



MISSILE RANGE INSTRUMENTATION SHIP

T-AGM(R)

PROCUREMENT REQUEST

N000024-06-NR-53011

CONTRACT

N00024-06-C-2215

SOLICITATION, OFFER AND AWARD

1. THIS CONTRACT IS RATED ORDER
UNDER DPAS (15 CFR 700)

RATING
DO-A3

PAGE OF PAGES
1 179

2. CONTRACT NUMBER
N00024-06-C-2215

3. SOLICITATION NUMBER
N00024-05-R-2200

4. TYPE OF SOLICITATION
[] SEALED BID (IFB)
[X] NEGOTIATED (RFP)

5. DATE
ISSUED
03/21/05

6. REQUISITION/PURCHASE NO.
N00024-04-NR-91311 *

7. ISSUED BY
COMMANDER
NAVAL SEA SYSTEMS COMMAND
1333 ISAAC HULL AVE SE
WASHINGTON NAVY YARD DC 20376-0001

CODE N00024

8. ADDRESS OFFER TO (If other than Item 7)

See Section L

* Funding PR N00024-06-NR-53011

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

SOLICITATION

9. Sealed offers in original and See Section L 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 Not Applicable until 2:00 PM local time 22 JUN 2005.

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
Mr. Stephen V. Piasecki
Ms. Melanie Beardsley

B. TELEPHONE (NO COLLECT CALLS)

AREA CODE (202)
NUMBER 781-2969
781-3857
EXT. N/A

C. E-MAIL ADDRESS

stephen.piasecki@navy.mil
melanie.beardsley@navy.mil

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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 90 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)	10 CALENDAR DAYS %	20 CALENDAR DAYS %	30 CALENDAR DAYS %	CALENDAR DAYS %
14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related documents numbered and dated):	AMENDMENT NO. 0001	DATE 04/06/05	AMENDMENT NO. 0002	DATE 04/14/05
	0003	04/22/05	0004	05/02/05
	0005	05/09/05	0006	05/13/05
	0007	06/03/05	0008	06/08/05
	0009	06/16/05	0010	09/06/05
	0011	09/20/05	0012	09/27/05

15A. NAME AND ADDRESS OF OFFEROR
VT Halter Marine
900 Bayou Casotte Parkway
Pascagoula, MS 39581

CODE 3BJ86

FACILITY
DUNS 118359939

16. NAME AND TITLE OF PERSON AUTHORIZED TO
SIGN OFFER (Type or Print)

Boyd E. King, CEO

15B. TELEPHONE NUMBER
AREA CODE 228
NUMBER 696-6888
EXT.

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

17. SIGNATURE

Boyd E. King

18. OFFER DATE
09/30/05

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED CLIN 0001 & 0002	20. AMOUNT \$998,574.00	21. ACCOUNTING AND APPROPRIATION See Attached Financial Accounting Data Sheet
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: [] 10 U.S.C. 2304(c) [] 41 U.S.C. 253 (c)	23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified) Block 24	ITEM CLIN 0001 & 0002
24. ADMINISTERED BY (If other than Item 7) SupShip Gulf Coast 1000 Litton Access Rd PO Box 7003, Code 401 Pascagoula, MS 39568-7003	25. PAYMENT WILL BE MADE BY DFAS Charleston Operation Location Vendor Pay and Travel Code FP PO Box 118504 Charleston, SC 29423-8054	068892
26. NAME OF CONTRACTING OFFICER (Type or print) STEPHEN V. PIASECKI	27. UNITED STATES OF AMERICA (Signature of Contracting Officer)	28. AWARD DATE NOV 29 2005

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

AUTHORIZED FOR LOCAL REPRODUCTION
Previous edition is unusable

STANDARD FORM 33 (REV. 9-97)
Prescribed by GSA - FAR (48 CFR) 53.214(c)

SPS T 41029

List of Changes

N00024-06-C-2215

Section A:

1. New Signed SF 33 updated per Amendment 0003

Section B:

