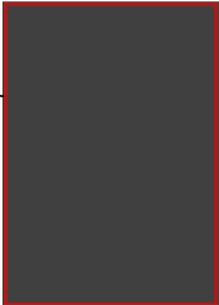


| | | | | | | | | |
|---|------|--|---|---|--|---|-------------------------------|------------------|
| SOLICITATION, OFFER AND AWARD | | | 1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) | | | RATING DOA3 | PAGE OF PAGES 1 91 | |
| 2. CONTRACT NO. N00024-06-C-2310 | | 3. SOLICITATION NO. N00024-06-R-2310 | 4. TYPE OF SOLICITATION [] SEALED BID (IFB) [X] NEGOTIATED (RFP) | 5. DATE ISSUED 02 May 2006 | 6. REQUISITION/PURCHASE NO. N0002406NR50831 | | | |
| 7. ISSUED BY NAVAL SEA SYSTEMS COMMAND STOP 2050 1333 ISSAC HULL AVE SE WASHINGTON NAVY YARD DC 20376-2050 | | | CODE N00024 | 8. ADDRESS OFFER TO (If other than Item 7) See Item 7 | | | | CODE |
| TEL: FAX: | | | | | | | TEL: FAX: | |
| NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder". | | | | | | | | |
| SOLICITATION | | | | | | | | |
| 9. Sealed offers in original and <u>3</u> copies 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 <u>See Section L</u> until <u>02:00 PM</u> local time <u>16 Jun 2006</u> (Hour) (Date) | | | | | | | | |
| 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 INFORMATION CALL: | | A. NAME ALVIN L. HILL | | B. TELEPHONE (Include area code) (NO COLLECT CALLS) 202-781-2893 | | C. E-MAIL ADDRESS alvin.l.hill@navy.mil | | |
| 11. TABLE OF CONTENTS | | | | | | | | |
| (X) | SEC. | DESCRIPTION | | PAGE(S) | (X) | SEC. | DESCRIPTION | |
| PART I - THE SCHEDULE | | | | | PART II - CONTRACT CLAUSES | | | |
| X | A | SOLICITATION/ CONTRACT FORM | | 1 | X | I | CONTRACT CLAUSES | |
| X | B | SUPPLIES OR SERVICES AND PRICES/ COSTS | | 2 - 20 | PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS | | | |
| X | C | DESCRIPTION/ SPECS/ WORK STATEMENT | | 21 - 43 | X | J | LIST OF ATTACHMENTS | |
| X | D | PACKAGING AND MARKING | | 44 - 45 | PART IV - REPRESENTATIONS AND INSTRUCTIONS | | | |
| X | E | INSPECTION AND ACCEPTANCE | | 46 - 47 | K | REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS | | |
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| OFFER (Must be fully completed by offeror) | | | | | | | | |
| NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period. | | | | | | | | |
| 12. In compliance with the above, the undersigned agrees, if this offer is accepted within _____ calendar days (60 calendar days unless a different period is inserted by 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. | | | | | | | | |
| 13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8) | | | | | | | | |
| 14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated): | | | | AMENDMENT NO. | DATE | AMENDMENT NO. | DATE | |
| 15A. NAME AND ADDRESS OF OFFEROR BATH IRON WORKS ROBIN LILLER TIN:391343528 DUNS:046963718 700 WASHINGTON ST BATH ME 04530-2574 | | | | CODE | 70876 | FACILITY | | |
| | | | | 16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type or print) ROBIN LILLER / CONTRACTS | | | | |
| 15B. TELEPHONE NO (Include area code) (207) 442-1577 | | 15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE. <input type="checkbox"/> | | | 17. SIGNATURE | | 18. OFFER DATE | |
| AWARD (To be completed by Government) | | | | | | | | |
| 19. ACCEPTED AS TO ITEMS NUMBERED | | | 20. AMOUNT \$16,912,522.00 | | 21. ACCOUNTING AND APPROPRIATION See Schedule | | | |
| 22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input checked="" type="checkbox"/> 10 U.S.C. 2304(c) (1) <input type="checkbox"/> 41 U.S.C. 253(c) () | | | | | 23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified) | | | ITEM Block 25 |
| 24. ADMINISTERED BY (If other than Item 7) SUPSHIP BATH 574 WASHINGTON STREET BATH ME 04530-1905 | | | | CODE | N62786 | 25. PAYMENT WILL BE MADE BY DEFENSE FINANCE AND ACCOUNTING SERVICE CHARLESTON NORTH CHARLESTON SC 29416-1489 | | |
| | | | | CODE | | N68342 | | |
| 26. NAME OF CONTRACTING OFFICER (Type or print) ALVIN L. HILL TEL: 202-781-2893 EMAIL: alvin.l.hill@navy.mil | | | | | 27. UNITED STATES OF AMERICA <i>Alvin L. Hill</i> (Signature of Contracting Officer) | | 28. AWARD DATE 25-Sep-2006 | |
| IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice. | | | | | | | | |

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|---|----------|------|------------|--------|
| 0001AB | DDG 51 Class End Cost CPAF Provide engineering and management in support of DDG 99 Post Shakedown Availability (PSA) Execution. FOB: Destination | | | | |

ESTIMATED COST
 BASE FEE
 SUBTOTAL EST COST + BASE
 MAX AWARD FEE
 TOTAL EST COST + FEE

ACRN AB
 CIN: 00000000000000000000000000000000



| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|--|----------|------|------------|--------|
| 0002 | CPAF Provide effort and material to perform specified PSA work items inclusive of tests and post-repair trials for FARRAGUT (DDG 99). PURCHASE REQUEST NUMBER: N0002406NR50831 | | | | |

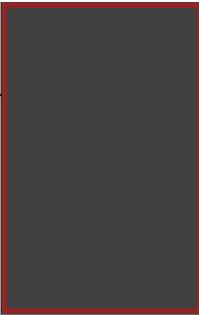
ESTIMATED COST \$0.00
 BASE FEE \$0.00
 SUBTOTAL EST COST + BASE \$0.00
 MAX AWARD FEE \$0.00
 TOTAL EST COST + FEE \$0.00

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|-------------------|----------|------|------------|--------|
|---------|-------------------|----------|------|------------|--------|

0002AA
DDG 51 Class Post Delivery
CPAF
Post Delivery Correction of Government Responsible Defects. Provide effort and material to perform specified DDG 99 PSA work items which correct government responsible defects inclusive of tests and post-repair sea trials.
FOB: Destination

ESTIMATED COST
BASE FEE
SUBTOTAL EST COST + BASE
MAX AWARD FEE
TOTAL EST COST + FEE

ACRN AA
CIN: 00000000000000000000000000000000



| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|-------------------|----------|------|------------|--------|
|---------|-------------------|----------|------|------------|--------|

0002AB
DDG 51 Class End Cost
CPAF
Provide effort and material to perform specified DDG 99 PSA work items which are engineering changes deferred to PSA inclusive of tests and post-repair sea trials.
FOB: Destination

ESTIMATED COST
BASE FEE
SUBTOTAL EST COST + BASE
MAX AWARD FEE
TOTAL EST COST + FEE

ACRN AB
CIN: 00000000000000000000000000000000



| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|-------------------|----------|------|------------|--------|
| 0003 | CPAF | | | | |

Provide 150,000 manhours additional effort and material to complete performance of PSA inclusive of tests and post-repair sea trials for FARRAGUT (DDG 99).

PURCHASE REQUEST NUMBER: N0002406NR50831

| | |
|--------------------------|--------|
| ESTIMATED COST | \$0.00 |
| BASE FEE | \$0.00 |
| SUBTOTAL EST COST + BASE | \$0.00 |
| MAX AWARD FEE | \$0.00 |
| TOTAL EST COST + FEE | \$0.00 |

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|------------------------------------|----------|------|------------|--------|
| 0003AA | DDG 51 Class Post Delivery CPAF | | | | |

Post Delivery Correction of Government Responsible Defects. Provide additional effort and material to complete performance of DDG 99 Work Items which correct government responsible defects inclusive of tests and post-repair sea trials.
FOB: Destination

| | |
|--------------------------|---|
| ESTIMATED COST |  |
| BASE FEE | |
| SUBTOTAL EST COST + BASE | |
| MAX AWARD FEE | |
| TOTAL EST COST + FEE | |

ACRN AA
CIN: 00000000000000000000000000000000

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|-------------------|----------|------|------------|--------|
|---------|-------------------|----------|------|------------|--------|

0003AB

DDG 51 Class End Cost

CPAF

Provide additional effort and material to complete performance of DDG 99 Work Items which are engineering changes deferred to PSA inclusive of tests and post-repair sea trials.

FOB: Destination

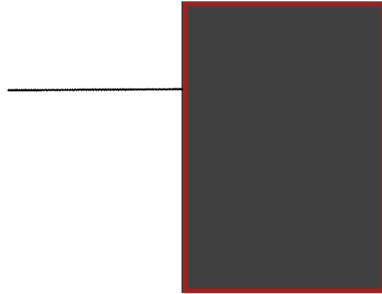
ESTIMATED COST

BASE FEE

SUBTOTAL EST COST + BASE

MAX AWARD FEE

TOTAL EST COST + FEE



ACRN AB

CIN: 00000000000000000000000000000000

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|-------------------|----------|------|------------|--------|
|---------|-------------------|----------|------|------------|--------|

0004

CPAF

Provide 10,000 manhours additional effort and material to complete emergent and other work for FARRAGUT (DDG 99).

PURCHASE REQUEST NUMBER: N0002406NR50831

ESTIMATED COST

\$0.00

BASE FEE

\$0.00

SUBTOTAL EST COST + BASE

\$0.00

MAX AWARD FEE

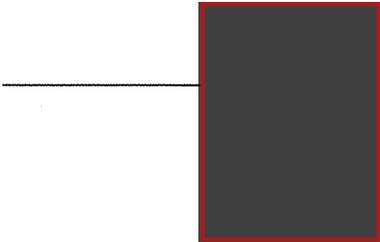
\$0.00

TOTAL EST COST + FEE

\$0.00

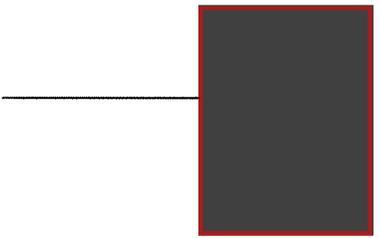
| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|------------------|---|----------|------|------------|--------|
| 0004AA OPTION | DDG 51 Class Post Delivery CPAF Post Delivery Correction of Government Responsible Defects. Provide additional effort and material to complete emergent correction of government responsible deficiency items and other work. FOB: Destination | | | | |

ESTIMATED COST
BASE FEE
SUBTOTAL EST COST + BASE
MAX AWARD FEE
TOTAL EST COST + FEE



| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|------------------|---|----------|------|------------|--------|
| 0004AB OPTION | DDG 51 Class End Cost CPAF Provide additional effort and material to complete emergent deferred work items. FOB: Destination | | | | |

ESTIMATED COST
BASE FEE
SUBTOTAL EST COST + BASE
MAX AWARD FEE
TOTAL EST COST + FEE



| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|-------------------|----------|------|------------|--------|
| 0005 | | | | | |

CPAF

Provide 10,000 manhours additional effort and material to support Fleet and TYCOM readiness inspections, Final Contract Trials (FCT), and to correct related deficiencies for FARRAGUT (DDG 99).

PURCHASE REQUEST NUMBER: N0002406NR50831

| | |
|--------------------------|--------|
| ESTIMATED COST | \$0.00 |
| BASE FEE | \$0.00 |
| SUBTOTAL EST COST + BASE | \$0.00 |
| MAX AWARD FEE | \$0.00 |
| TOTAL EST COST + FEE | \$0.00 |

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|-------------------|----------|------|------------|--------|
| 0005AA | | | | | |
| OPTION | | | | | |

DDG 51 Class Post Delivery
CPAF

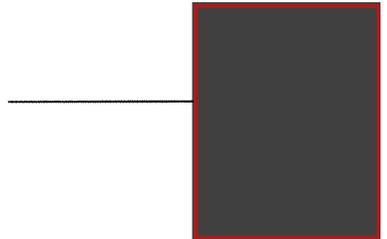
Post Delivery Correction of Government Responsible Defects. Provide additional effort and material to support Fleet and TYCOM readiness inspections, Final Contract Trials (FCT), and to correct related deficiencies.

FOB: Destination

| | |
|--------------------------|---|
| ESTIMATED COST |  |
| BASE FEE |  |
| SUBTOTAL EST COST + BASE |  |
| MAX AWARD FEE |  |
| TOTAL EST COST + FEE |  |

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|------------------|--|----------|------|------------|--------|
| 0005AB OPTION | DDG 51 Class End Cost CPAF Provide additional effort and material to support Fleet and TYCOM readiness inspections and to perform deferred work items. FOB: Destination | | | | |

ESTIMATED COST
BASE FEE
SUBTOTAL EST COST + BASE
MAX AWARD FEE
TOTAL EST COST + FEE



| ITEM NO | SUPPLIES/SERVICES | QTY | UNIT |
|---------|-------------------|-----|------|
| 0008 | | 1 | |

Provisioned Item Order (SEE NOTE A).

| ITEM NO | SUPPLIES/SERVICES | QTY | UNIT |
|---------|-------------------|-----|------|
| 0009 | | 1 | |

Data for Items 0001, 0002, 0003, 0004, 0005 and 0012. Not Separately priced (NSP) - Price included in the price of Items 0001, 0002, 0003, 0004, 0005 and 0012. (See DD Form 1423, Exhibit A, attached hereto).

| | | | |
|---------|-------------------|-----|------|
| ITEM NO | SUPPLIES/SERVICES | QTY | UNIT |
| 0010 | | 1 | |

Data for Item 0008. Not Separately Priced (NSP) - Price included in the price of Item 0008. (See DD Form 1423, Exhibit B, attached hereto).

| | | | | | |
|---------|-------------------|----------|------|------------|--------|
| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
| 0012 | CPAF | | | | |

Dry Docking - Provide material and labor required to drydock FARRAGUT (DDG 99).

PURCHASE REQUEST NUMBER: N0002406NR50831

| | |
|--------------------------|--------------|
| ESTIMATED COST | \$0.00 |
| BASE FEE | \$0.00 |
| SUBTOTAL EST COST + BASE | <hr/> \$0.00 |
| MAX AWARD FEE | \$0.00 |
| TOTAL EST COST + FEE | \$0.00 |

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|--|----------|------|--------------------------|------------|
| 0012AA | DDG 51 Class Post Delivery CPAF Post Delivery Correction of Government Responsible Defects. Provide material and labor required to perform specified drydock DDG 99 work items which correct government responsible defects inclusive of tests and post-repair sea trials. FOB: Destination | | | | |
| | | | | ESTIMATED COST | [REDACTED] |
| | | | | BASE FEE | |
| | | | | SUBTOTAL EST COST + BASE | |
| | | | | MAX AWARD FEE | |
| | | | | TOTAL EST COST + FEE | |
| | ACRN AA CIN: 00000000000000000000000000000000 | | | | |

| ITEM NO | SUPPLIES/SERVICES | QUANTITY | UNIT | UNIT PRICE | AMOUNT |
|---------|--|----------|------|--------------------------|------------|
| 0012AB | DDG 51 Class End Cost CPAF Provide material and labor required to perform specified DDG 99 PSA work items which are engineering changes deferred to PSA inclusive of tests and post-repair sea trials. FOB: Destination | | | | |
| | | | | ESTIMATED COST | [REDACTED] |
| | | | | BASE FEE | |
| | | | | SUBTOTAL EST COST + BASE | |
| | | | | MAX AWARD FEE | |
| | | | | TOTAL EST COST + FEE | |
| | ACRN AB CIN: 00000000000000000000000000000000 | | | | |

NOTE A

This item will only be priced if ordered in accordance with the Section C clause entitled "PROVISIONED ITEMS ORDER."

NOTE B

Option Item to which the option clause in SECTION I-2 applies and which is to be supplied only if and to the extent said Option is exercised.

