any additional supplies, tools, machinery, facilities, and equipment that are necessary to complete the vessel(s) and other supplies. If the cost to the Government of completing the vessel(s) and other supplies or procuring supplies similar to those terminated (after adjusting such cost to exclude the effect of changes in the plans and specifications made subsequent to the date of termination) exceeds the price fixed for such vessel(s) and other supplies under this contract (after adjusting such price on account of changes in the plans and specifications made prior to the date of termination), the Contractor, or its surety, if any, shall be liable for such excess."

(c) In the first sentence of paragraph (c), after the word "costs", insert the phrase "or other damages."

(d) In the first sentence of paragraph (e), after the word "title", insert the phrase "(insofar as not previously transferred)."

FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

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

http://www.arnet.gov/References/References.html

http://FARSITE.HILL.AF.MIL/Vdffar1.htm
FAR 52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(b) The use in this solicitation or contract of any Defense FAR Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

DFARS 252.211-7005 SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATIONS AND STANDARDS (MAR 1999)

(a) Definition. "SPI process," as used in this clause, means a management or manufacturing process that has been accepted previously by the Department of Defense under the Single Process Initiative (SPI) for use in lieu of a specific military or Federal specification or standard at specific facilities. Under SPI, these processes are reviewed and accepted by a Management Council, which includes representatives of the Contractor, the Defense Contract Management Command, the Defense Contract Audit Agency, and the military departments.


(c) An offeror proposing to use an SPI process in lieu of military or Federal specifications or standards cited in the solicitation shall —

1. Identify the specific military or Federal specification or standard for which the SPI process has been accepted;

2. Identify each facility at which the offeror proposes to use the specific SPI process in lieu of military or Federal specifications or standards cited in the solicitation;

3. Identify the contract line items, subline items, components, or elements affected by the SPI process; and

4. If the proposed SPI process has been accepted at the facility at which it is proposed for use, but is not yet listed at the Internet site specified in paragraph (b) of this clause, submit documentation of Department of Defense acceptance of the SPI process.
(d) Absent a determination that an SPI process is not acceptable for this procurement, the Contract shall use the following SPI processes in lieu of military or Federal specifications or standards:

(Offeror insert information for each SPI process)

SPI Process: None

Facility:

Military or Federal Specification or Standard:

Affected Contract Line Item Number, Subline Item Number, Component, or Element:

(e) If a prospective offeror wishes to obtain, prior to the time specified for receipt of offers, verification that an SPI process is an acceptable replacement for military or Federal specifications or standards required by the solicitation, the prospective offeror:

1. May submit the information required by paragraph (d) of this clause to the Contracting Officer prior to submission of an offer; but

2. Must submit the information to the Contracting Officer at least 10 working days prior to the date specified for receipt of offers.

DFARS 252.223-7001 HAZARD WARNING LABELS (DEC 1991)

(a) "Hazardous material," as used in this clause, is defined in the Hazardous Material Identification and Material Safety Data clause of this contract.

(b) The Contractor shall label the item package (unit container) of any hazardous material to be delivered under this contract in accordance with the Hazard Communication Standard (29 CFR 1910.1200 et seq). The Standard requires that the hazard warning label conform to the requirements of the standard unless the material is otherwise subject to the labeling requirements of one of the following statutes:

1. Federal Insecticide, Fungicide and Rodenticide Act;

2. Federal Food, Drug and Cosmetics Act;

3. Consumer Product Safety Act;

4. Federal Hazardous Substances Act; or

5. Federal Alcohol Administration Act.

(c) The Offeror shall list which hazardous material listed in the Hazardous Material Identification and Material Safety Data clause of this contract will be labeled in accordance with one of the Acts
in paragraphs (b)(1) through (5) of this clause instead of the Hazard Communication Standard. Any hazardous material not listed will be interpreted to mean that a label is required in accordance with the Hazard Communication Standard.

<table>
<thead>
<tr>
<th>Material (If None, Insert &quot;None.&quot;)</th>
<th>Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
</tr>
</tbody>
</table>

(d) The apparently successful Offeror agrees to submit, before award, a copy of the hazard warning label for all hazardous materials not listed in paragraph (c) of this clause. The Offeror shall submit the label with the Material Safety Data Sheet being furnished under the Hazardous Material Identification and Material Safety Data clause of this contract.

(e) The Contractor shall also comply with MIL-STD-129, Marking for Shipment and Storage (including revisions adopted during the term of this contract).