1. Change Page B-1 per Amendment 0011 and Changed at Time of Award
2. Change Page B-3 Changed at Time of Award
3. Change Page B-4 Changed at Time of Award

Section C:

1. Change Page C-11 Changed at Time of Award

Section D:

1. No changes

Section E:

1. No changes

Section F:

1. No Changes

Section G:

1. No Changes

Section H:

1. Change Page H-1 Changed at Time of Award
2. Change Page H-18 per Amendment 0007
3. Change Page H-12 per Amendment 0001
4. Change Page H-33 Changed at Time of Award

Section I

1. Change Page I-1 per Amendment 0012
2. Change Page I-2 per Amendment 0012
3. Change Page I-3 per Amendment 0012
4. Change Page I-4 per Amendment 0012
5. Change Page I-6 per Amendment 0012
6. Change Page I-8 per Amendment 0012
7. Change Page I-16 per Amendment 0012
8. Change Page I-17 and I-17A per Amendment 0012
9. Change Page I-26 per Amendment 0012
10. Change Page I-27 per Amendment 0012

11. Change Page I-28 per Amendment 0012
12. Change Page I-29 and I 29A per Amendment 0011

Section J

1. Change Page J-1 Changed at Time of Award
2. Change Page J-2 Changed at Time of Award

Section K

1. Removed

Section L

1. Change Page L-10 per Amendment 0010
2. Change Page L-13 per Amendment 0003
3. Change Page L-15 per Amendment 0011
4. Change Page L-19 per Amendment 0001
5. Change Page L-20 per Amendment 0010
6. Change Page L-21 per Amendment 0003
7. Change Page L-22 per Amendment 0003

Section M

1. No Changes

Attachments

J-1

1. Changed per Amendment 0001
2. Changed at Time of Award

J-2

1. Changed at Time of Award (Entire J-2 replaced with copy issued 9-30-2005)

J-3

1. Changed at Time of Award

J-4

1. Changed per Amendment 0004

J-5

1. Changed at Time of Award

J-6

1. Changed at Time of Award

J-12

1. Changed at Time of Award

J-13

1. Changed at Time of Award

J-14

1. Changed per Amendment 0004

PART I - THE SCHEDULE
SECTION B: SUPPLIES/SERVICES AND PRICES

SUPPLIES/ CLIN	SERVICES	QTY	UNIT PRICE	TOTAL AMOUNT
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PHASE I (see Note A)

0001	Missile Range Instrumentation Ship [T-AGM(R)] Concept/Preliminary Design and Documentation (See Note B and Provision B-3)	1	\$	
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0002	Data for CLIN 0001 and Item 0003 and Option Item 0004. Not Separately Priced – Price included in Item 0001, and Item 0003 and Option Item 0004			NSP
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PHASE II (see Note C)

CLINs 0003

Note: The funding currently available for CLIN 0003 is \$168,000,000.00.

0003	T-AGM(R) Detail Design and Construction and Documentation	1	\$	
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OPTION CLIN 0004 (See Note D)

0004	Mission Radar Antenna Installation and Documentation	1	\$	
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PROVISION ITEM ORDERS [PIO] (ITEMS 0005 THROUGH 0010 – SEE NOTE E)

PIO				
0005AA	Additional Spares, Repair Parts, 1 Lot Special Tools, Support and Test Equipment (See Note E)		\$	

0005AB	Implementation of Unique Item Identification (UID) for MEL and Additional Spares (See Note E)		\$	
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PIO

SCHEDULE

N00024-05-R-2200

0006	Labor for Additional Government Requirements (See Note E)	4,000 M/H	\$ TBD	\$ TBD
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PIO

0007	Materials for Additional Government Requirements (See Note E)	1 Lot	<div style="background-color: black; width: 100px; height: 1.2em; display: inline-block;"></div>	\$
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PIO