DOD FAR SUPPLEMENT 216-405-2 requires that the amount of BASE FEE shall not exceed 3% of estimated cost of the contract exclusive of fee. Total Award Fee (Base + Award) cannot exceed 10%.

The COST OF MONEY FOR FACILITIES CAPITAL is not a fee-bearing cost under this contract. However, such amount is included in the Total Estimated Cost for purposes of the "LIMITATION OF COST" clause of this contract.

CLAUSES INCORPORATED BY FULL TEXT

5252.232-9001 SUBMISSION OF INVOICES (COST-REIMBURSEMENT, TIME-AND-MATERIALS, LABOR-HOUR, OR FIXED PRICE INCENTIVE) (JUL 1992)

(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:

DCAA Bath, 700 Washington Street, Bath ME 04530

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 the Contracting Officer Representative (COR) identified in Section G..

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/services is provided

(e) A DD Form 250, "Material Inspection and Receiving Report",

- is required with each invoice submittal.
- is required only with the final invoice.
- is not required.

(f) A Certificate of Performance

- 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.

LIMITATION OF COST/LIMITATION OF FUNDS (NAVSEA) (SEP 1990)

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.

PAYMENTS OF FEE (S) (COMPLETION) (NAVSEA) (MAY 1993)

(Applicable to CLINs 0001, 0002 and 0012)

(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 [REDACTED] 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.

(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.

PAYMENTS OF FEE(S) (LEVEL OF EFFORT) (NAVSEA) (MAY 1993)
Applicable to CLINS 0003, 0004, and 0005.

(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, or "fixed fee" in cost-plus-fixed-fee type contracts for level of effort 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 [REDACTED] 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.

(c) The fee(s) specified in SECTION B, and payment thereof, is subject to adjustment pursuant to paragraph (g) of the special contract requirement entitled "LEVEL OF EFFORT." If the fee(s) is reduced and the reduced fee(s) 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 final adjusted fee exceeds all fee 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 the "LEVEL OF EFFORT" special contract requirement, or until the Procuring Contracting Officer has advised the paying office in writing that no fee adjustment is required.

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.

(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.

TRAVEL COSTS - ALTERNATE I (NAVSEA) (DEC 2005)

(a) Except as otherwise provided herein, the Contractor shall be reimbursed for its reasonable actual travel costs in accordance with FAR 31.205-46. The costs to be reimbursed shall be those costs accepted by the cognizant DCAA.

(b) Reimbursable travel costs include only that travel performed from the Contractor's facility to the worksite, in and around the worksite, and from the worksite to the Contractor's facility.

(c) Relocation costs and travel costs incident to relocation are allowable to the extent provided in FAR 31.205-35; however, Contracting Officer approval shall be required prior to incurring relocation expenses and travel costs incident to relocation.

(d) The Contractor shall not be reimbursed for the following daily local travel costs:

(i) travel at U.S. Military Installations where Government transportation is available,

(ii) travel performed for personal convenience/errands, including commuting to and from work, and

(iii) travel costs incurred in the replacement of personnel when such replacement is accomplished for the Contractor's or employee's convenience.

DETERMINATION OF AWARD FEE (NAVSEA)(a) Minimum Fee

The base fee, as set forth in Section B of this contract, shall constitute a minimum fee to be paid for the performance of this contract. The Base Fee shall be paid in accordance with the clause of this contract entitled "FIXED FEE" (FAR 52.216-8) and the Section B Clause entitled, "PAYMENT OF FEE(S) (COMPLETION) (NAVSEA) (MAY 1993)".

(b) Award Fee

In addition to the minimum (or base fee) to be paid hereunder, the Contractor may earn an award fee as determined by the Fee Determining Official (FDO). The Government's purpose in granting an award fee is to encourage and reward superior contracting effort directed toward performance of this contract. The specifics for evaluation are set forth in paragraphs that follow.

(c) Award Fee Board

The Contractor's performance evaluation for each period will be conducted by an Award Fee Board (AFB) consisting of not less than four members (or designated representatives) consisting of:

Chairperson

Primary: Supervisor of Shipbuilding (SUPSHIP Code 100)

Alternate: Deputy, Supervisor of Shipbuilding (Code 101) or Designated Representative

Members

- (1) Primary: Ship Repair Division Representative, Administrative Contracting Officer
Alternate: Ship Repair Division Designated Representative, Administrative Contracting Officer
- (2) Primary: NAVSEA (Code 02231)
Alternate: NAVSEA (Code 02231) Designated Representative
- (3) Primary: AEGIS Shipbuilding Program Post Delivery Manager (PMS 400D6)
Alternate: AEGIS Shipbuilding Program Post Delivery Manager (PMS 400D6) Designated Representative
- (4) Primary: EXECUTING SUPSHIP (Code 400)
Alternate: EXECUTING SUPSHIP (Code 400) Designated Representative

(d) Fee Determining Official

The FDO will be the AEGIS Shipbuilding Program Manager (PMS 400D). The FDO shall make determinations of the award fee due to the Contractor based upon the performance evaluation conducted by the Award Fee Board established pursuant to paragraph (c) above.

(e) Award Fee Determination and Reclama Procedures

(1) Within five (5) working days after the end of the evaluation period, under the contract, the Contractor shall furnish to the AFB such information as may be reasonably required, including an Earned Value Management System (EVMS) summary for each contract line item under review, to assist the AFB in evaluating the Contractor's performance during the evaluation period.

(2) The Award Fee Board evaluation will be scheduled within fifteen (15) working days of the end of the evaluation period. The Board may consider reports, both oral and written, from all interested parties. The Board shall arrive at a consensus on the performance rating and advise the FDO of its recommendation including the reasons, rationale and justifications therefore. The Board findings shall be presented to the Contractor who will then be provided an opportunity to provide written comments on the evaluation findings to the FDO within five (5) working days. In such case, these comments shall be considered by the FDO in establishing the award fee earned.

(3) The FDO shall provide the Procuring Contracting Officer (PCO) a final performance evaluation and determination of the award fee earned for the period within five (5) working days after receipt of the Board's findings or the Contractor's written comments, whichever is later.

(4) Within ten (10) working days after receipt of the FDO's final determination and the Procurement Request (PR), the Contracting Officer shall issue a unilateral modification to the contract to provide for the award fee earned for the period.

(f) Fee Determination Official's Determination

Determinations of the Fee Determining Official with respect to the amount of the award fee to be paid to the Contractor and the methodology for determining the award fee are unilateral decisions made solely at the discretion of the Government.

(g) Evaluation Categories and Factors

The following categories, factors and elements represent the general areas of Contractor performance which may be considered by the AFB in the determination of the periodic Award Fee allocations throughout the performance of the contract. Contractor performance shall be based upon the categories listed below, which include, but are not limited to, the factors and elements listed within the categories.

The initially established weighting factors for the evaluation period are as follows:

| <u>Category</u> | <u>Weight</u> |
|---------------------------------|---------------|
| Schedule Performance | 30% |
| Technical Performance | 25% |
| Management Performance | 20% |
| Cost Performance | 15% |
| Care and Protection Performance | 10% |

The Government may unilaterally change the category weights by written notification from the PCO no later than ten (10) working days prior to the commencement of each evaluation period. Factors and descriptive elements within the categories are not weighted and are not exclusive.

(1) Evaluation Categories

(i) Schedule - Timely submission of planning and engineering documents and timely completion of action items in the PSA planning process. Adherence to or improvement upon scheduled completion of critical jobs in pre-PSA. Schedules must be developed using aggressive, success-oriented assumptions. The Contractor is to schedule major milestones to occur as early as possible to ensure a successful PSA. Adherence to or improvement upon

scheduled key events and major production milestones during PSA. It will also require the Contractor to incorporate growth and new work within the overall schedule. Emphasis will be placed on the Contractor's efforts toward achievement of aggressive, yet manageable, schedules to support major PSA milestones.

(ii) Technical – Accuracy and detail of planning documents and work specifications, knowledge of the work package in PSA planning meetings, and quick response to emergent technical problems on the ship. Quality of work, quality of work specifications and identification/quick resolution of shipboard production and test problems. Timeliness and accuracy of material ordering and technical documentation required for Contractor furnished equipment. The Contractor will be required to plan and engineer correction of Dock Trial and Sea Trial deficiencies and assimilate deficiencies into the work package without adverse impact on existing key events and major production schedules.

(iii) Management – Quick response to emergent problems in pre-PSA and PSA. The Contractor will be required to (a) answer Government questions at both PSA planning and on-site production meetings during pre-PSA and PSA, (b) foresee potential problems and take appropriate action and (c) include detailed integrated schedules of all critical jobs for pre-PSA and PSA. Consideration will be given to timely negotiation and definitization of changes, including prompt and timely submission of proposals, notification to the Government of any problems identified, reasonableness of estimates, and provision of information required by the Government for negotiations. Further, consideration will be given to the Contractor's ability to exceed the mandatory small business subcontracting goals (small disadvantaged, women owned, service disabled veteran) stated in the contract, the small business plan goals stated in Attachment 9 and the extent to which small business participation is maximized.

(iv) Cost – The accomplishment of work within the negotiated cost. The Contractor will be required to provide realistic cost estimates and negotiate work in a timely manner. Effectiveness in identifying early cost problems, including timely variance analysis, and effectiveness in dealing with identified problems will be evaluated. Implementation of cost savings techniques will be a factor.

(v) Care and Protection – The Contractor shall provide for adequate protection of both GFE and CFE, including application of appropriate covers and use of storage facilities, from time of arrival in the shipyard until the protective requirement no longer exists. The Contractor shall implement an adequate Plant Protection Plan as required by the latest version of NAVSEA Standard Item No. 009-72. Implementation of a satisfactory "Adverse Environmental Conditions Plan" to protect the ship during conditions of heavy weather, high winds, snow and icing, high water or other adverse conditions, if necessary, will be evaluated. The Contractor will be required to maintain safe working conditions; maintain safe and clean work areas free from accumulated industrial debris and rubbish; adhere to standard safety and protection procedures; and prevent fires.

(h) Evaluation Period

The Award Fee Board will evaluate the Contractor's performance on all active line items during the evaluation period. The evaluation period shall be defined as:

Start – Upon delivery order award or option exercise, as applicable
End –60 days after PSA completion date

During the course of the evaluation period, an informal mid-PSA review will commence. This review will cover the period beginning with the day of ship arrival to approximately the midpoint of the ship availability period. This review will be based on the evaluation criteria as set forth in paragraph (g) above, entitled "Evaluation Categories and Factors." This review will provide the Contractor with input from the Navy to allow the Contractor to make adjustments in its performance as necessary. This review is not subject to the award fee provisions of this clause. This review will not reflect an award fee evaluation score, nor will an award fee be established for this mid-PSA review period.

Work under Items 0001, 0002, 0003, 0004 and 0005, (and if Options are exercised, Item 0012) shall be evaluated under the entire evaluation period.

For work under Item 0008, actual dates to be stated in the Order pursuant to the Section C clause entitled "PROVISIONED ITEMS ORDER."

There will be no rollover of unearned fee.

(i) Award Fee Pool Items

(1) The Award Fee Pool is based on the total estimated fee bearing cost (exclusive of Facilities Capital Cost of Money) as stated in Section B of the contract.

(2) Applicable to Line Item 0008. The amount of award fee pool shall be stated in Orders issued by the ACO pursuant to the Section C clause entitled "PROVISIONED ITEMS ORDER".

(j) Performance Ratings

(1) In evaluating Contractor performance, the following adjective and numerical ratings will be used:

| ADJECTIVE RATING | NUMERICAL RATING | CRITERIA |
|------------------|------------------|---|
| OUTSTANDING | 91-100 | The Contractor's performance exceeds the requirements by a substantial margin. There may be a few areas for improvement, but all are minor. |
| EXCELLENT | 80-90 | The Contractor's performance exceeds the requirements in most areas. There may be several areas for improvement, but these areas are offset by better performance in other areas. |
| GOOD | 65-79 | The Contractor's performance meets and, in some cases, exceeds the requirements. Areas for improvement are approximately offset by better performance in other areas. |
| SATISFACTORY | 50-64 | The Contractor's performance is adequate. There are areas of good or better performance but these are offset by lower rated performance in other areas. |
| UNSATISFACTORY | 49 & BELOW | The Contractor's performance is less than the requirements by substantial margin. There are areas of improvement needed that are not offset by better performance in other areas. Contractor performance in the area being evaluated is considered to be such that a potentially adverse program impact is foreseen. The need for improvement is such that Government action may be required. |

(2) The relationship of the percent of award fee pool to be paid for each contract line item evaluated to the final performance rating as determined by the FDO will be as follows:

| <u>Performance Rating</u> | <u>Percent of Award Fee Pool</u> |
|---------------------------|--|
| 0-49 | 0 |
| 50-100 | Performance Rating Percentage times the Award Fee Pool |

(3) A performance rating of 49 or below is deemed unsatisfactory. The Contractor is not entitled to any award fee for a rating of 49 or below.

(k) Maximum Fee

In no event shall the total fee (base fee plus award fee) under this contract exceed 10 percent of total estimated fee bearing cost.

(l) Payment of Award Fee

The Contractor shall be paid award fee, if any, upon submittal of a proper invoice or voucher to the cognizant Payment Office, together with a copy of the unilateral modification to the contract authorizing payment of award fee for the applicable Evaluation Period. The Contractor's invoice shall show the amount of award fee payable to each sub-line item, which shall be directly proportionate to the amount or allowable Estimated Cost (exclusive of base fee and FCCOM) incurred by the Contractor during the Evaluation Period. The Contractor's invoice must cite the appropriate accounting data in order for payment to be affected. There will be no provisional, interim or advance billing of award fee prior to a final determination of the FDO and execution by the contracting officer of a contract modification authorizing payment.

Section C - Descriptions and Specifications

The Contractor, under the direction of the Cognizant Supervisor of Shipbuilding Conversion and Repair (hereinafter referred to as the "Supervisor") and as independent Contractor and not as an agent of the Government, shall furnish materials, services, and facilities (except those furnished by the Government) necessary for the accomplishment of the following work:

PART I – STATEMENT OF WORK

Items 0001AA & 0001AB - The Contractor shall provide those services which support the total PSA effort for FARRAGUT (DDG 99), to include program management, planning, engineering, design, liaison, scheduling and participation in PSA Planning Conferences and Design Reviews. The Contractor management efforts shall be those necessary to support work defined in Attachment 2 and the following tasks:

1. The Contractor shall develop a key events schedule to support Combat System testing, scheduling of critical work item networks and material ordering schedules.
2. The Contractor shall generate a complete technical analysis of anticipated problems including identification of the potential impact of each problem and recommendations for corrective action.
3. The Contractor shall attend PSA Planning Conferences and Design Reviews every two months prior to the actual PSA and every week during the PSA, or as directed by the Contracting Officer's Representative (COR). During PSA, the Contractor shall attend a daily logistics status meeting and a daily combat systems meeting; he will also conduct a daily production meeting to review status of all critical path and near term PSA milestone related work items.
4. The Contractor shall maintain central files or record copies that shall include reproducible copies (including CD-ROM) of the data that are generated for delivery under this contract.
5. Upon request, the Contractor shall assist the PSA Planning Yard with revisions to Ship Selected Record drawings and data to reflect the accomplishment of work accomplished by the executing yard during the PSA.
6. The Contractor shall develop long lead items lists to include Contractor Furnished Material (CFM), Navy Furnished Material (NFM), and Government Furnished Material (GFM) provided by the PSA Planning Yard.
7. In identifying and providing material requirements and long lead items lists to meet the requirements of the work specifications, the Contractor shall to the maximum possible extent, utilize equipment and components identical to those of the DDG 51 Class ships. The Contractor shall to the maximum possible extent, select hull, mechanical and electrical components in the following order of precedence:
 - a. Equipment which meets the minimum requirements of the specifications and is identical to equipment and components of the DDG 51 Class ships (standard equipment).
 - b. Equipment which meets the minimum requirements of the specifications and which appears in NAVSEA Standard Components List for Hull, Mechanical and Electrical equipment (NAVSEA S-0300-A-P11-00-0) (standard equipment).
 - c. Contractor Furnished Equipment that meet standardization requirements of a. and b. above, require submission of a Statement of Prior Submission in accordance with Provisioning Statement of Work. (See Attachment 3)
8. The Contractor shall provide onboard spare parts and test equipment for all Contractor procured equipment which is different from that previously installed onboard the ship. The range and depth of spare parts shall be in accordance with documented manufacturer's recommendations to support the ship for ninety (90) days.