**DFARS 252.225-7008 SUPPLIES TO BE ACCORDED DUTY-FREE ENTRY (MAR 1998)**

In accordance with paragraph (B) of the Duty-Free Entry clause of this contract, in addition to duty-free entry for all qualifying country supplies (end products and components) and all eligible end products subject to applicable trade agreements (if this contract contains the Buy American Act-Trade Agreements--Balance of Payments Program clause or the Buy American Act-North American Free Trade Agreement Implementation Act--Balance of Payments Program clause), the following foreign end products that are neither qualifying country end products nor eligible end products under a trade agreement, and the following nonqualifying country components, are accorded duty-free entry:

**DFARS 252.234-7001 EARNED VALUE MANAGEMENT SYSTEM (MAR 1998)**

(a) In the performance of this contract, the Contractor shall use an earned value management system (EVMS) that has been recognized by the cognizant Administrative Contracting Officer (ACO) as complying with the criteria provided in DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs.

(b) If, at the time of award, the Contractor's EVMS has not been recognized by the cognizant ACO as complying with EVMS criteria (or the Contractor does not have an existing cost/schedule control system that has been accepted by the Department of Defense), the Contractor shall apply the system to the contract and shall be prepared to demonstrate to the ACO that the EVMS complies with the EVMS criteria referenced in paragraph (a) of this clause.

(c) The Government may require integrated baseline reviews. Such reviews shall be scheduled as early as practicable and should be conducted within 180 calendar days after

(1) contract award,
(2) the exercise of significant contract options, or

(3) the incorporation of major modifications.

The objective of the integrated baseline review is for the Government and the Contractor to jointly assess areas, such as the Contractor's planning, to ensure complete coverage of the statement of work, logical scheduling of the work activities, adequate resourcing, and identification of inherent risks.

(d) Unless a waiver is granted by the ACO, Contractor-proposed EVMS changes require approval of the ACO prior to implementation. The ACO shall advise the Contractor of the acceptability of such changes within 30 calendar days after receipt of the notice of proposed changes from the Contractor. If the advance approval requirements are waived by the ACO, the Contractor shall disclose EVMS changes to the ACO at least 14 calendar days prior to the effective date of implementation.

(e) The Contractor agrees to provide access to all pertinent records and data requested by the ACO or duly authorized representative. Access is to permit Government surveillance to ensure that the EVMS complies, and continues to comply, with the criteria referenced in paragraph (a) of this clause.

(f) The Contractor shall require the following subcontractors to comply with the requirements of this clause:

On a per ship basis - Subcontractor(s) who perform substantial work (i.e., at least 15% of the construction cost of the ship).

252.243-7000 ENGINEERING CHANGE PROPOSALS (SEP 1999)

(a) The Contracting Officer may ask the Contractor to prepare engineering change proposals for engineering changes within the scope of this contract. Upon receipt of a written request from the Contracting Officer, the Contractor shall prepare and submit an engineering change proposal in accordance with the instructions of MIL-STD-973, in effect on the date of contract award.

(b) The Contractor may initiate engineering change proposals. Contractor initiated engineering change proposals shall include a "not to exceed" price or a "not less than" price and delivery adjustment. If the Contracting Officer orders the engineering change, the increase shall not exceed nor the decrease be less than the "not to exceed" or "not less than" amounts.

(c) When the price of the engineering change is $500,000 or more, the Contractor shall submit --

(1) A contract pricing proposal using the format in Table 15-2, Section 15.408, of the Federal Acquisition Regulation; and

(2) At the time of agreement on price, or on another date agreed upon between the parties, a signed Certificate of Current Cost or Pricing Data.
DFARS 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (MAR 2000)

(a) Definitions. As used in this clause –

(1) “Components” means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication, or assembly by the Contractor or any subcontractor.

(2) “Department of Defense” (DoD) means the Army, Navy, Air Force, Marine Corps, and defense agencies.

(3) “Foreign flag vessel” means any vessel that is not a U.S.-flag vessel.

(4) “Ocean transportation” means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters.

(5) “Subcontractor” means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract.

(6) “Supplies” means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea.

(ii) An item is clearly identifiable for eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.

(ii) “Supplies” includes (but is not limited to) public works; buildings and facilities; ships; floating equipment and vessels of every character, type, and description, with parts, subassemblies, accessories, and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing.