0008	Special Studies (See Note E)	2,500 M/H	\$/ M/H	\$ TBD
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PIO

0009	Labor for Government-owned Material Installation Support (See Note E)	5,000 M/H	\$/ M/H	\$ TBD
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PIO

0010	Materials for Government-owned Material Installation Support (See Note E)	1 Lot	<div style="background-color: black; width: 100px; height: 1.2em; display: inline-block;"></div>	\$
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ADMINISTRATIVE LINE ITEM(S) - (SEE NOTE F)

0011	Performance Incentive Payments	X	\$ TBD	\$ TBD
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NOTES

NOTE A: Phase I herein refers to the contract award for the Concept/Preliminary Design of a Missile Range Instrumentation Ship [T-AGM(R)], CLIN 0001.

NOTE B: The Government plans to award up to two contracts for the Concept/Preliminary Design of a Missile Range Instrumentation Ship [T-AGM(R)]. The price for CLIN 0001 is up to for each of the selected Phase I contracts.

NOTE C: Phase II herein refers to CLINs 0003 and 0004. Prices for these items will be solicited upon completion of Phase I and as set forth with the instructions in Section L.

NOTE D: Option Item 0004, to which the special provision B-2, entitled "OPTION EXERCISE PERIODS AND ORDERING ITEM PERIODS," is applicable, are to be supplied only if and to the extent said options are exercised. The Government is not obligated to order any or all of these items.

NOTE E: Provisional amounts are subject to adjustment under the Standard Clauses in SECTION C, Part 3 of this contract entitled "PROVISIONED ITEMS ORDER – ALTERNATE II", for supplies or other requirements ordered pursuant to said clause. The amounts shown are for planning purposes only. Amount in actual

orders, if any orders are issued, may be less or more than shown in Section B.

NOTE F: This Line Item is established solely as an administrative convenience for providing funds that may be added to the contract during Phase II as provided in Special Contract Requirement H-14, Performance Incentive.

B-1 TYPE OF CONTRACT

Phase I contracts will be Firm Fixed Price (FFP). Phase II CLINs 0003 and 0004 will be FFP with performance incentives (CLIN 0011) and FFP ordering PIO items for supplies and services as described herein.

B-2 OPTION EXERCISE PERIODS AND PROVISION ITEM ORDER PERIODS

The Government reserves the right to exercise the options at the prices set forth in SECTION B of this contract. PIOs will be placed in accordance with any modifications issued pursuant to the requirements in SECTION C of this contract entitled "PROVISIONED ITEMS ORDER – ALTERNATE II." PIOs will be placed, if any, prior to the expiration of the guaranty period stipulated in the Shipbuilding Inspection Clause (see Section C, Clause C-19).

OPTION ITEM
0004

OPTION EXERCISE DATE
Within Forty Eight (48) Months after award of CLIN 0003.

B-3 SPECIAL PROVISION REGARDING FUNDING AND PERFORMANCE OF ~~CONCEPT/PRELIMINARY DESIGN AND DOCUMENTATION, AND DETAIL~~ DESIGN AND CONSTRUCTION AND DOCUMENTATION OF T-AGM(R)

(Applicable only to Items ~~s-0001~~, 0002 and 0003)

(a) Of the total price of \$ _____ for the performance of ~~Concept/Preliminary Design And Documentation (CLIN 0001 and CLIN 0002)~~ and \$ _____ for the Detail Design And Construction And Documentation (CLIN 0003 and CLIN 0002) of T-AGM(R) ~~the sum of \$ for CLIN 0001, and~~ the sum of \$ _____ for CLIN 0003 is presently available for payment and allotted to this contract which amount shall constitute the Government's Termination Liability Limitation, as set forth in paragraph (g) below. It is anticipated that from time to time during performance of CLINs ~~s-0001 and~~ 0003 additional funding will be allotted to this contract until the total price of these Items is allotted.