9. The Contractor shall provide assistance, as requested by certification test and inspection personnel, to support certifications or re-certifications required as a result of work accomplished.

10. The Contractor shall participate in Final Contract Trials (FCT) and subsequent trial card screening sessions, in an observer capacity, for the purpose of becoming familiar with the ship and the FCT deficiencies.

The Contractor shall provide a man-loading chart depicting proposed manning from the start of the availability to the completion. During PSA, the Contractor shall provide, on a weekly basis, the planned manning schedule versus the actual manning achieved. The data shall be presented both numerically as well as graphically.

12. The Contractor shall provide earned value metrics on a weekly basis from the start of the availability to the completion. The EVM data provided shall be a summation of the prime and subcontractor performance. The data should depict authorized vs. actual costs for all work items and schedule performance both graphically.

13. Prior to and during PSA, the Contractor shall provide regular EAC status reports. All EACs shall be accompanied by the applicable Direct Production Labor (DPL) for both the prime and subcontractor effort. Reports shall be provided monthly beginning at A-3 months, then weekly during PSA until SCN Obligation Work Limiting Date (OWLD).

Item 0002AA - The Contractor shall provide material and labor required to perform specified PSA work items for DDG 99 in accordance with Attachment 2 which are to correct deficiencies identified during builders' trials, acceptance, underway, or final contract trials or correct production-related defects or deficiencies which develop during the post delivery period. The Contractor efforts shall include temporary protection services, cleaners/laborers, transportation services and production supervision above the leading man-level necessary to support work defined in Attachment 2. The Contractor shall conduct tests, except those designated as Government responsible, and participate in Post Repair Sea Trials, to verify the accuracy and completion of all shipyard industrial work in accordance with Attachment 2 and the following:

1. Equipment, single system and integrated ship system level tests shall be conducted to demonstrate operations and contract compliance as specified in work item specifications.
2. Post Repair Sea Trials shall be conducted in accordance with Section 094 of the ship specifications except as follows:
 - a. Post Repair Sea Trials will be conducted by the Government. The operation and navigation of the ship will be under control of the Government. The Contractor shall provide a sea trial coordinator and agreed upon craft personnel, including supervision, to effect emergent repairs during Post Repair Sea Trials. The contractor shall participate in PRT card screening sessions.
 - b. Correction of deficiencies identified during Post Repair Sea Trials shall be completed by the Contractor prior to end of PSA. Exceptions shall be as agreed upon by the COR or his designated representative.
3. Test documentation not furnished by the Government as part of the work item specifications shall be developed by the Contractor.
4. The Test Procedures used to conduct the test shall be those applicable procedures from the Testing Index and Test Numbering System for DDG 51, NAVSEA DWG 802-6215563 Latest Revision (Attachment 4). The tests shall be run in whole or part as specified in work item specifications.
5. The Contractor shall provide ship services and test support personnel during the conduct of Government responsible tests and trials. The Contractor shall test or re-test all supporting and interfacing equipment, systems and structures involved in new installations to ensure completeness and proper operation. The Contractor shall develop and submit recommended trial agenda items to the on-site COR, or his designated representative for approval and provide trial support. The Contractor shall copy and distribute the Post Repair Sea Trial(s) Agenda and coordinate

trials with the ship and on-site COR or his designated representative. Results of tests and trials shall be documented by Test Reports.

6. The Contractor shall provide those support services necessary for accomplishment of production work defined in Attachment 2, including but not limited to temporary protection services, cleaners/laborers, transportation services and production supervision above the leading man-level.

7. Notwithstanding the requirements set forth in the ship specifications, the Contractor shall not be required to conduct nonrecurring tests such as shock, noise, vibration or reliability and maintainability on equipment, systems and interfaces for Government Furnished Equipment, unless any such nonrecurring test is specifically required to be conducted by a work item specification. The Contractor shall conduct first article tests when he chooses to deviate from previously qualified equipment.

8. The Contractor shall provide additional waterfront support services when a berthing barge is assigned to support a PSA. The Contractor shall accomplish the following:

a. The Contractor shall prepare for and tow the assigned barge from its present location to the Contractor's facility and return it upon completion of the PSA, or as directed by the COR or his designated representative.

b. The Contractor shall, in conjunction with assigned Government personnel, inspect the barge and submit a detailed report of findings at time of receipt of barge and return of barge.

c. The Contractor shall, upon arrival of the barge at the Contractor's facility and prior to the PSA start, accomplish repairs as authorized by the COR to activate and make the barge habitable and provide pier side services to the barge. The contractor shall also effect emergent repairs to the barge during PSA as directed by the COR or his designated representative.

Item 0002AB - The Contractor shall provide material and labor required to perform specified PSA work items for DDG 99 in accordance with Attachment 2 which are engineering changes deferred to the post delivery period or related to government deficiencies identified before builders' trial but deferred to the post delivery period. The Contractor efforts shall include temporary protection services, cleaners/laborers, transportation services and production supervision above the leading man-level necessary to support work defined in Attachment 2. The Contractor shall conduct tests, except those designated as Government responsible, and participate in Post Repair Sea Trials, to verify the accuracy and completion of all shipyard industrial work in accordance with Attachment 2 and the following:

1. Equipment, single system and integrated ship system level tests shall be conducted to demonstrate operations and contract compliance as specified in work item specifications.

2. Post Repair Sea Trials shall be conducted in accordance with Section 094 of the ship specifications except as follows:

a. Post Repair Sea Trials will be conducted by the Government. The operation and navigation of the ship will be under control of the Government. The Contractor shall provide a sea trial coordinator and agreed upon craft personnel, including supervision, to effect emergent repairs during Post Repair Sea Trials. The contractor shall participate in PRT card screening sessions.

b. Correction of deficiencies identified during Post Repair Sea Trials shall be completed by the Contractor prior to end of PSA. Exceptions shall be as agreed upon by the COR or his designated representative.

3. Test documentation not furnished by the Government as part of the work item specifications shall be developed by the Contractor.

4. The Test Procedures used to conduct the test shall be those applicable procedures from the Testing Index and Test Numbering System for DDG 51, NAVSEA DWG 802-6215563 Latest Revision (Attachment 4). The tests shall be run in whole or part as specified in work item specifications.
5. The Contractor shall provide ship services and test support personnel during the conduct of Government responsible tests and trials. The Contractor shall test or re-test all supporting and interfacing equipment, systems and structures involved in new installations to ensure completeness and proper operation. The Contractor shall develop and submit recommended trial agenda items to the on-site COR, or his designated representative for approval and provide trial support. The Contractor shall copy and distribute the Post Repair Sea Trial(s) Agenda and coordinate trials with the ship and on-site COR or his designated representative. Results of tests and trials shall be documented by Test Reports.
6. The Contractor shall provide those support services necessary for accomplishment of production work defined in Attachment 2, including but not limited to temporary protection services, cleaners/laborers, transportation services and production supervision above the leading man-level.
7. Notwithstanding the requirements set forth in the ship specifications, the Contractor shall not be required to conduct nonrecurring tests such as shock, noise, vibration or reliability and maintainability on equipment, systems and interfaces for Government Furnished Equipment, unless any such nonrecurring test is specifically required to be conducted by a work item specification. The Contractor shall conduct first article tests when he chooses to deviate from previously qualified equipment.
8. The Contractor shall provide additional waterfront support services when a berthing barge is assigned to support a PSA. The Contractor shall accomplish the following:
 - a. The Contractor shall prepare for and tow the assigned barge from its present location to the Contractor's facility and return it upon completion of the PSA, or as directed by the COR or his designated representative.
 - b. The Contractor shall, in conjunction with assigned Government personnel, inspect the barge and submit a detailed report of findings at time of receipt of barge and return of barge.
 - c. The Contractor shall, upon arrival of the barge at the Contractor's facility and prior to the PSA start, accomplish repairs as authorized by the COR to activate and make the barge habitable and provide pier side services to the barge. The contractor shall also effect emergent repairs to the barge during PSA as directed by the COR or his designated representative.
9. The Contractor shall implement Force Protection Weapons for Anti-Terrorist/Force Protection (ATFP) measures. Modifications include the addition of 25mm chain gun foundations, associated communications and weapon and ammunition stowage areas. (This work item funded separately.)
10. DDG 51 Class Force Protection equipment for Shipboard Wireless Communication System installation. (This work item funded separately.)
11. The Contractor shall implement Anti-Terrorist Force Protection (ATFP) measures. Modifications include the additions of 50 Cal Machine Gun foundations, associated communications, and ammunition weapons stowage areas. (This work item funded separately.)

Items 0003AA, 0003AB, 0003AC & 0003AD - The Contractor shall provide additional material and labor, as set forth in Section B of the solicitation, required to perform other work necessary to complete PSA inclusive of test and trials. Additional material and labor required to perform other work is defined as that work which is similar to, but not necessarily identical to, that to be performed under Items 0002AA and 0002AB which is identified subsequent to submission of proposals or during the performance of Item 0002. The Contractor shall provide those support services necessary for accomplishment of production work including but not limited to temporary protection services, cleaners/laborers, transportation services and production supervision above the leading man-level.

Option Item 0004 - The Contractor shall provide material and labor effort to complete emergent work identified prior to, or after PSA, and other work identified during performance of Item 0003 which is in addition to that level of work proposed for Item 0003.

Option Item 0005 - The Contractor shall provide labor and material for Fleet and TYCOM engineering readiness inspections and Final Contract Trials (FCT). The Contractor shall also provide labor and material to correct discrepancies as directed by the COR, identified during these events. These discrepancies will include, but are not limited to structural, piping, electrical, machinery, auxiliary and combat system deficiencies.

Item 0008 – Provisioned Items Order (PIO) – The supplies or services to be furnished hereunder shall be ordered in contract modifications issued in accordance with the Special Contract Requirement entitled “PROVISIONED ITEMS ORDER.”

PROVISIONED ITEMS ORDERS - ALTERNATE I (NAVSEA) (MAR 2001)

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

(d) **Rejection of Unilateral Orders**. The Contractor may reject any unilateral order if the Contractor determines that it cannot feasibly perform the order, or if the Contractor does not concur with the maximum ceiling amount. However, each unilateral order shall be deemed to have been accepted by the Contractor unless within fifteen days of issuance of the order, the Contractor notifies the Contracting Officer in writing of its rejection of the order.

(e) **Finalization of Unfinalized Orders**. (1) The Contractor agrees that following the issuance of an unfinalized 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 unfinalized 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 expended by the Contractor under the undefinitized order exceed fifty percent (50%) of the order's maximum ceiling amount, except as provided in subparagraph (f)(3) below.

(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 Contractor 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 Government 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 (f)(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 has obligated [REDACTED] of the ceiling amount, the Contracting Officer may increase the limitation of Government liability to up to [REDACTED] of the maximum ceiling amount or up to [REDACTED] 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.

(h) The following Military Standard apply to all orders:

MIL-PRF-49506 Logistic Management Information dated 11 November 1996

(i) Terminal Date for Placement of Orders. The Contractor shall not be obligated to accept any orders placed hereunder beyond 180 days after delivery of the last end item.

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

Item 0009 – The data to be furnished for Items 0001 through 0005, and if Option 0012 is exercised, hereunder shall be prepared on accordance with the “Contract Data Requirements List, DD Form 1423”, Exhibit A, Attachment 8.

Item 0010 – The data to be furnished for Item 0008 hereunder, shall be prepared in accordance with “Contract Data Requirements List, DD Form 1423”, Exhibit B, (Attachment 8) when ordered pursuant to the Section C clause entitled “PROVISIONED ITEMS ORDER.”

Item 0012AA - The Contractor shall provide material and labor required to perform drydock specified PSA work items in accordance with Attachment 10 which correct defects identified during trials and other additional correction of defect efforts – Emergent Work/CLIN 0004. The Contractor efforts shall include temporary protection services, cleaners/laborers, transportation services and production supervision above the leadingman level necessary to support work defined in Attachment 10 and the following:

1. The Contractor shall develop a key events schedule to support drydocking and scheduling of critical milestones.
2. During the drydock period, the Contractor shall attend a daily logistics status meeting and conduct a daily production meeting to review status of all critical path and drydock related work items.
3. The Contractor shall provide those support services necessary for accomplishment of drydock related production work defined in Attachment10, including but not limited to temporary protection services, cleaners/laborers, transportation services and production supervision above the leadingman level.
4. The Contractor shall provide a manloading chart depicting proposed manning from the start of the drydocking period or availability to the completion. During the drydocking the Contractor shall provide, on a weekly basis, the planned manning schedule versus the actual manning achieved.

Item 0012AB - The Contractor shall provide material and labor required perform drydock specified PSA work items in accordance with Attachment 10 which are engineering changes deferred to the post delivery period and other additional efforts previously deferred to the post delivery period – Emergent Work/CLIN 0004. The Contractor efforts shall include temporary protection services, cleaners/laborers, transportation services and production supervision above the leadingman level necessary to support work defined in Attachment 10 and the following:

1. The Contractor shall develop a key events schedule to support drydocking and scheduling of critical milestones.
2. During the drydock period, the Contractor shall attend a daily logistics status meeting and conduct a daily production meeting to review status of all critical path and drydock related work items.
3. The Contractor shall provide those support services necessary for accomplishment of drydock related production work defined in Attachment10, including but not limited to temporary protection services, cleaners/laborers, transportation services and production supervision above the leadingman level.
4. The Contractor shall provide a manloading chart depicting proposed manning from the start of the drydocking period or availability to the completion. During the drydocking the Contractor shall provide, on a weekly basis, the planned manning schedule versus the actual manning achieved.