(7) “U.S.-flag vessel” means a vessel of the United States or belonging to the United States, including any vessel registered or having national status under the laws of the United States.

(b) (1) The Contractor shall use U.S.-flag vessels when transporting any supplies by sea under this contract.

(2) A subcontractor transporting supplies by sea under this contract shall use U.S.-flag vessels if –

(i) This contract is a construction contract; or

(ii) The supplies being transported are –
(A) Noncommercial items; or

(B) Commercial items that –

(1) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it contracts for f.o.b. destination shipment);

(2) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or

(3) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C.2643.

(c) The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that –

(1) U.S.-flag vessels are not available for timely shipment;

(2) The freight charges are inordinately excessive or unreasonable; or

(3) Freight charges are higher than charges to private persons for transportation of like goods.

(d) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer’s failure to grant approvals to meet the shipper’s sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum –

(1) Type, weight, and cube of cargo;

(2) Required shipping date;

(3) Special handling and discharge requirements;

(4) Loading and discharge points;

(5) Name of shipper and consignee;

(6) Prime contract number; and

(7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers
contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

(e) The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information—

(1) Prime contract number;
(2) Name of vessel;
(3) Vessel flag of registry;
(4) Date of loading;
(5) Port of loading;
(6) Port of final discharge;
(7) Description of commodity;
(8) Gross weight in pounds and cubic feet if available;
(9) Total ocean freight in U.S. dollars; and
(10) Name of steamship company.

(f) The Contractor agrees to provide with its final invoice under this contract a representation that to the best of its knowledge and belief—

(1) No ocean transportation was used in the performance of this contract;
(2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the contract;
(3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or
(4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer. The Contractor shall describe these shipments in the following format:

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Contract Line Items</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(g) If the final invoice does not include the required representation, the Government will reject and return it to the Contractor as an improper invoice for the purposes of the Prompt Payment clause of this contract. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

(h) The Contractor shall include this clause, including this paragraph (h), in all subcontractors under this contract that –

(1) Exceed the simplified acquisition threshold in Part 2 of the Federal Acquisition Regulation; and

(2) Are for a type of supplies described in paragraph (b)(3) of this clause.
SECTION J - LIST OF ATTACHMENTS

(a) The following document(s), exhibit(s), and other attachment(s) form a part of this contract:

NOTE: The Auxiliary Dry Cargo Carrier (T-ADC(X)) has been renamed Auxiliary Cargo Ammunition Ship (T-AKE). References throughout the contract attachments shall be changed as appropriate to reflect the name change.


Attachment J-2: Auxiliary Cargo Ammunition Ship, T-AKE Data Requirements List

Attachment J-3: Applicable portions of contractor’s technical proposal.
   J-3a General Arrangement Drawing
   J-3b Ship Specification
   J-3c Critical Equipment List
   J-3d NOT USED
   J-3e Manning Levels

Attachment J-4: Financial Accounting Data Sheet(s).


Attachment J-6: Outfitting (General Use Consumable List (GUCL), Allowance Equipage Lists (AELS), Medical/Dental/Women at Sea)

Attachment J-7: Schedule A, Government Furnished Equipment (GFE)

Attachment J-8: Schedule C, Government Furnished Information (GFI)

Attachment J-9: Naval Communications Turnkey Approach

Attachment J-10: CARP/ACFS Software

Attachment J-11: OSCAM Files

Attachment J-12: Economic Price Adjustment Tables

Attachment J-13: T-AKE Government Manning Estimate

26JANUARY2001

Page 1

J-14a Rights in Noncommercial Technical Data and Computer Software - Identification and Assertion of Restrictions (including Attachment J-14a(SL) – Supplemental List)
J-14b Commercial Restrictions List
J-14c Background Inventions – Identification and Licensing (BIIIL) List

Attachment J-15: Small Business Subcontracting Plan

(b) Attachments Incorporated into the Contract.

(1) Any contract awarded as a result of this solicitation shall consist of the following sections of this solicitation, and the documents, exhibits, and attachments described in below:

(i) Part I - The Schedule (Sections A through H)
(ii) Part II - Contract Clauses (Section I)
(iii) Part III - List of Documents, Exhibits and other attachments (Section J)

(2) Part IV of the solicitation shall not be incorporated physically into the contract, however, Section K, “Representations, Certifications and other statements of offerors or quoters” shall be retained in the contract file, and acceptance of a proposal under this contract shall incorporate Section K by reference in the resultant contract, (FAR 15.204-1).