(b) The Contractor agrees to perform, or have performed, the effort specified for these Items, in accordance with the delivery schedule set forth in this contract up to the point at which, with respect to CLINs ~~s-0001 and~~ 0003, the total amount paid and payable by the Government approximates but does not exceed the amount presently available for payment and allotted to this contract, set forth above for CLINs ~~s-0001 and~~ 0003.

(c) It is contemplated that the funds presently allotted for this contract and available for payment

for the above-specified CLINs will cover the work to be performed thereunder until DAY MONTH 2005~~6~~. The Contractor shall notify the Contracting Officer in writing whenever it has reason to believe that the costs for CLINs ~~0001 and 0003~~ it expects to incur under this contract for in the next 60 days, when added to all costs previously incurred under this contract will exceed seventy-five (75%) percent of the total amount so far allotted to this contract and available for payment for CLINs ~~0001 and 0003~~, provided; however, that in no event shall the Contractor proceed with work beyond the point at which, in the event of termination of work on the above specified Item pursuant to the clause of this contract entitled "TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) (SEP 1996)" FAR 52.249-2, the total amount payable by the Government (including cost and profit, and amount payable with respect to subcontracts and all other termination settlement related amounts) pursuant to the provisions of said clause would, in the exercise of reasonable judgment by the Contractor, exceed the Termination Liability Limitation set forth in paragraph (g) below.

(d) Any notice submitted by the Contractor to the Contracting Officer pursuant to paragraph (c) above, shall advise the Contracting Officer as to the estimated amount of additional funds which will be required for the timely performance of this contract for a further period as may be specified in the contract or otherwise agreed upon by the parties, and the latest date on which such additional funds will be required. If after such written notification, additional funds are not allotted by the date requested, or such other date as the parties may agree upon, the Contracting Officer will, upon written request of the Contractor, terminate effort under CLINs ~~0001 and 0003~~ on that date or the date set forth in the Contractor's request, whichever is later, pursuant to the provisions of the clause entitled "TERMINATION FOR CONVENIENCE OF THE GOVERNMENT".

(e) Whenever additional funds are allotted to this contract for continued performance of the work under CLINs ~~0001 and 0003~~, the applicable period of contract performance covered by any such allotment(s) as well as the Termination Liability Limitation set forth in paragraph (g) below, will be modified by mutual agreement. The provisions of paragraphs (b) and (c) above shall apply in like manner to the additional allotted funds, the agreed upon substitute date(s), and the agreed upon Termination Liability Limitation.

(f) If the Contractor incurs additional costs or is delayed in the performance of the work under CLINs ~~0001 and 0003~~, solely by reason of the Government's failure to allot additional funds in amounts sufficient for timely performance of CLINs ~~0001 and 0003~~, and if additional funds are allotted, an equitable adjustment will be made to the price or prices of CLINs ~~0001 and 0003~~ or in the time of delivery, or both. Failure to agree on any such equitable adjustment hereunder will be a dispute within the meaning of the clause of this contract entitled "DISPUTES (DEC 1998) – ALTERNATE I (DEC 1991)" FAR 52.233-1.

(g) Notwithstanding any provision to the contrary in the clause entitled "TERMINATION FOR CONVENIENCE OF THE GOVERNMENT", or any other provision of this contract the maximum amount which the Government will be obligated to pay or reimburse the Contractor in the event of termination of effort under the above-specified Item pursuant to the clause entitled "TERMINATION FOR CONVENIENCE OF THE GOVERNMENT", shall be as follows:

Termination Liability Limitation: \$_____.

The Contractor will not be obligated to continue performance of work beyond the point at which the total amount payable by the Government (including cost, profit, and amount payable with respect to subcontracts and all other termination settlement related amounts) pursuant to the provisions of said clause would, in the exercise of reasonable judgment by the Contractor, approximate the above-specified Termination Liability Limitation, and in no event is the Contractor authorized to continue performance beyond such point.

(h) The Government may at any time prior to termination and, with the consent of the Contractor, after notice of termination allot additional funds to this contract.