PART 2 - GENERAL REQUIREMENTS

The following are the requirements contained in Part 2 of Section C:

| Number | Title |
|--------|---|
| C-1 | ACCESS TO THE VESSEL(S) (AT) (NAVSEA) (JAN 1983) |
| C-2 | ACCESS TO VESSELS BY NON-U.S. CITIZENS (NAVSEA) (JUN 1999) |
| C-3 | ADDENDUM TO "ACCESS TO THE VESSEL(S)" CLAUSE |
| C-4 | ADDITIONAL PROVISIONS RELATING TO GOVERNMENT PROPERTY (NAVSEA) (OCT 1990) |
| C-5 | APPROVAL BY THE GOVERNMENT (AT) (NAVSEA) (JAN 1983) |
| C-6 | AEGIS PROGRAM OFFICE, TEST TEAM AND ISI/BIW REPRESENTATIVES FACILITIES |
| C-7 | ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS (NAVSEA) (MAY 1993) |
| C-8 | COMMAND INSPECTION OF BERTHING FACILITIES (NAVSEA) (OCT 1990) |
| C-9 | CONTRACTOR'S PROPOSAL (NAVSEA) (MAR 2001) |
| C-10 | UPDATING SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994) |
| C-11 | CONTRACT PROBLEM IDENTIFICATION REPORTS (NAVSEA) (MAY 1993) |
| C-12 | DELIVERY OF GFE |
| C-13 | DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING (AT) (NAVSEA) (SEPT 1990) |
| C-14 | DRYDOCKING FACILITIES AND SHIPBUILDING WAYS CERTIFICATION (AT) (NAVSEA) (MAR 2001) |
| C-15 | ENGINEERING CHANGE PROPOSAL (ECP) KITS |
| C-16 | FACILITIES NOT TO BE GOVERNMENT-FURNISHED (CT) (NAVSEA) (JAN 1990) |
| C-17 | GOVERNMENT FURNISHED PROPERTY |
| C-18 | GOVERNMENT FURNISHED SERVICES |
| C-19 | INFORMATION AND DATA FURNISHED BY THE GOVERNMENT (COST TYPE) – ALTERNATE I (NAVSEA) (APR 2004) |

- C-20 PLANT PROTECTION (NAVSEA) (DEC 2005)
- C-21 PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS – ALTERNATE I (NAVSEA) (MAY 2000)
- C-22 PROTECTION OF EQUIPMENT
- C-23 PROTECTION OF THE SHIP DURING ADVERSE ENVIRONMENTAL CONDITIONS (NAVSEA) (FEB 1994)
- C-24 PROTECTION OF THE VESSEL (NAVSEA) (SEP 1990)
- C-25 QUALIFICATION OF CONTRACTOR NONDESTRUCTIVE TESTING (NDT) PERSONNEL (NAVSEA) (APR 2004)
- C-26 SPECIAL AGREEMENT REGARDING SWITCHBOARD SUBCONTRACTS (NAVSEA) (JUN 2000)
- C-27 STANDARDIZATION (NAVSEA) (SEP 1990)
- C-28 TESTS AND TRIALS (NAVSEA) (OCT 1990)
- C-29 RELEASE OF INFORMATION
- C-30 HEAVY WEATHER PLAN (NAVSEA) (JUN 1999)

C-1 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) 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-2 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 ACP's 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 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-3 ADDENDUM TO "ACCESS TO THE VESSEL(S)" CLAUSE

During the PSA, access to the shipyard as well as to the ships will be required by personnel from other Government entities responsible for ensuring a successful PSA. These entities include but are not limited to PEO SHIPS, PEO IWS, NSWCD PHD, NSWCCD SSES, FTSC PAC, NSWC DD, and NAWC AD. Other contractor personnel including shipbuilders, equipment manufacturers and support contractors will require access as well. These contractors include but are not limited to Northrop Grumman Ship Systems, Bath Iron Works Corporation, BAE SYSTEMS, CSC, Lockheed Martin, FMC, GE, Raytheon, RRNMI, Gibbs & Cox, CRC, MANTECH, T-Solutions, Inc., JJMA, L3 communications/TMA, BCI, and Anteon. All such Government personnel and other contractor personnel shall be provided access to the shipyard and vessel(s) in accordance with Clause C-1 above.

C-4 ADDITIONAL PROVISIONS RELATING TO GOVERNMENT PROPERTY (NAVSEA) (OCT 1990)

(a) For purposes of paragraph (g) of the clause entitled "GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS)" (FAR 52.245-5) in addition to those items of property defined in that clause as Government Property, the following shall also be included within the definition of Government Property:

- (1) the vessel;
- (2) the equipment on the vessel;
- (3) movable stores;
- (4) cargo; and
- (5) other material on the vessel

(b) For purposes of paragraph (e) of the clause entitled "GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS)", notwithstanding any other requirement of this contract, the following shall not be considered Government Property:

- (1) the vessel;
- (2) the equipment on the vessel;
- (3) movable stores; and
- (4) other material on the vessel

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 AEGIS PROGRAM OFFICE, TEST TEAM AND NGSS/BIW REPRESENTATIVES FACILITIES

The Contractor shall provide office space and non-personal services such as reproduction and telephone services for the AEGIS Program Office and cognizant SUPSHIP representatives, Test Team and other Contractor personnel, including Northrop Grumman Ship Systems (NGSS) and Bath Iron Works Corporation (BIW) representatives. Facilities shall be provided for thirty persons. The Contractor shall provide a conference room with seating for up to thirty persons. The Contractor shall provide facilities within 200 yards of the ship starting two weeks prior to the ship's arrival and continuing through two weeks after the end of the PSA of each ship. This will begin and end separately for each ship under this contract. However, the facilities requirements are not additive for availability periods, which overlap.

The facilities and services to be provided by the Contractor shall be similar to those provided by the Contractor for its own management personnel.

The Contractor agrees that these personnel shall have access to the ship at all times for the performance of their functions, including the conduct of the Navy responsible tests. The Contractor shall, in preparing its test and trials schedules, include the time required for the conduct of Navy responsible testing.

The Contractor shall provide for use of its facilities by these personnel for maintenance, calibration, and stowage of test equipment.

Up to four NGSS and up to four BIW representatives per PSA will reside at the Contractor's plant during the respective PSAs. The functions of the representatives are (i) to familiarize Contractor personnel with the detail design of the ships, (ii) to assist the Contractor in an advisory capacity on technical problems experienced during the PSA, and (iii) to conduct equipment configuration and documentation audits during the last two weeks of the PSA. Representatives of other Contractor personnel including NGSS and BIW are not the agents or employees of the Government.

C-7 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-8 COMMAND INSPECTION OF BERTHING FACILITIES (NAVSEA) (OCT 1990)

(a) Once the ship's force takes occupancy of a berthing facility, it is recognized that the premises will be under the control of the Department of the Navy and subject to inspections by the Commanding Officer or his duly authorized representative(s). In recognition of (1) the Navy's need to ensure security, military fitness, and good order and discipline and (2) the Navy's policy to conduct regularly scheduled periodic inspections, the Contractor hereby agrees that while its berthing facilities are occupied by ship's force, the Commanding Officer or his duly authorized representative(s) has (have) the right to conduct command inspections of the berthing facilities occupied by ship's force.

(b) In instances where the Contractor is using commercial facilities to satisfy the berthing requirement, the Contractor hereby agrees to insert the following requirement in any Subcontract for berthing facilities to be provided under this Contract:

In recognition of (1) the Navy's need to ensure security, military fitness, and good order and discipline, and (2) the Navy's policy to conduct regularly scheduled periodic inspections, _____ (insert names of Subcontractor) hereby agrees that while its facilities are occupied by ship's force, the Commanding Officer or his duly authorized representative(s) has (have) the right to conduct Command inspections of the facilities occupied by ship's force.

C-9 CONTRACTOR'S PROPOSAL (NAVSEA) (MAR 2001)

(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 _____ in response to NAVSEA Solicitation No. N00024-06-R-2310.

(b) The technical volume(s) of the Contractor's proposal is incorporated by reference and hereby made subject to the provisions of the "ORDER OF PRECEDENCE" (FAR 52.215-8) clause of this contract. Under the "ORDER OF PRECEDENCE" clause, the technical volume of the Contractor's proposal referenced herein is hereby designated as item (f) of the clause, following "the specification" in the order of precedence.

C-10 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-11 CONTRACT 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 businessperson 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 Administrating 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
 - (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-12 DELIVERY OF GFE

The Contractor shall accept delivery of Government Furnished Equipment cited in the work item specifications, at its facility commencing upon contract award.

C-13 DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING (AT) (NAVSEA) (SEPT 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-14 DRYDOCKING FACILITIES AND SHIPBUILDING WAYS CERTIFICATION (AT) (NAVSEA) (MAR 2001)

Drydocking facilities and shipbuilding ways employed in the performance of this contract shall be certified in accordance with MIL-STD-1625C (SH) dated 25 August 1987, Safety Certification Program for Drydocking Facilities and Shipbuilding Ways for U.S. Navy Ships. The "Facility Certification Report" shall be submitted to NAVSEA Code 04XQ via the cognizant Supervisor of Shipbuilding not less than one hundred and twenty (120) days prior to moving the vessel into the drydocking facility or shipbuilding way.

C-15 ENGINEERING CHANGE PROPOSAL (ECP) KITS

- (a) ECP kits which are to be installed by the Contractor will contain materials indicated in the bill of materials. Any materials not listed in the bill of materials is the responsibility of the Contractor.
- (b) Kits will contain work instructions to supplement Engineering Change Notices (ECNs) and AEGIS Specifications such that they will include information comparable to that provided by a Ship Installation Drawing (SID).
- (c) ECP kits will include excess materials for any AEGIS unique materials and items which are prefabricated by Ingalls Shipbuilding, Inc. or Bath Iron Works Corporation.

C-16 FACILITIES NOT TO BE GOVERNMENT-FURNISHED (CT) (NAVSEA) (JAN 1990)

The Contractor's obligation to perform this contract is in no way conditioned upon the providing by the Government of any facilities, except as may be otherwise expressly provided herein. Accordingly, no such facilities shall be either acquired by the Contractor for the account of the Government or furnished to the Contractor by the Government hereunder. For the purpose of this requirement, facilities means industrial property (other than material, special tooling, military property, and special test equipment) for production, maintenance, research, development or test, including real property and rights therein, buildings, structures, improvements, and plant equipment as defined in FAR 45.101 and 45.301 and DFARS 245.301.

C-17 GOVERNMENT FURNISHED PROPERTY

- (a) The Government shall furnish for use under this contract in accordance with the clause entitled "GOVERNMENT PROPERTY (COST REIMBURSEMENT, TIME AND MATERIAL, OR LABOR HOUR CONTRACTS)" only the materials listed in the work item specifications of the contract notwithstanding any requirements to the contrary for the furnishing of material by the Government which may appear in the contract drawings. Any such requirements for the furnishing of materials by the Government appearing in any other document incorporated in the contract by reference shall be of no force and effect and is superseded by the aforementioned work item specifications. Any and all materials required for the performance of the contract, which are not listed in the work item specifications shall be furnished by the Contractor regardless of what may be identified otherwise on drawings or any other documentation to the contrary.
- (b) The Contracting Officer may increase the amount of material to be furnished under this contract and the contract shall be equitably adjusted in accordance with paragraph (b)(2) of the clause entitled "GOVERNMENT PROPERTY (COST REIMBURSEMENT, TIME AND MATERIAL, OR LABOR HOUR CONTRACTS)".
- (c) (1) As to all equipment listed in the work item specifications which will be permanently installed or otherwise will be built into the vessel(s) undergoing PSA the AN nomenclature or other model designations given therein are to 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 equipment bearing different AN nomenclature or model designations as long as they are geometrically congruent dimensionally, and mechanically and electrically interchangeable with the equipment delineated in the work item specifications.
- (2) As to all equipment listed in the work item specifications which are portable in nature and require only stowage in the vessel(s), the AN nomenclature or other model designation given therein are to indicate only the basic description of the equipment to be furnished. The Government may furnish, without issuing a change under the "CHANGES" clause of the contract, other equipment bearing different AN nomenclature or model designations as long as the equipment furnished are functionally interchangeable with the equipment specified herein and no change in ship stowage provisions is required.
- (d) Unless otherwise specifically directed by the Supervisor, non-reusable crates and other non-reusable packaging in which Government Property is delivered to the Contractor shall become 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 entitled "GOVERNMENT PROPERTY (COST REIMBURSEMENT, TIME AND MATERIAL, OR LABOR HOUR CONTRACTS)".
- (e) 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 entitled "GOVERNMENT PROPERTY (COST REIMBURSEMENT, TIME AND MATERIAL, LABOR HOUR CONTRACTS)" shall be provided for by a contract change and an appropriate adjustment shall be made in the contract price in accordance with the clause entitled "CHANGES".
- (f) Government Furnished Property listed in the work item specifications may also be referred to elsewhere in this contract as "GOVERNMENT FURNISHED MATERIAL (GFM)," which terms may be used interchangeably with "GOVERNMENT FURNISHED PROPERTY (GFP)."

(g) Government furnished work item specification equipment will be configured to meet DDG 51 Class configuration requirements prior to delivery to the Contractor. This equipment is identified by serial numbers assigned to specific hulls and recorded by the Supervisor.

C-18 GOVERNMENT FURNISHED SERVICES

(a) The Government will furnish engineering services (if required) as specified in the Work Item Specifications or in orders issued pursuant to the clause entitled "ORDERS." All other services required by the Contractor, whether related to Government Furnished Property (GFP) or Contractor-Furnished Equipment (CFE), shall be provided by the Contractor.

(b) The engineering services to be provided by either of the PSA Support Contractors (ISI or BIW) are advisory, providing only guidance to the Contractor in connection with the proper installation of GFP, but not providing a general course of training for Contractor personnel. The Contractor shall have a force of engineers familiar with the fundamentals of the complexity of these equipment and systems. These engineering services are intended to provide only specialized information regarding particular equipment and systems that will facilitate proper installation, checkout and testing. The GFP equipment manufacturer's service engineers are not agents or representatives of the Government or the Contractor, but remain employees or agents of their own employer or principal.

(c) The time or times when these services will be rendered will be arranged by the Supervisor. The Government will use its best efforts to arrange for these services at the time(s) requested by the Contractor. Services desired or required by the Contractor in excess of those specified, or for functions other than those indicated in the Schedule shall be the responsibility of the Contractor. The Contractor shall be responsible for the proper installation, checkout and testing of all equipment and systems, and making necessary adjustments or alignments in the performance or any other operation involving such equipment and systems as required by the specifications. Substitution, elimination, or addition of services in the Schedule may be made in accordance with the clause of this contract entitled "CHANGES."

C-19 INFORMATION AND DATA FURNISHED BY THE GOVERNMENT (COST TYPE) – ALTERNATE I (NAVSEA) (APR 2004)

(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 guidance.

(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:

(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 amount and delivery schedule in accordance with the procedures provided for in the clause of this contract entitled "CHANGES—COST REIMBURSEMENT" (FAR 52.243-2) or "CHANGES--TIME-AND-MATERIALS OR LABOR-HOURS" (FAR 52.243-3).

(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 (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS)" (FAR 52.245-5), 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:

(1) From the ASSIST database via the Internet at <http://assist.daps.dla.mil/>; or

(2) By submitting a request to the
Department of Defense Single Stock Point (DoDSSP)
Building 4, Section D
700 Robbins Avenue
Philadelphia, Pennsylvania 19111-5094
Telephone (215) 697-2179
Facsimile (215) 697-1462.

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.

C-20 PLANT PROTECTION (NAVSEA) (DEC 2005)

(a) In accordance with NAVSEA STANDARD ITEM NO (SI) 009-72 (FY-07), dated 14 July 2005 and the attached Contract Data Requirements List (CDRL), the Contractor shall develop, maintain, and implement, as necessary, a Plant Protection Plan which prescribes the actions and procedures and assigns responsibilities for actions to be taken to provide adequate protection of the ship(s) and the materials and equipment to be installed therein. A copy of SI 009-72 (FY-07), dated 14 July 2005 can be obtained from the purchasing office representative listed in Section G of the contract or via the internet at:

<http://www.supship.navy.mil/ssrac4/standard.htm>

(b) The Contractor shall establish and maintain, for its plant and the work in process under this contract, physical security boundaries and other security measures to provide safeguards against hazards, including unauthorized entry, malicious mischief, theft, espionage, sabotage, and terrorism to U.S. Naval Vessels and their crews, in accordance with SI 009-72 (FY-07), dated 14 July 2005, and Attachment A thereto. The Contractor shall also provide reasonable safeguards against vandalism and fire.

(c) The Contractor shall meet the requirements of Force Protection Condition NORMAL (as defined in SI 0009-72(FY-07), dated 14 July 2005) at all times. In addition and in accordance with SI 009-72 (FY-07), dated 14 July 2005, the Contractor shall meet the requirements of increased levels of Force Protection as may be required or

approved by the Contracting Officer, or when notified by the Supervisor, for the protection of its plant and the work in process under this contract against any threats including terrorism, espionage, sabotage, and enemy action.

(d) At the Supervisor's discretion, the Contractor and the Supervisor shall negotiate a cost rate agreement applicable to each level of increased Force Protection above the NORMAL level. In addition to material costs, the labor rates shall be negotiated using the Contractor's and the Supervisor's accepted common business practices. The labor and material costs to the Contractor for all safeguards so required or approved shall, to the extent allowable and 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 the contract entitled "CHANGES -- FIXED PRICE" (FAR 52.243-1) or "CHANGES -- COST REIMBURSEMENT" (FAR 52.243-2), as applicable. Such costs 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.

(e) Upon payment, in accordance with Payments provision of this contract, by the Government of the cost to the Contractor for any device or equipment required or approved under paragraph (c) 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.