(i) The provisions of this requirement are limited to the work on and allotment of funds for CLINs ~~0001 and~~ 0003 set forth in paragraph (a) above. This requirement will become inoperative with respect to CLINs ~~0001 and~~ 0003 upon the allotment of funds for the total price of the work thereunder.

(j) The provisions of this requirement with respect to termination will not be construed to in any way limit the rights of the Government under the clause of this contract entitled "DEFAULT (FIXED PRICE SUPPLY AND SERVICE) (FT) (APR 1984) ALTERNATE. II (DEVIATION)". Nothing in this requirement shall affect the right of the Government to terminate this contract pursuant to the clause of this contract entitled "TERMINATION FOR CONVENIENCE OF THE GOVERNMENT".

SECTION C - DESCRIPTION/SPECIFICATION/WORK STATEMENT

PART 1 - CONTRACT LINE ITEM DESCRIPTION

PART 2 - PHASE II STATEMENT OF WORK

PART 3 - STANDARD CLAUSES

PART 1 - CONTRACT LINE ITEM DESCRIPTION**SECTION 1 - GENERAL SCOPE OF WORK**

(a) A two-phased procurement approach will be utilized. Phase I includes CLIN 0001 (Concept/Preliminary Design and Documentation) and CLIN 0002 . Phase II includes CLIN 0002 and CLIN 0003 (Detail Design and Construction and Documentation), OPTION CLIN 0004 (Mission Radar Antenna Installation), PIO Items (CLINs 0005 through 0010), and CLIN 0011 (Performance Incentive Payments, if any).

Available funding for Phase I is up to \$1,000,000.00 per award.

SECTION 2 - SPECIFIC CLIN DESCRIPTIONS**A. PHASE I****1. CLIN 0001 – MISSILE RANGE INSTRUMENTATION SHIP [T-AGM(R)]
CONCEPT/PRELIMINARY DESIGN AND DOCUMENTATION**

(a) The Contractor shall furnish all resources necessary to conduct the analyses needed to develop a Concept/Preliminary Design. The Concept/Preliminary Design may be developed by either designing a new ship or modifying an existing design to meet the requirements of the T-AGM(R) Specification and the Interface Control Documentation, Attachments J-1 and J-2 of this contract.

(b) The Contractor shall :

- (1) Produce an engineering description of the ship and integrated ship systems whose major characteristics and performance will not significantly change in Phase II. If a Contractor has existing model test data, it may be presented to the Government during Phase I through the required Model Test Program Plan.
- (2) Provide input to the ship and the mission interface requirements through review of the T-AGM(R) Specification (Attachment J-1) and in accordance with the T-AGM(R) Phase I Concept/Preliminary Design Requirements (Attachment J-3).
- (3) Develop and submit a production timeline with respect to ship detail design, ship construction, turnover of mission spaces, test and trials, and delivery.
- (4) Identify a management approach to identification and implementation of Reliability, Maintainability, and Availability (RMA) ship features.

(5) Identify a management approach that addresses an understanding of the Unique Item Identification (UID) process and the identification requirements for property, equipment, operating materials, and supplies and how the process will be implemented.

- (c) The Contractor shall develop and submit its Concept/Preliminary Design in accordance with the requirements of T-AGM(R) Phase I Concept/Preliminary Design Requirements Attachment J-3 and provide the associated documentation in accordance with Data Requirements List (DRL) Attachment J-4.
- (d) A post-award conference for Phase I will be conducted by the Government within thirty (30) days of award of Phase I. The Conference will be held at the Contractor's facility. The purpose of the conference is to (1) review the contract and technical documents, (2) review the technical and schedule requirements including the schedule of design reviews, and (3) discuss the roles and working relationships between the Contractor and the Government. Representatives from each firm on the Contractor's team shall attend.

Note: A matrix of the anticipated schedule of all meetings currently envisioned for Phase I and Phase II is provided as Attachment J-17. This meeting matrix, Attachment J-17, is provided merely as a convenience to assist the Contractor in their assessment of the scope of this program and their involvement in it. This matrix is not meant to amend any of the meeting requirements mentioned elsewhere in the RFP, such as but not limited to, the specification, DRLs, other Section J Attachments, etc. If there is a disagreement or inconsistency between this matrix and the solicitation's requirements, the solicitation shall prevail.

- (e) Propose a contract Cost and Software Data Reporting (CSDR) plan, DD Form 2794, using the approved program plan and the contract plan provided by Phase I DRL, Attachment J-4. The contract CSDR plan will include level 3 of the contract WBS. The Contractor may, if they desire, further extend the WBS for its own reporting purposes. Following the Contractor submittal of the contract CSDR plan, the Contractor and the Government will negotiate a draft contract CSDR plan. The Government will submit the draft contract CSDR plan to the Defense Cost and Resource Center (DCARC) for review and the Cost Analysis Improvement Group (CAIG) Chair's approval. CAIG may require plan revision prior to final approval. The final approved contract plan will be incorporated into CLIN 0003.

2. CLIN 0002 - DATA FOR CLIN 0001 AND CLINs 0003 AND 0004.

Data shall be prepared and provided to the Government in accordance with the Specification, Attachment J-1, and the Data Requirements Lists (DRLs), Attachments J-4 and J-5, and Attachment J-6, Mission Radar Antenna Installation Requirement, attached hereto for CLIN 0001 and CLIN 0003 and Option Item 0004.

B. PHASE II

1. CLIN 0003 – DETAIL DESIGN AND CONSTRUCTION AND DOCUMENTATION

(a) General Requirements - Attachments J-1 (T-AGM(R) Specification) and J-2 (Interface Control Documentation) and the Contractor developed Phase I T-AGM(R) Concept/Preliminary Design proposed by the Contractor for Phase II of this contract shall provide the basis for detail design development, including model testing for the ship. If a Contractor has existing model test data, it may be presented to the Government during Phase I through the required Model Test Program Plan. If the Government, during Phase I, deems the presented plan as reasonable, the Contractor may proceed into Detail Design without associated model testing; however, the Contractor is still responsible for the overall satisfactory performance of the ship and any necessary redesign as a result of model testing and any other considerations.

The Concept/Preliminary Design developed by the Contractor under CLIN 0001 of this contract and any corresponding approved changes to the Attachments J-1 (T-AGM(R) Specification) and J-2 (Interface Control Documentation) shall provide the basis for developing the detail design for construction of the ship. In the event of any inconsistency between Attachments J-1 and J-2 and the Concept/Preliminary Design as accepted by the Government at the completion of Phase I, the Attachments J-1 and J-2 shall govern. In the event the Contractor's detail design efforts, including the development of the Contractor's Ship Specification during the Functional Description Period, do not result in a detail design which fully meets the requirements of Attachments J-1 and J-2, the Contractor shall be responsible for modifying the detail design and its Ship Specification to meet Attachments J-1 and J-2, and will be liable for all associated impacts on construction, including all labor and material.

The Contractor shall provide/perform all technical, procurement, labor, equipment, tooling, etc., and any other tasks necessary for the Detail Design and Construction and Documentation of the T-AGM(R) in accordance with the requirements of the contract. The Contractor shall conduct the analyses in sufficient detail to present to the Government during the Functional Description Period and to support detail design development. The Contractor shall prepare design and construction documentation in accordance with the Phase II DRL, Attachment J-5.

The prices associated with the following are to be included in CLIN 0003 and not to be included in PIO CLIN 0005:

- (i) Any labor or overhead (excluding G&A and profit) incurred for ordering, providing storing, marking and loading all Contractor Furnished (CF) and Government Furnished (GF) material and equipment.
- (ii) All items identified in Part 4, for both Chapters 2 and 3, Section 1 Appendix 2 (Guidance for Spare Parts) of the ABS Rules for Building and Classing Steel Vessels.
- (iii) All shore based spares identified in Section 3.083 of the T-AGM(R) Specification and associated requirements in Section C, Part 2 Statement of Work.