(f) The plant protection plan and rate agreements required by this requirement shall be completed and implemented within sixty (60) days of this contract award within the timeframe required by the attached CDRLS.

C-21 PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS – ALTERNATE I (NAVSEA) (OCT 2003)

(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 or 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.

| <u>Printing</u> | <u>Minimum number of working Days required by DPSDO</u> |
|----------------------------------|---|
| Up to 200 pages | 30 |
| 201 pages to 400 pages inclusive | 40 |
| 401 pages to 600 pages inclusive | 50 |
| 601 pages and over | 60 |

(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 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 by 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-22 PROTECTION OF EQUIPMENT

1. Protection of equipment, both GFE and CFE shall be provided from the time of arrival in the yard until a protective requirement no longer exists (See Note 1). In order to ensure this occurs, the following requirements apply and shall be implemented. After equipment has been moved onboard ship, the required protection shall be installed within 24 hours. Where brand names are specified, equivalent materials may be substituted.

| <u>PROTECTIVE LEVEL</u> | <u>TYPE OF EQUIPMENT</u> | <u>PROTECTION REQUIRED</u> |
|-------------------------|--|--|
| I | Equipment and panels which have components and glass surfaces (PPIs, indicators, gauges, dials, etc.). | Fitted, multi-layered cover on front, consisting of two layers of Herculite, one layer of Refrasil and one layer of 5/8" Scotch Foam. Sewn in guards of fire retardant plywood or sheet metal. |
| II | Equipment and panels, which have fragile, protruding appendages (levers, knobs, actuators, etc.). | Fitted front cover, padding taped to equipment where necessary. Herculite on exposed surfaces. |
| III | Cabinets which have self-ventilating intake and exhaust openings, but no exposed glass surfaces or fragile protrusions, miscellaneous mechanical equipment not covered in Level V, (i.e., fire pumps). | Taped on herculite Covers |
| IV | Classified equipment and fluid accessories (thermometers, sight glasses, sensing devices, flow indicators, pressure gauges, etc.). | Sheet metal covers, pads as necessary, taped on Herculite covers. (Note 2) |
| V | Mechanical Equipment susceptible to damage (AEGIS Cooling Skid, etc.). | Sheet metal covers. (Notes 2,3,4, and 5) |

2. The Contractor shall establish an Electrostatic Discharge (ESD) Awareness program as described in DOD-STD-1686 and DOD-HDBK-263.

3. MK99 Illuminators must be protected. Units shall be covered with waterproof material to protect them from industrial debris.

4. Data Multiplex System (DMS) equipment must be protected when in an industrial environment. Units shall be covered to protect them from debris. DMS units must be covered with permeable protective cloth, e.g. cheesecloth. Cheesecloth covering should be changed/cleaned weekly.

Notes:

1. Required level of protection shall be maintained until the following has taken place:
 - a. Hostile environment no longer exists.
 - b. Equipment is being connected electrically and/or mechanically.
 - c. If a. and/or b. have been satisfied, sheet metal covers may be removed and Type III protection substituted.
2. All exposed gauge glasses, meter faces, thermometers, sight glasses and control panels will be covered with sheet metal or plexiglas if not classified equipment.
3. Until Rigid Inflatable Boats (RIBs) are installed aboard the ship, they shall be stored in a warehouse closed on all sides with security to prevent vandalism and pilferage. Environmental storage is not required.
4. Waveguide equipment and components must be protected at times to prevent physical damage and performance degradation. When installed in an industrial environment, units shall be covered to protect them whenever there is industrial work, which poses a threat of damage such as arc strike, burn, nick, or dent. The waveguide interior shall also be properly preserved with dry air or appropriate substitute gas.
5. Protection of equipment shall be as stated above, or as specified in orders issued by the Contracting Officer based on any agreements reached by the Contractor and the Supervisor.

C-23 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-24 PROTECTION OF THE VESSEL (NAVSEA) (SEP 1990)

(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, particularly where such activities are undertaken in the vicinity of the vessel's magazines, fuel oil tanks, or store rooms containing inflammable materials. All ammunition, fuel oil, motor fuels, and cleaning fluids shall have been off-loaded and the tanks cleaned, except as may be mutually agreed upon between the Contractor and the Supervisor prior to work on the vessel by the Contractor. 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. All tanks under alteration or repair shall be cleaned, washed, and steamed out or otherwise made safe to the extent necessary, and the Contractor shall furnish the vessel's Gas Free Officer and the Supervisor with a "Gas Chemists' Certificate" before any hot work is done. The Contractor shall maintain a fire watch aboard the vessel in areas where the Contractor is working. All other fire watches aboard the vessel shall be the responsibility of the Government.

(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 assist the Government when requested in keeping 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.

(c) The work shall, whenever practicable, be performed in such manner as not to interfere with the work performed by military personnel attached to the vessel, and provisions shall be made so that personnel assigned shall have access to the vessel at all times, it being understood that such personnel will not unduly interfere with the work of the Contractor's workmen.

(d) 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-25 QUALIFICATION OF CONTRACTOR NONDESTRUCTIVE TESTING (NDT)
PERSONNEL (NAVSEA) (APR 2004)**

(a) The Contractor and any Nondestructive Testing (NDT) subcontractor shall utilize for the performance of required NDT, only Level I, II and III personnel currently certified in accordance with NAVSEA Technical Publication T9074-AS-GIB-010/271, ACN Notice 1 of 16 Feb 99. Documentation pertaining to the qualification and certification of NDT personnel shall be made available to the Contracting Officer for review upon request.

(b) These requirements do not apply with respect to nuclear propulsion plant systems and other matters under the technical cognizance of SEA 08. Because of health and safety considerations, such matters will continue to be handled as directed by SEA 08.

**C-26 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-27 STANDARDIZATION (NAVSEA) (SEP 1990)

Subject to meeting the requirements of the specifications, the Contractor shall utilize equipment and components identical to those of the DDG 51 Class Ships. Where equipment or components are not available, the Contractor shall select hull, mechanical, and electrical components in the following order:

(a) Equipment, which meets the requirements of the specifications and is identical to equipment and components of the DDG 51 Class Ships.

(b) Equipment which meets the requirements of the specifications and which appears in NAVSEA Standard Components List for Hull, Mechanical and Electrical Equipment, NAVSEA S-0300-A-PLL-OO-O (standard equipment).

C-28 TESTS AND TRIALS (NAVSEA) (OCT 1990)

During the conduct of required tests and trials, the vessel shall be under the control of the vessel's Commander and 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-29 RELEASE OF INFORMATION

Information, whether in oral or written form, obtained by the Contractor from the Government or generated by the Contractor pursuant to the terms of the contract shall not be used by the Contractor for any other purpose than fulfilling the requirements of this contract without the written permission of the Commander, Naval Sea Systems Command. No original or copies of such records, reports, data and other information obtained hereunder, or any summaries thereof, shall be retained by the Contractor.

C-30 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. 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.

Section D - Packaging and Marking

D-1 PRESERVATION, PACKAGING AND PACKING

- (a) All unclassified data shall be prepared for shipment in accordance with best commercial practice.
- (b) Classified reports, data, and documentation shall be prepared for shipment in accordance with National Industrial Security Program Operating Manual (NISPOM), DOD 5220.22-M dated January 1995 with change 1 dated 31 July 1997 and change 2 dated 1 May 2000 and, when applicable, NISPOM Supplement 1 dated February 1995.
- (c) Onboard spares and repair parts, equipage, special tools, and loose hardware and support and test equipment shall be preserved, packaged, packed and marked in accordance with the requirements of the Ship Specifications.
- (d) Installation and checkout spare and repair parts shall be preserved, packaged, packed and marked.

D-2 IDENTIFICATION MARKING OF PARTS (NAVSEA) (NOV 1996)

- (a) Identification marking of individual parts within the systems, equipment, 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-3 MARKING AND PACKING LIST(S) (NAVSEA) (NOV 1996)

- (a) Marking. Shipments, 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.

Where an 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.

D-4 MARKING OF REPORTS (NAVSEA) (SEP 1990)

All reports delivered by the Contractor to the Government under this contract shall prominently show on the cover of the report:

- (1) name and business address of the Contractor
- (2) contract number
- (3) contract dollar amount
- (4) whether the contract was competitively or non-competitively awarded
- (5) sponsor:
 - (Name of Individual Sponsor)
 - (Name of Requiring Activity)
 - (City and State)

D-5 PROVISIONED ITEM ORDER

(a) **ITEM 0008.** The supplies furnished hereunder shall be cleaned, preserved, packaged, packed and marked in accordance with instructions provided by the Contracting Officer, Provisioning Activity or ACO. When not otherwise specified, spare and repair parts shall be packaged to ensure protection against corrosion, deterioration, physical, and electrical damage during shipment from the Contractor to the point of delivery.

Section E - Inspection and Acceptance

Items 0001 through 0003, 0012 and Option Items 0004 and 0005 - Inspection and acceptance shall be made at source by a representative of the cognizant Contract Administration Office.

Item 0008 - Inspection and acceptance of parts ordered hereunder shall be as established in each PIO. Unless otherwise stated in the PIO, parts shall be inspected and accepted at source by a representative of the Contract Administration Office.

Items 0009 and 0010 - Inspection and acceptance of data shall be as specified on the attached Contract Data Requirements List(s), DD Form 1423.

CLAUSES INCORPORATED BY REFERENCE

52.246-3 Inspection Of Supplies Cost-Reimbursement MAY 2001

CLAUSES INCORPORATED BY FULL TEXT

52.246-5 INSPECTION OF SERVICES--COST-REIMBURSEMENT (APR 1984)

- (a) Definition. "Services," as used in this clause, includes services performed, workmanship, and material furnished or used in performing services.
- (b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.
- (c) The Government has the right to inspect and test all services called for by the contract, to the extent practicable at all places and times during the term of the contract. The Government shall perform inspections and tests in a manner that will not unduly delay the work.
- (d) If any of the services performed do not conform with contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, for no additional fee. When the defects in services cannot be corrected by reperformance, the Government may (1) require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and (2) reduce any fee payable under the contract to reflect the reduced value of the services performed.
- (e) If the Contractor fails to promptly perform the services again or take the action necessary to ensure future performance in conformity with contract requirements, the Government may (1) by contract or otherwise, perform the services and reduce any fee payable by an amount that is equitable under the circumstances or (2) terminate the contract for default.

(End of clause)

52.246-11 HIGHER-LEVEL CONTRACT QUALITY (FEB 1999)

The Contractor shall comply with the higher-level quality standard selected below :
Title, Number, Date, Tailoring MIL-Q-9858A or ANSI/ASQC Q9001, as applicable, in effect on the contract date,
which is hereby incorporated into this contract.

GUARANTY PERIOD (FT) (NAVSEA) (JAN 1990)

(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 eight (8)* 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. The Contractor may, with approval of the Contracting Officer, have an engineer on board such vessel during such 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.

INSPECTION FACILITIES (CT) (NAVSEA) (JAN 1990)

The facilities to be provided pursuant to the requirement entitled "INSPECTION OF SUPPLIES AND CORRECTION OF DEFECTS" 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.

Section F - Deliveries or Performance

Items 0001 through 0003, 0008, 0009, 0010 and 0012 – The period of performance shall commence at contract award to 30 June 2007.

Option Items 0004 and 0005 – The period of performance is from the date of option exercise through 30 June 2007.

F-1 PSA COMPLETION SCHEDULE FOR THE VESSEL(S)

The Government agrees to locate the vessel with the Contractor at the Contractor’s facility on or about the following “Commencement Dates.” Commencement dates are accurate within plus or minus 90 days. Completion dates will be as set forth below. The Contractor agrees to complete work on each vessel not later than the “Completion Date” as set forth below:

| <u>VESSEL</u> | <u>PSA COMMENCEMENT</u> | <u>PSA COMPLETION</u> |
|---------------|-------------------------|-----------------------|
| DDG 99 | 5 Feb 07 | 99 DAC * |

* Days After PSA Commencement

F-2 DELIVERY OF DATA

Items 0009 and 0010 - The data to be furnished hereunder shall be delivered prepaid to destination(s) and at the time(s) specified on the Contract Data Requirements List, DD Form 1423, Exhibits A and B, attached hereto.

F-3 PLACE OF PERFORMANCE

Work on all vessel(s) covered under this contract shall be performed in Mayport, FL.

Atlantic Dry Dock Corporation
(Name of Facility)

8500 Heckseher Drive
(Street Address)

Jacksonville, Florida 32226
(City, State and Zip Code)

If the Contractor’s facility is specified, it shall be understood to mean the fairway of the facility. The Contractor is required to provide necessary tugs and pilot services to move the vessel(s) to the pier or dock and, upon completion of all work from the pier or dock to the fairway of the facility.

CLAUSES INCORPORATED BY REFERENCE

| | | |
|-----------------|--|----------|
| 52.242-15 | Stop-Work Order | AUG 1989 |
| 52.242-15 Alt I | Stop-Work Order (Aug 1989) - Alternate I | APR 1984 |

| | | |
|-----------|--|----------|
| 52.247-52 | Clearance and Documents Requirements-Shipments to DOD | FEB 2006 |
| | Air or Water Terminal Transshipment Points | |
| 52.247-55 | F.O.B. Point For Delivery Of Government-Furnished Property | JUN 2003 |
| 52.247-58 | Loading, Blocking, And Bracing Of Freight Car Shipment | APR 1984 |
| 52.247-61 | F.O.B. Origin--Minimum Size Of Shipments | APR 1984 |
| 52.247-65 | F.O.B. Origin, Prepaid Freight--Small Package Shipments | JAN 1991 |

Section G - Contract Administration Data

ACCOUNTING AND APPROPRIATION DATA

AA: 1761811 8560 311 SA 400 0 068342 2D 000000 231507180000

AMOUNT: [REDACTED]
CIN 00000000000000000000000000000000: [REDACTED]

AB: 1711711 A224 311 WA WMD 0 068342 2D 000000 231503000000

AMOUNT: [REDACTED]
CIN 00000000000000000000000000000000: [REDACTED]

G-1 CONTRACT ADMINISTRATION DATA

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.

G-2 CONTRACTING OFFICER'S REPRESENTATIVE

CONTRACTING OFFICER'S REPRESENTATIVE:

COMMANDER
NAVAL SEA SYSTEMS COMMAND
ATTN: [REDACTED] PMS 400D6
1333 ISAAC HULL AVE SE STOP 2315
WASHINGTON NAVY YARD DC 20376-2315
TELEPHONE NO [REDACTED]

ALTERNATE CONTRACTING OFFICER'S REPRESENTATIVES:

COMMANDER
NAVAL SEA SYSTEMS COMMAND
ATTN: [REDACTED] I (PMS 400D61)
1333 ISAAC HULL AVE SE STOP 2315
WASHINGTON NAVY YARD, DC 20376-2315
TELEPHONE: [REDACTED]

COMMANDER
ATTN: [REDACTED] (400D62)
NAVAL SEA SYSTEMS COMMAND
1333 ISAAC HULL AVE SE STOP 2315
WASHINGTON NAVY YARD, DC 20376-2315
TELEPHONE: [REDACTED]

The Contractor shall forward a copy of all invoices to the Contracting Officer's Representative.

**G-3 PAYMENT INSTRUCTIONS FOR MULTIPLE ACCOUNTING CLASSIFICATION CITATIONS
(NAVSEA)(APR 2004)**

(a) This contract is funded by multiple accounting classification citations referred to as accounting classification reference numbers (ACRNs). Contract line item numbers (CLINs) are further broken down into sub line item numbers (SLINs) in Section B and on the financial accounting data sheet (FADS).

(b) Invoicing Instructions: The contractor is required to invoice by CLIN/SLIN and ACRN. Invoices should not reference both the CLIN and SLIN. If the SLINs are shown on the FAD sheet and ACRNs and dollar amounts have been identified for them, then only the SLIN is required not the CLIN. The ACRN is always required. The amounts invoiced for each ACRN cannot exceed that authorized for each CLIN/SLIN as identified on the FAD sheet.

(c) Payment Instructions: Pay according to the CLIN/SLIN/ACRN cited on the invoice or progress payment. Each ACRN assigned to the specific CLIN/SLIN should be charged in the amount assigned to each CLIN/SLIN as identified on the FAD sheet as long as the amount does not exceed that authorized for the assigned ACRN, CLIN or SLIN. In the event the invoice or progress payment has not identified specific amounts to be paid from each ACRN, payment for each ACRN shall be prorated across all ACRNs assigned to that CLIN/SLIN on the invoice or progress payment.

G-4 PURCHASING OFFICE REPRESENTATIVE

PURCHASING OFFICE
REPRESENTATIVE:

COMMANDER
NAVAL SEA SYSTEMS COMMAND
ATTN: A. L. HILL SEA 02231
1333 ISAAC HULL AVE SE STOP 2020
WASHINGTON NAVY YARD DC 20376-2020
TELEPHONE NO. 202/781-2893
EMAIL: alvin.l.hill@navy.mil

Section H - Special Contract Requirements

CLAUSES INCORPORATED BY FULL TEXT

NAVSEA 5252.202-9101 ADDITIONAL DEFINITIONS (MAY 1993)

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

(a) DEPARTMENT means the Department of the Navy.

(b) REFERENCES TO THE FEDERAL ACQUISITION REGULATION (FAR) All references to the FAR in this contract shall be deemed to also reference the appropriate sections of the Defense FAR Supplement (DFARS), unless clearly indicated otherwise.

(c) 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 FAR/DFARS.

(d) 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 NIIN assigned to the item of supply.

CLAUSES INCORPORATED BY FULL TEXT

NAVSEA 5252.216-9112 ORDERS (COST-PLUS-FIXED-FEE) (DEC 2005)

(a) General. Orders for supplies or services specified in Section B of the Schedule may be issued by the Contracting Officer at any time during the effective period of this agreement. Except as otherwise provided in paragraph (e) below, the Contractor agrees to accept and perform orders issued by the Contracting Officer within the scope of this agreement. It is understood and agreed that the Government has no obligation under the terms of this agreement to issue any orders. Except as otherwise provided in any order, the Contractor shall furnish all materials and services necessary to accomplish the work specified in each order issued hereunder; provided, however, that this agreement shall not be used for the furnishing of supplies or services which are covered by any "guaranty" or "warranty" clause(s) of the contract(s) under which the supplies were manufactured. In the event of any inconsistency between any order and this agreement, this agreement shall control. All requirements of this agreement shall be applicable to all orders issued hereunder. Wherever the word "contract" appears in this agreement, it shall be deemed to include within its meaning the word "order", and each order shall be considered a separate binding contract as of its effective date. The Contractor shall segregate the costs incurred in the performance of any order issued hereunder from the costs of all other orders issued under this agreement.

(b) Ordering. Orders and revisions thereto shall be made in writing and be signed by any authorized Contracting Officer cited in paragraph (i). Each order shall:

- (1) set forth detailed specifications or requirements for the supplies or services being ordered, (or reference applicable specifications or requirements in Section C of this agreement), and, shall refer to the appropriate item under Section B of this agreement;
- (2) set forth quantities being ordered;
- (3) set forth preservation, packaging and packing instructions, if any;
- (4) set forth delivery or performance dates;
- (5) designate the place(s) where inspection and acceptance will be made by the Government;
- (6) set forth the estimated cost and fixed fee, in the case of an undefinitized order, the definitization schedule and both the monetary limitation on Government liability for the undefinitized order and the maximum ceiling amount at which the order may be definitized;
- (7) set forth appropriation and accounting data for the work being ordered;
- (8) be dated;
- (9) be identified by number in accordance with DFARS 204.7004;
- (10) set forth the property, if any, to be furnished by the Government and the date(s) such property is to be delivered to the Contractor;
- (11) set forth the disbursing office where payment is to be made and other applicable contract administration data;
- (12) cite the applicable circumstance or exception and the justification control number. Orders for items not identified in the class justification, or an individual justification, and the basic ordering agreement are unauthorized;
- (13) be issued on an SF 26 or a DD Form 1155; and
- (14) set forth any other pertinent information.

(c) Priced Orders. Except as otherwise provided in paragraph (d) below, the Contractor shall not begin any work on an order until the estimated cost and fixed fee for the order has been agreed upon by the Contracting Officer and Contractor and an order is issued by the Contracting Officer. Upon receipt of a proposed order, the Contractor shall promptly submit to the Contracting Officer a cost proposal for the work specified in the order. The Contractor shall submit such cost or pricing data as the Contracting Officer may require. Promptly after receipt of the Contractor's proposal and

supporting cost or pricing data, if required, the Contractor and the Contracting Officer shall negotiate and agree upon a price and delivery schedule for the work being ordered. The estimated cost, fixed fee, and delivery schedule, as agreed upon, shall be set forth in the priced order and the order shall be signed by both the Contracting Officer and the Contractor. Upon receipt of the priced order, the Contractor shall promptly commence work and shall diligently complete it.

(d) Undefinitized Orders. Whenever the Contracting Officer determines that urgent demands or requirements prevent the issuance of a firm priced order, the Contracting Officer may issue an unpriced 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 (f)(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 amount (including fee) at which the order may be definitized. Except as provided in paragraph (e) below, the Contractor shall commence performance of the order upon receipt. The clause entitled "CONTRACT DEFINITIZATION" (DFARS 252.217-7027) shall be included in any undefinitized order.

(e) Rejection of Unilateral Orders. The Contractor may reject any unilateral order if the Contractor determines it cannot feasibly perform the order, or if it does not concur with the maximum ceiling amount. However, each unilateral order shall be deemed to have been accepted by the Contractor unless within fifteen (15) days of issuance of the order the Contractor notifies the Contracting Officer in writing of its rejection of the order.

(f) 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 CPFF 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) other mutually agreeable clauses, terms and/or conditions. No later than sixty (60) days after the undefinitized order is issued, the Contractor shall submit a cost proposal with sufficient data to support the accuracy and derivation of its CPFF proposal; and, when required by FAR or the Contracting Officer, 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 CPFF agreed upon shall be set forth in a bilateral modification to the order. In no event shall the CPFF 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) 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 exceeds fifty percent (50%) of the order's maximum ceiling amount, except as provided in subparagraph (g)(3) below.

(3) If agreement on a definitive order is not reached within the time provided pursuant to subparagraph (f)(2) above, the Contracting Officer may, with the approval of the Head of the Contracting Activity, determine a reasonable price in accordance with Subpart 15.4 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).

(g) 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 Contractor 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, those expenditures and obligations 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 clause at FAR 52.216-24 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 (g)(3) below, the limitation of Government liability shall not exceed fifty percent (50%) of the maximum 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 maximum ceiling amount, the Contracting Officer may increase the limitation of Government liability up to no more than seventy-five percent (75%) of the maximum ceiling amount or up to seventy-five percent (75%) of the total CPFF proposed by the Contractor, whichever is less.

(4) If at any time the Contractor believes that its expenditures under an 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 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 definitization.

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

(i) Ordering Activities. The following activities are authorized to issue orders hereunder:

The Contracting Officer of the Ordering Activity shall forward a copy of each executed order marked "DD-350", to the Commander, Naval Sea Systems Command, ATTN: SEA 0272.

(j) Funds in the following amount are committed under this Basic Ordering Agreement for use by the Ordering Activity in obligating funds to pay for orders placed hereunder:

| <u>Item</u> | <u>Funds</u> |
|-------------|--------------|
|-------------|--------------|

5252.216-9122 LEVEL OF EFFORT (DEC 2000)
 (Applicable to Items 0003, 0004 and 0005)

(a) The Contractor agrees to provide the total level of effort specified in the next sentence in performance of the work described in Sections B and C of this contract. The total level of effort for the performance of this contract shall be [REDACTED] of direct labor, including subcontractor direct labor for those subcontractors specifically identified in the Contractor's proposal as having hours included in the proposed level of effort.

(b) Of the total man-hours of direct labor set forth above, it is estimated that [REDACTED] are uncompensated effort.

Uncompensated effort is defined as hours provided by personnel in excess of [REDACTED] without additional compensation for such excess work. All other effort is defined as compensated effort. If no effort is indicated in the first sentence of this paragraph, uncompensated effort performed by the Contractor shall not be counted in fulfillment of the level of effort obligations under this contract.

(c) Effort performed in fulfilling the total level of effort obligations specified above shall only include effort performed in direct support of this contract and shall not include time and effort expended on such things as (local travel to and from an employee's usual work location), uncompensated effort while on travel status, truncated lunch periods, work (actual or inferred) at an employee's residence or other non-work locations (except as provided in paragraph (j) below), or other time and effort which does not have a specific and direct contribution to the tasks described in Sections B and C.

(d) The level of effort for this contract shall be expended at an average rate of approximately [REDACTED] per week. It is understood and agreed that the rate of man-hours per month may fluctuate in pursuit of the technical objective, provided such fluctuation does not result in the use of the total man-hours of effort prior to the expiration of the term hereof, except as provided in the following paragraph.

(e) If, during the term hereof, the Contractor finds it necessary to accelerate the expenditure of direct labor to such an extent that the total man-hours of effort specified above would be used prior to the expiration of the term, the Contractor shall notify the Contracting Officer in writing setting forth the acceleration required, the probable benefits which would result, and an offer to undertake the acceleration at no increase in the estimated cost or fee together with an offer, setting forth a proposed level of effort, cost breakdown, and proposed fee, for continuation of the work until expiration of the term hereof. The offer shall provide that the work proposed will be subject to the terms and conditions of this contract and any additions or changes required by then current law, regulations, or directives, and that the offer, with a written notice of acceptance by the Contracting Officer, shall constitute a binding contract. The Contractor shall not accelerate any effort until receipt of such written approval by the Contracting Officer. Any agreement to accelerate will be formalized by contract modification.

(f) The Contracting Officer may, by written order, direct the Contractor to accelerate the expenditure of direct labor such that the total man-hours of effort specified in paragraph (a) above would be used prior to the expiration of the term. This order shall specify the acceleration required and the resulting revised term. The Contractor shall acknowledge this order within five days of receipt.

(g) If the total level of effort specified in paragraph (a) above is not provided by the Contractor during the period of this contract, the Contracting Officer, at its sole discretion, shall either (i) reduce the fee of this contract as follows:

$$\text{Fee Reduction} = \text{Fee} \frac{(\text{Required LOE} - \text{Expended LOE})}{\text{Required LOE}}$$

or (ii) subject to the provisions of the clause of this contract entitled "LIMITATION OF COST" (FAR 52.232-20) or "LIMITATION OF COST (FACILITIES)" (FAR 52.232-21), as applicable, require the Contractor to continue to perform the work until the total number of man-hours of direct labor specified in paragraph (a) above shall have been expended, at no increase in the fee of this contract.

(h) The Contractor shall provide and maintain an accounting system, acceptable to the Administrative Contracting Officer and the Defense Contract Audit Agency (DCAA), which collects costs incurred and effort (compensated and uncompensated, if any) provided in fulfillment of the level of effort obligations of this contract. The Contractor shall indicate on each invoice the total level of effort claimed during the period covered by the invoice, separately identifying compensated effort and uncompensated effort, if any.

(i) Within 45 days after completion of the work under each separately identified period of performance hereunder, the Contractor shall submit the following information in writing to the Contracting Officer with copies to the cognizant Contract Administration Office and to the DCAA office to which vouchers are submitted: (1) the total

number of man-hours of direct labor expended during the applicable period; (2) a breakdown of this total showing the number of man-hours expended in each direct labor classification and associated direct and indirect costs; (3) a breakdown of other costs incurred; and (4) the Contractor's estimate of the total allowable cost incurred under the contract for the period. Within 45 days after completion of the work under the contract, the Contractor shall submit, in addition, in the case of a cost underrun; (5) the amount by which the estimated cost of this contract may be reduced to recover excess funds and, in the case of an underrun in hours specified as the total level of effort; and (6) a calculation of the appropriate fee reduction in accordance with this clause. All submissions shall include subcontractor information.

(j) Unless the Contracting Officer determines that alternative worksite arrangements are detrimental to contract performance, the Contractor may perform up to 10% of the hours at an alternative worksite, provided the Contractor has a company-approved alternative worksite plan. The primary worksite is the traditional "main office" worksite. An alternative worksite means an employee's residence or a telecommuting center. A telecommuting center is a geographically convenient office setting as an alternative to an employee's main office. The Government reserves the right to review the Contractor's alternative worksite plan. In the event performance becomes unacceptable, the Contractor will be prohibited from counting the hours performed at the alternative worksite in fulfilling the total level of effort obligations of the contract. Regardless of work location, all contract terms and conditions, including security requirements and labor laws, remain in effect. The Government shall not incur any additional cost nor provide additional equipment for contract performance as a result of the Contractor's election to implement an alternative worksite plan.

(k) Notwithstanding any of the provisions in the above paragraphs, the Contractor may furnish man-hours up to five percent in excess of the total man-hours specified in paragraph (a) above, provided that the additional effort is furnished within the term hereof, and provided further that no increase in the estimated cost or fee is required.

NAVSEA 5252.217-9121 INDEMNIFICATION FOR ACCESS TO VESSEL (MAY 1989)

Notwithstanding any provision in the "ACCESS TO VESSEL" clause (DFARS 252.217-7011), 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.

NAVSEA 5252.223-9114 MANAGEMENT AND DISPOSAL OF HAZARDOUS WASTE (NOV 1996)

(a) GENERAL

(1) The Contractor shall comply with the Resource Conservation and Recovery Act (RCRA), the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), 10 U.S.C. 7311 and all other applicable Federal, State and local laws, codes, ordinances and regulations for the management and disposal of hazardous waste.

(2) Nothing contained in this special contract requirement shall relieve the Contractor from complying with applicable Federal, State, and local Laws, codes, ordinances, and regulations, including obtaining licenses and permits, giving notices and submitting reports, in connection with hazardous waste management and disposal in the

performance of this contract. Nothing contained herein shall serve to alter either party's liability or responsibility under CERCLA.

(3) Materials contained in ship systems are not waste until after removal from the system.

(b) IDENTIFICATION OF HAZARDOUS WASTES

HAZMAT DISPOSAL Work Specification number 593-21-001 of this contract identifies the types and amounts of hazardous wastes that are required to be removed by the Contractor, or that are expected to be generated, during the performance of work under this contract.

(c) GENERATOR IDENTIFICATION NUMBERS

(1) Documentation related to hazardous waste generated solely by the physical actions of ship's force or Navy employees on board the vessel shall only bear a generator identification number issued to the Navy pursuant to applicable law.

(2) Documentation related to hazardous waste generated solely by the physical actions of Contractor personnel shall only bear a generator identification number issued to the Contractor pursuant to applicable law. Regardless of the presence of other materials in or on the shipboard systems or structures which may have qualified a waste stream as hazardous, where the Contractor performs work on a system or structure using materials (whether or not the use of such materials was specified by the Navy) which by themselves would cause the waste from such work to be a hazardous waste, documentation related to such waste shall only bear a generator identification number issued to the Contractor.

(3) Documentation related to hazardous waste generated by the combined physical actions of Navy and Contractor personnel shall bear a generator identification number issued to the Contractor pursuant to applicable law and shall also cite in the remarks block a generator identification number issued to the Navy pursuant to applicable law.

(4) Notwithstanding paragraphs (c)(1) - (c)(3) above, hazardous wastes are considered to be co-generated in cases where: (a) the Contractor merely drains a system and such drainage creates hazardous waste or (b) the Contractor performs work on a system or structure using materials which by themselves would not cause the waste from such work to be hazardous waste but such work nonetheless creates a hazardous waste. Documentation related to such co-generated waste shall bear a generator identification number in accordance with the provisions of paragraph (c)(3) above.

(5) In the event of a failure by the parties to agree to the assignment of a generator identification number to any hazardous waste as set forth in paragraphs (c)(1) through (c)(4) above, the Government may direct which party or parties shall provide generator identification numbers for the waste and such number(s) shall be used on all required documentation. Any disagreement with this direction shall be a dispute within the meaning of clause of this contract entitled "DISPUTES" (FAR 52.233-1). However, the Contractor shall not stop any work but shall continue with performance of all work under this contract as specified in the "DISPUTES" clause.

(6) Hazardous Waste Manifests For wastes described in (c)(2), (c)(3), and (c)(4) above (and (c)(5) as applicable), the Contractor shall sign the generator certification on the Uniform Hazardous Waste Manifest whenever use of the Manifest is required for disposal. The Contractor shall obtain concurrence with the categorization of wastes under paragraphs (c)(3) and (c)(4) above before completion of the manifest. Manifests prepared pursuant to paragraph (c)(1) above shall be presented to the ACO for completion after the hazardous waste has been identified.

(7) For purposes of paragraphs (c)(2) and (3) herein, if the Contractor, while performing work at a Government facility, cannot obtain a separate generator identification number from the State in which the availability will be performed, the Contractor shall notify ACO within 3 business days of receipt of written notification by the State. After obtaining ACO approval, the Contractor shall use the Navy site generator identification number and insert in

the remarks block the contractor generator identification number issued for the site where his main facilities are located. For purposes of paragraph (c)(1) herein, if the work is being performed at a contractor facility and the Government cannot obtain a separate generator identification number for the State, the Government shall use the Contractor site generator identification number and shall cite in the remarks block a Navy generator identification number. In both instances described above, the Contractor shall prepare the Uniform Hazardous Waste Manifest described in paragraph (c)(6) above and present it to ACO for completion.

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.

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.

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>

NAVSEA 5252.228-9106 INSURANCE PROPERTY LOSS OR DAMAGE LIABILITY TO THIRD PERSONS
(CT) (JAN 1990)

(a) 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, if available, 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 of the Bureau of Ships", dated 23 November 1942, in an amount equal to (i) eighty percent (80%) of the sum of the estimated cost of the vessel and an amount established 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 (a) 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.

(b) The cost of the insurance required by paragraph (a) of this requirement is included in the estimated cost and the cost of all other insurance which may be required or approved pursuant to this requirement will be reimbursed to the Contractor. If the Department should require or approve the cancellation of any insurance or any insurance is otherwise cancelled, 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.

(c) 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 and the Government shall be named as insureds 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.

(d) The indemnification afforded by the Government to the Contractor for the purposes of this requirement is without regard and as an exception to the clause of this contract entitled "LIMITATION OF COST" (FAR 52.232-20).

*Or successor office, if applicable.

NAVSEA 5252.232-9104 ALLOTMENT OF FUNDS - ALTERNATE I (MAY 1993)

(a) This contract is incrementally funded with respect to both cost and fee. The amounts presently available and allotted to this contract for payment of base fee, if any, and award fee are set forth below. Base fee amount is subject to the clause entitled "FIXED FEE" (FAR 52.216-8). Award fee amount is subject to the requirements delineated in . The amount(s) presently available and allotted to this contract for payment of cost for incrementally funded CLINs/SLINs is set forth below. As provided in the clause of this contract entitled "LIMITATION OF FUNDS" (FAR 52.232-22), the CLINs/SLINs covered thereby, and the period of performance for which it is estimated the allotted amount(s) will cover are as follows:

| <u>ITEM(S)</u> | <u>ALLOTED TO COST</u> \$ | <u>ALLOTED TO FEE</u> \$ | <u>ESTIMATED</u> <u>PERIOD OF PERFORMANCE</u> |
|----------------|------------------------------|-----------------------------|--|
|----------------|------------------------------|-----------------------------|--|

(b) The parties contemplate that the Government will allot additional amounts to this contract from time to time for the incrementally funded CLINs/SLINs by unilateral contract modification, and any such modification shall state separately the amount(s) allotted for cost, the amount(s) allotted for fee, the CLINs/SLINs covered thereby, and the period of performance which the amount(s) are expected to cover.

(c) CLINs/SLINs are fully funded and performance under these CLINs/SLINs is subject to the clause of this contract entitled "LIMITATION OF COST" (FAR 52.232-20) or "LIMITATION OF COST (FACILITIES)" (FAR 52.232-21), as applicable.

(d) The Contractor shall segregate costs for the performance of incrementally funded CLINs/SLINs from the costs of performance of fully funded CLINs/SLINs.

NAVSEA 5252.233-9103 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (AT) - ALTERNATE I (APR 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.

(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 "causal" 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.

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.

NAVSEA 5252.242-9115 TECHNICAL INSTRUCTIONS (APR 1999)

(a) Performance of the work hereunder may be subject to written technical instructions signed by the Contracting Officer's Representative specified in Section G of this contract. As used herein, technical instructions are defined to include the following:

(1) Directions to the Contractor which suggest pursuit of certain lines of inquiry, shift work emphasis, fill in details or otherwise serve to accomplish the contractual statement of work.

(2) Guidelines to the Contractor which assist in the interpretation of drawings, specifications or technical portions of work description.

(b) Technical instructions must be within the general scope of work stated in the contract. Technical instructions may not be used to: (1) assign additional work under the contract; (2) direct a change as defined in the "CHANGES" clause of this contract; (3) increase or decrease the contract price or estimated contract amount (including fee), as applicable, the level of effort, or the time required for contract performance; or (4) change any of the terms, conditions or specifications of the contract.

(c) If, in the opinion of the Contractor, any technical instruction calls for effort outside the scope of the contract or is inconsistent with this requirement, the Contractor shall notify the Contracting Officer in writing within ten (10) working days after the receipt of any such instruction. The Contractor shall not proceed with the work affected by the technical instruction unless and until the Contractor is notified by the Contracting Officer that the technical instruction is within the scope of this contract.

(d) Nothing in the foregoing paragraph shall be construed to excuse the Contractor from performing that portion of the contractual work statement which is not affected by the disputed technical instruction.

NAVSEA 5252.243-9105 NOTIFICATION OF CHANGES (CT) (JAN 1983)

(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 requirement 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

(1) 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;

(2) 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 _____ quarter of _____, 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.

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 cost and fee 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.

NAVSEA 5252.243 9113 OTHER CHANGE PROPOSALS (CT) (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 cost and fee 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 cost and fee 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 cost and fee shall be a dispute within the meaning of the clause of this contract entitled "DISPUTES" (FAR 52.233-1).

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.

NAVSEA 5252.249-9105 AWARD FEE DETERMINATION IN EVENT OF TERMINATION OR DISCONTINUANCE (CA) (JAN 1990)

In the event that this contract is terminated in whole or pursuant to the contract clause entitled "TERMINATION (COST-REIMBURSEMENT)" (FAR 52.249-6) or in the event this contract is discontinued pursuant to the contract clause entitled "LIMITATION OF COST" (FAR 52.232-20), the last award fee period shall end with the effective date of such termination or discontinuance. In either of such events, the amount of award fee, if any, determined to be otherwise payable shall be adjusted or prorated to reflect the difference, if any, in award fee periods resulting from termination or discontinuance.

ORDER OF PRECEDENCE

(a) The terms and conditions of this contract are as follows and constitute the entire agreement of the parties:

Part I - SCHEDULE

| | |
|--|-----------|
| Solicitation/Contract Form | Section A |
| Supplies or Services and Prices/Costs | Section B |
| Description/Specification/Work Statement | Section C |
| Packaging and Marking | Section D |
| Inspection and Acceptance | Section E |
| Deliveries or Performance | Section F |
| Contract Administration Data | Section G |
| Special Contract Requirements | Section H |

Part II - CONTRACT CLAUSES

| | |
|------------------|-----------|
| Contract Clauses | Section I |
|------------------|-----------|

Part III - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS

| | |
|---------------------|-----------|
| List of Attachments | Section J |
|---------------------|-----------|

The rights and obligations of the parties of this contract shall be subject to and governed by the contract as enumerated above. In the event of any inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order: (1) the Schedule (excluding Section C-1 and the Ship Specifications); (2) Contract Clauses; (3) Section C-1 of the Schedule (excluding the Ship Specifications); (4) Documents, Exhibits, and Other Attachments to the Contract identified in Section J (excluding the Ship Specifications, Contract Drawings, Project Peculiar Documents, Schedule C, and Government-furnished detail design data); (5) the Ship Specifications (refer to Section 042c of the Ship Specifications and the documents, including Project Peculiar Documents, referenced therein); (6) Schedule C; and (7) Government-furnished detail design data.

Section I - Contract Clauses

SECTION I-1 - CLAUSES INCORPORATED BY REFERENCE
I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES:

CLAUSES INCORPORATED BY REFERENCE

| | | |
|-----------|--|----------|
| 52.202-1 | Definitions | JUL 2004 |
| 52.203-3 | Gratuities | APR 1984 |
| 52.203-5 | Covenant Against Contingent Fees | APR 1984 |
| 52.203-6 | Restrictions On Subcontractor Sales To The Government | JUL 1995 |
| 52.203-7 | Anti-Kickback Procedures | JUL 1995 |
| 52.203-8 | Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity | JAN 1997 |
| 52.203-10 | Price Or Fee Adjustment For Illegal Or Improper Activity | JAN 1997 |
| 52.203-12 | Limitation On Payments To Influence Certain Federal Transactions | SEP 2005 |
| 52.204-2 | Security Requirements | AUG 1996 |
| 52.204-4 | Printed or Copied Double-Sided on Recycled Paper | AUG 2000 |
| 52.209-6 | Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment | JAN 2005 |
| 52.211-5 | Material Requirements | AUG 2000 |
| 52.211-15 | Defense Priority And Allocation Requirements | SEP 1990 |
| 52.215-2 | Audit and Records--Negotiation | JUN 1999 |
| 52.215-8 | Order of Precedence--Uniform Contract Format | OCT 1997 |
| 52.215-10 | Price Reduction for Defective Cost or Pricing Data | OCT 1997 |
| 52.215-11 | Price Reduction for Defective Cost or Pricing Data--Modifications | OCT 1997 |
| 52.215-12 | Subcontractor Cost or Pricing Data | OCT 1997 |
| 52.215-13 | Subcontractor Cost or Pricing Data--Modifications | OCT 1997 |
| 52.215-15 | Pension Adjustments and Asset Reversions | OCT 2004 |
| 52.215-18 | Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions | JUL 2005 |
| 52.216-7 | Allowable Cost And Payment | DEC 2002 |
| 52.216-8 | Fixed Fee | MAR 1997 |
| 52.219-8 | Utilization of Small Business Concerns | MAY 2004 |
| 52.219-9 | Small Business Subcontracting Plan | JUL 2005 |
| 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 | JUN 2003 |
| 52.222-4 | Contract Work Hours and Safety Standards Act - Overtime Compensation | JUL 2005 |
| 52.222-20 | Walsh-Healey Public Contracts Act | DEC 1996 |
| 52.222-26 | Equal Opportunity | APR 2002 |
| 52.222-35 | Equal Opportunity For Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans | DEC 2001 |
| 52.222-36 | Affirmative Action For Workers With Disabilities | JUN 1998 |
| 52.222-37 | Employment Reports On Special Disabled Veterans, Veterans Of The Vietnam Era, and Other Eligible Veterans | DEC 2001 |
| 52.223-3 | Hazardous Material Identification And Material Safety Data | JAN 1997 |

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| 52.223-6 | Drug-Free Workplace | MAY 2001 |
| 52.223-11 | Ozone-Depleting Substances | MAY 2001 |
| 52.223-12 | Refrigeration Equipment and Air Conditioners | MAY 1995 |
| 52.223-14 | Toxic Chemical Release Reporting | AUG 2003 |
| 52.225-8 | Duty-Free Entry | FEB 2000 |
| 52.225-13 | Restrictions on Certain Foreign Purchases | FEB 2006 |
| 52.225-14 | Inconsistency Between English Version And Translation Of Contract | FEB 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 |
| 52.228-7 | Insurance--Liability To Third Persons | MAR 1996 |
| 52.230-2 | Cost Accounting Standards | APR 1998 |
| 52.230-3 | Disclosure And Consistency Of Cost Accounting Practices | APR 1998 |
| 52.230-6 | Administration of Cost Accounting Standards | APR 2005 |
| 52.232-9 | Limitation On Withholding Of Payments | APR 1984 |
| 52.232-17 | Interest | JUN 1996 |
| 52.232-20 | Limitation Of Cost | APR 1984 |
| 52.232-22 | Limitation Of Funds | APR 1984 |
| 52.232-23 | Assignment Of Claims | JAN 1986 |
| 52.232-25 | Prompt Payment | OCT 2003 |
| 52.233-3 | Protest After Award | AUG 1996 |
| 52.233-3 Alt I | Protest After Award (Aug 1996) - Alternate I | JUN 1985 |
| 52.234-1 | Industrial Resources Developed Under Defense Production Act Title III | DEC 1994 |
| 52.237-3 | Continuity Of Services | JAN 1991 |
| 52.242-1 | Notice of Intent to Disallow Costs | APR 1984 |
| 52.242-3 | Penalties for Unallowable Costs | MAY 2001 |
| 52.242-13 | Bankruptcy | JUL 1995 |
| 52.243-2 | Changes--Cost-Reimbursement | AUG 1987 |
| 52.243-2 Alt II | Changes--Cost Reimbursement (Aug 1987) - Alternate II | APR 1984 |
| 52.244-5 | Competition In Subcontracting | DEC 1996 |
| 52.244-6 | Subcontracts for Commercial Items | FEB 2006 |
| 52.245-5 | Government Property (Cost-Reimbursement Time-And-Materials, Or Labor Hour Contracts) | MAY 2004 |
| 52.246-23 | Limitation Of Liability | FEB 1997 |
| 52.246-24 | Limitation Of Liability--High-Value Items | FEB 1997 |
| 52.246-25 | Limitation Of Liability--Services | FEB 1997 |
| 52.247-1 | Commercial Bill Of Lading Notations | FEB 2006 |
| 52.247-63 | Preference For U.S. Flag Air Carriers | JUN 2003 |
| 52.247-67 | Submission Of Transportation Documents For Audit | FEB 2006 |
| 52.248-1 | Value Engineering | FEB 2000 |
| 52.249-6 | Termination (Cost Reimbursement) | MAY 2004 |
| 52.249-14 | Excusable Delays | APR 1984 |
| 52.251-1 | Government Supply Sources | APR 1984 |
| 52.253-1 | Computer Generated Forms | JAN 1991 |

II. DEFENSE FAR SUPPLEMENT (48 CFR CHAPTER 2) CLAUSES:

CLAUSES INCORPORATED BY REFERENCE

| | | |
|--------------------|--|----------|
| 252.201-7000 | Contracting Officer's Representative | DEC 1991 |
| 252.203-7001 | Prohibition On Persons Convicted of Fraud or Other Defense- Contract-Related Felonies | DEC 2004 |
| 252.203-7002 | Display Of DOD Hotline Poster | DEC 1991 |
| 252.204-7000 | Disclosure Of Information | DEC 1991 |
| 252.204-7003 | Control Of Government Personnel Work Product | APR 1992 |
| 252.205-7000 | Provision Of Information To Cooperative Agreement Holders | DEC 1991 |
| 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 |
| 252.215-7002 | Cost Estimating System Requirements | OCT 1998 |
| 252.219-7003 | Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DOD Contracts) | APR 1996 |
| 252.223-7002 | Safety Precautions For Ammunition And Explosives | MAY 1994 |
| 252.223-7003 | Changes In Place Of Performance--Ammunition And Explosives | DEC 1991 |
| 252.223-7004 | Drug Free Work Force | SEP 1988 |
| 252.225-7001 | Buy American Act And Balance Of Payments Program | JUN 2005 |
| 252.225-7002 | Qualifying Country Sources As Subcontractors | APR 2003 |
| 252.225-7012 | Preference For Certain Domestic Commodities | JUN 2004 |
| 252.225-7014 | Preference For Domestic Specialty Metals | JUN 2005 |
| 252.225-7014 Alt I | Preference For Domestic Specialty Metals (Jun 2005) - Alternate I | APR 2003 |
| 252.225-7015 | Restriction on Acquisition of Hand Or Measuring Tools | JUN 2005 |
| 252.225-7016 | Restriction On Acquisition Of Ball and Roller Bearings | MAR 2006 |
| 252.225-7022 | Restriction On Acquisition Of Polyacrylonitile (PAN) Carbon Fiber | JUN 2005 |
| 252.225-7025 | Restriction on Acquisition of Forgings | JUN 2005 |
| 252.225-7028 | Exclusionary Policies And Practices Of Foreign Government | APR 2003 |
| 252.227-7013 | Rights in Technical Data--Noncommercial Items | NOV 1995 |
| 252.227-7014 | Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation | JUN 1995 |
| 252.227-7016 | Rights in Bid or Proposal Information | JUN 1995 |
| 252.227-7019 | Validation of Asserted Restrictions--Computer Software | JUN 1995 |
| 252.227-7025 | Limitations on the Use or Disclosure of Government- Furnished Information Marked with Restrictive Legends | JUN 1995 |
| 252.227-7027 | Deferred Ordering Of Technical Data Or Computer Software | APR 1988 |
| 252.227-7030 | Technical Data--Withholding Of Payment | MAR 2000 |
| 252.227-7037 | Validation of Restrictive Markings on Technical Data | SEP 1999 |
| 252.231-7000 | Supplemental Cost Principles | DEC 1991 |
| 252.242-7004 | Material Management And Accounting System | NOV 2005 |
| 252.243-7002 | Requests for Equitable Adjustment | MAR 1998 |
| 252.244-7000 | Subcontracts for Commercial Items and Commercial Components (DoD Contracts) | NOV 2005 |
| 252.245-7001 | Reports Of Government Property | MAY 1994 |
| 252.246-7000 | Material Inspection And Receiving Report | MAR 2003 |
| 252.246-7001 | Warranty Of Data | DEC 1991 |
| 252.249-7002 | Notification of Anticipated Program Termination or Reduction | DEC 1996 |

252.251-7000 Ordering From Government Supply Sources

NOV 2004

SECTION I-2 - CLAUSES INCORPORATED IN FULL TEXT

CLAUSES INCORPORATED BY FULL TEXT

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.

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).

(End of clause)

52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS (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.

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.

(End of clause)

52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS (OCT 1997)--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.

(c) When the proposal is submitted, also submit one copy each to: (1) the Administrative Contracting Officer, and (2) the Contract Auditor.

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.

(End of clause)

52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000) (NAVSEA VARIATION) (MAR 2000)

(a) The Government may extend the term of this contract by written notice(s) to the Contractor within the periods specified below. If more than one option exists, each option is independent of any other option, and the Government has the right to unilaterally exercise any such option whether or not it has exercised other options.

| <u>ITEM(S)</u> | <u>LATEST OPTION EXERCISE DATE</u> |
|----------------|------------------------------------|
| 0004, 0005 | 5 April 2007 |

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any option(s) under this clause, shall not exceed five (5) years, however, in accordance with paragraph (g) of the requirement of this contract entitled "LEVEL OF EFFORT" (NAVSEA 5252.216-9122), if the total manhours delineated in paragraph (a) of the LEVEL OF EFFORT requirement, have not been expended within the period specified above, the Government may require the Contractor to continue to perform the work until the total number of manhours specified in paragraph (a) of the aforementioned requirement have been expended.

52.222-2 PAYMENT FOR OVERTIME PREMIUMS (JUL 1990)

(a) The use of overtime is authorized under this contract if the overtime premium cost does not exceed _____ 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 multishift operations or by employing additional personnel.

* Insert either "zero" or the dollar amount agreed to during negotiations. The inserted figure does not apply to the exceptions in paragraph (a)(1) through (a)(4) of the clause.

(End of clause)

52.223-9 ESTIMATE OF PERCENTAGE OF RECOVERED MATERIAL CONTENT FOR EPA-DESIGNATED PRODUCTS (AUG 2000)

(a) Definitions. As used in this clause--

Postconsumer material means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item. Postconsumer material is a part of the broader category of "recovered material."

Recovered material means waste materials and by-products recovered or diverted from solid waste, but the term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

(b) The Contractor, on completion of this contract, shall--

(1) Estimate the percentage of the total recovered material used in contract performance, including, if applicable, the percentage of postconsumer material content; and

(2) Submit this estimate to _____ [Contracting Officer complete in accordance with agency procedures].

(End of clause)

52.223-9 ESTIMATE OF PERCENTAGE OF RECOVERED MATERIAL CONTENT FOR EPA-DESIGNATED PRODUCTS (AUG 2000) ALTERNATE I (AUG 2000)

(a) Definitions. As used in this clause--

Postconsumer material means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item. Postconsumer material is a part of the broader category of "recovered material."

Recovered material means waste materials and by-products recovered or diverted from solid waste, but the term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

(b) The Contractor shall execute the following certification required by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. 6962(i)(2)(C)):

Certification

I, _____ (name of certifier), am an officer or employee responsible for the performance of this contract and hereby certify that the percentage of recovered material content for EPA-designated products met the applicable contract specifications.

(Signature of the Officer or Employee)

(Typed Name of the Officer or Employee)

(Title)

(Name of Company, Firm, or Organization)

(Date)

(End of certification)

- (c) The Contractor, on completion of this contract, shall--
 - (1) Estimate the percentage of the total recovered material used in contract performance, including, if applicable, the percentage of postconsumer material content; and
 - (2) Submit this estimate to _____ [Contracting Officer complete in accordance with agency procedures].

(End of clause)

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:-----

(End of clause)

52.243-7 NOTIFICATION OF CHANGES (APR 1984)

(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 Contractor) which shall refer to this subparagraph and shall be issued to the designated representative before the SAR exercises such authority.

(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, within 5 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 (b) above, 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 (b) above, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall countermand any action which exceeds the authority of the SAR.

(d) Government response. The Contracting Officer shall promptly, within 10 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 (1), (2), or (3) above, 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 (b) and (c) above.

Note: The phrases "contract price" and "cost" wherever they appear in the clause, may be appropriately modified to apply to cost-reimbursement or incentive contracts, or to combinations thereof.

(End of clause)

52.244-2 SUBCONTRACTS (AUG 1998) - ALTERNATE I (JAN 2006)

(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 contract 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 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 the 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 a summary of all trade-off possibilities considered.
- (2) If the Contractor has an approved purchasing system and consent is not required under paragraph (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 either 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 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)(i).
 - (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 do not apply to the following subcontracts, which were evaluated during negotiations:

(End of clause)

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):

www.arnet.gov/far
www.acq.osd.mil/dp/dars/dfars/dfars.html
www.abm.rda.hq.navy.mil

(End of clause)

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.

(End of clause)

252.204-7004 CENTRAL CONTRACTOR REGISTRATION (52.204-7) ALTERNATE A (NOV 2003)

- (a) Definitions. As used in this clause--

“Central Contractor Registration (CCR) database” means the primary Government repository for contractor information required for the conduct of business with the Government.

“Commercial and Government Entity (CAGE) code” means--

- (1) A code assigned by the Defense Logistics Information Service (DLIS) to identify a commercial or Government entity; or
- (2) A code assigned by a member of the North Atlantic Treaty Organization that DLIS records and maintains in the CAGE master file. This type of code is known as an “NCAGE code.”

“Data Universal Numbering System (DUNS) number” means the 9-digit number assigned by Dun and Bradstreet, Inc. (D&B) to identify unique business entities.

“Data Universal Numbering System +4 (DUNS+4) number” means the DUNS number assigned by D&B plus a 4-character suffix that may be assigned by a business concern. (D&B has no affiliation with this 4-character suffix.) This 4-character suffix may be assigned at the discretion of the business concern to establish additional CCR records for identifying alternative Electronic Funds Transfer (EFT) accounts (see Subpart 32.11 of the Federal Acquisition Regulation) for the same parent concern.

“Registered in the CCR database” means that--

- (1) The Contractor has entered all mandatory information, including the DUNS number or the DUNS+4 number, into the CCR database;
 - (2) The Contractor's CAGE code is in the CCR database; and
 - (3) The Government has validated all mandatory data fields and has marked the records “Active.”
- (b)(1) By submission of an offer, the offeror acknowledges the requirement that a prospective awardee shall be registered in the CCR database prior to award, during performance, and through final payment of any contract, basic agreement, basic ordering agreement, or blanket purchasing agreement resulting from this solicitation.
- (2) The offeror shall enter, in the block with its name and address on the cover page of its offer, the annotation "DUNS" or "DUNS +4" followed by the DUNS or DUNS +4 number that identifies the offeror's name and address exactly as stated in the offer. The DUNS number will be used by the Contracting Officer to verify that the offeror is registered in the CCR database.
- (c) If the offeror does not have a DUNS number, it should contact Dun and Bradstreet directly to obtain one.
- (1) An offeror may obtain a DUNS number-
 - (i) If located within the United States, by calling Dun and Bradstreet at 1-866-705-5711 or via the Internet at <http://www.dnb.com>; or
 - (ii) If located outside the United States, by contacting the local Dun and Bradstreet office.
 - (2) The offeror should be prepared to provide the following information:
 - (i) Company legal business.
 - (ii) Tradestyle, doing business, or other name by which your entity is commonly recognized.
 - (iii) Company Physical Street Address, City, State, and Zip Code.
 - (iv) Company Mailing Address, City, State and Zip Code (if separate from physical).
 - (v) Company Telephone Number.
 - (vi) Date the company was started.
 - (vii) Number of employees at your location.
 - (viii) Chief executive officer/key manager.
 - (ix) Line of business (industry).

(x) Company Headquarters name and address (reporting relationship within your entity).

(d) If the Offeror does not become registered in the CCR database in the time prescribed by the Contracting Officer, the Contracting Officer will proceed to award to the next otherwise successful registered Offeror.

(e) Processing time, which normally takes 48 hours, should be taken into consideration when registering. Offerors who are not registered should consider applying for registration immediately upon receipt of this solicitation.

(f) The Contractor is responsible for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(g)

(1)

(i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in Subpart 42.12, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to (A) change the name in the CCR database; (B) comply with the requirements of Subpart 42.12 of the FAR; and (C) agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor must provide with the notification sufficient documentation to support the legally changed name.

(ii) If the Contractor fails to comply with the requirements of paragraph (g)(1)(i) of this clause, or fails to perform the agreement at paragraph (g)(1)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the CCR information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(2) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the CCR record to reflect an assignee for the purpose of assignment of claims (see FAR Subpart 32.8, Assignment of Claims). Assignees shall be separately registered in the CCR database. Information provided to the Contractor's CCR record that indicates payments, including those made by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the EFT clause of this contract.

(h) Offerors and Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.ccr.gov> or by calling 1-888-227-2423, or 269-961-5757.

(End of clause)

252.211-7005 SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATIONS AND STANDARDS
(NOV 2005)

(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 Agency, the Defense Contract Audit Agency, and the military departments.

(b) Offerors are encouraged to propose SPI processes in lieu of military or Federal specifications and standards cited in the solicitation. A listing of SPI processes accepted at specific facilities is available via the Internet at http://guidebook.dema.mil/20/guidebook_process.htm (paragraph 4.2).

(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: _____

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.

(End of clause)

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.

MATERIAL (If None, Insert "None.")

ACT

(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).

(End of clause)

252.247-7023 Transportation of Supplies by Sea (MAY 2002)

(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.

(i) 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 Maritime Administration, Office of Cargo Preference, U.S. Department of Transportation, 400 Seventh Street SW., 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 the steamship company.

(f) The Contractor shall 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:

| ITEM DESCRIPTION | CONTRACT LINE ITEMS | QUANTITY |
|---------------------|------------------------|----------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| TOTAL | _____ | _____ |

(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) In the award of subcontracts for the types of supplies described in paragraph (b)(2) of this clause, the Contractor shall flow down the requirements of this clause as follows:

(1) The Contractor shall insert the substance of this clause, including this paragraph (h), in subcontracts that exceed the simplified acquisition threshold in part 2 of the Federal Acquisition Regulation.

(2) The Contractor shall insert the substance of paragraphs (a) through (e) of this clause, and this paragraph (h), in subcontracts that are at or below the simplified acquisition threshold in part 2 of the Federal Acquisition Regulation.

(End of clause)

NMCARS 5252.223-9000 DON ADDITIONAL SAFETY REQUIREMENTS APPLICABLE TO SPECIFIED GOVERNMENT FURNISHED AMMUNITION AND EXPLOSIVES (OCT 1997)

The following additional safety requirements apply to Government Furnished Material (GFM) Ammunition and Explosives (A&E) containing nitrocellulose-based propellants and/or nitrate ester-based materials (such as nitroglycerin,) or such other similar A&E provided as GFM and designated by the Contracting Officer which have a tendency to become chemically unstable over time:

(a) The Contractor shall maintain inventory control records of potentially unstable GFM A&E by National Stock Number (NSN) or part number, lot number, nomenclature, storage location, quantity and date of receipt.

(b) The Contractor shall comply with any Government notice concerning any restrictions, suspensions and limitations imposed by the cognizant Government component on GFM A&E to ensure that the materials are safe for continued storage.

(c) Upon receipt of a notice from the Government of reclassification actions taken by the Government that render GFM A&E unserviceable, suspended or restricted, the Contractor shall immediately follow the instructions contained within the notice.

(d) When directed by the Government, the Contractor shall ship samples of GFM A&E in its possession to Government testing facilities. GFM A&E samples will be shipped with the Contract Number, NSN or part number, lot number, nomenclature and quantity clearly marked on the Bill of Lading. Failure to comply may result in rejection and/or disposal of the material at the destination at the expense of the Contractor. Any costs associated with the rejection and/or disposal of non-compliant or unauthorized shipments shall be borne by the Contractor.

(e) Within 30 days of completion or termination of the contract, the Contractor shall request disposition instructions from the Contracting Officer for any residual, unserviceable, suspended or restricted GFM A&E. The Contracting Officer shall provide disposition instructions to the Contractor no later than 90 days after they are requested.

(f) If disposition instructions direct shipment to a Government disposal or storage activity, the Contractor shall obtain verification of the contents and marking by the contract administration office Quality Assurance Representative prior to shipment. Additionally, the Contractor shall notify the receiving activity 30 days prior to shipment and provide a detailed list of GFM A&E being returned. Returned materials will be shipped with the Contract Number, NSN or part number, lot number, nomenclature and quantity clearly marked. Failure to comply

may result in rejection and/or disposal of the material at the destination at the expense of the Contractor. Any costs associated with the rejection and/or disposal of non-compliant or unauthorized shipments shall be borne by the contractor.

(g) If the Contractor has the capability to dispose of these materials at its facility and has been instructed to do so through disposition instructions, the Contractor shall provide written notice to the Contracting Officer identifying the materials it is disposing of by the Contract Number, NSN or part number, lot number, nomenclature and quantity, and the date the disposition of the materials was accomplished.

(h) If direction issued under this clause causes an increase in the cost of performance under this contract, the Contracting Officer shall make an equitable adjustment in the contract price.

Section J - List of Documents, Exhibits and Other Attachments

Exhibit/Attachment Table of Contents

J-1 The Attachments forming a part of this solicitation are as follows:

- Attachment 1 – Financial Data Accounting Sheet (to be provided at contract award)
- Attachment 2 – Work Item Specifications for Item 0002
- Attachment 3 – Provisioning Statement of Work
- Attachment 4 – Testing Index and Test Numbering System (NAVSEA DWG 802-6215563 Latest Revision)
- Attachment 5 – NAVSEA Standard Item Numerical Index (FY 05)
- Attachment 6 – Contract Security Classification Specifications, DD Form 254, 2 pages
- Attachment 7 – RESERVED
- Attachment 8 – Contract Data Requirements List, DD Form 1423, Exhibit A: 6 pages, Exhibit B: 15 pages.
- Attachment 9 – Small Business Subcontracting Plan
- Attachment 10 – Work Item Specifications for Item 0012