(iv) Adequate warehouse facilities, equipment and personnel shall be provided by the Contractor to store and handle all CF and GF material and equipment as it is received. Onboard repair parts, spares, special tools, support and test equipment, etc. shall be received, inspected, preserved, packaged, stowed, pre-binned, and loaded to the final designated storage location prior to final bin validation or delivery of the ship in accordance with the requirements of Section C, Part 2 Statement of Work.

Construction: The Contractor shall construct the T-AGM(R) in accordance with the detail design provided under CLIN 0002 of this contract. The Contractor shall satisfy any and all requirements of the T-AGM(R) Specification (Attachment J-1) and the Contractor's Ship Specification. In accordance with the terms stated herein, the Contractor shall furnish all material and equipment required for the performance of this contract.

Shipbuilding Production Progress Conferences (SPPC), Integrated Logistics Support (ILS) Reviews and Design Reviews shall be conducted by the Contractor. SPPCs and ILS Reviews will be conducted quarterly starting three (3) months after commencement of Phase II and continuing through delivery of the ship. Monthly design reviews during the design period (Functional Description and Detail Design) shall be conducted with the Contractor and/or design agent and Government. These reviews shall be held at the Contractor's and/or design agent's facility, or if the Government so elects at PEO Ships, Washington, D.C., beginning one (1) month after Phase II commencement and continuing until start of construction. The purpose of these reviews is for the Contractor to present the ship design and report progress, anticipated problems, and other related matters. The Mission Equipment/Ship Integration Working Group shall convene during each of the monthly design reviews, or if the Government so elects at the Mission Systems Integrator facility, Sudbury, MA. The Contractor shall provide agendas and minutes for these meetings.

Cost Reporting – The Contractor shall provide cost reporting deliverables based on the T-AGM(R) contract CSDR plan developed during Phase I.

The Contractor shall provide the following documentation IAW with Phase II DRL Attachment J-5:

- (1) T-AGM(R) WBS and WBS dictionary. WBS dictionary should reflect MIL-HDBK-881 as applicable.
- (2) Contractor Cost Data Reports (CCDRs) in accordance with the approved T-AGM(R) contract CSDR plan.
- (3) Flow down CCDR requirements to any subcontractor(s) that will have a contract valued at over \$50 million (FY 2002 dollars) or any contracts valued at between \$7 million and \$50 million (2002 dollars) that are high risk, high value, or high technical interest.

(b) Post-Award Conference – A post-award conference for Phase II will be conducted by the Government within thirty (30) days of award of Phase II. The Conference will be held at the Contractor's facility. The purpose of the conference is to (1) review the contract and technical documents, (2) ensure the Contractor's understanding of the technical and schedule requirements including the schedule of design reviews, and (3) discuss the roles and working relationships between the Contractor and the Government. Representatives from each firm on the Contractor's team shall attend.

(c) Functional Description – The Contractor shall develop a functional description of the ship. The development of a complete and accurate description of the ship shall include all necessary hullform and hydrodynamics, design integration and system engineering, ship arrangements, weights, selection of major equipment, stability, structure, propulsion, electrical, auxiliary systems, outfitting, and compartment arrangements, logistics support, and mission system interfaces. The Contractor shall develop a complete ship specification detailing the design, procurement and construction aspects of the ship before proceeding into Detail Design and construction. The Contractor shall also address life cycle cost in the functional description. The Contractor shall maintain his specification as a configuration document throughout Phase II, and shall be reflective of all adjudicated changes.

The Contractor shall present its Critical Design Report at the Critical Design Review (CDR) approximately 6 months after commencement of CLIN 0003. At this review, the Contractor shall present its findings, including any conflicts with Attachments J-1 (T-AGM(R) Specification) and J-2 (Interface Control Documentation) before proceeding into Detail Design. The Contractor is required to receive approval from the Government to proceed into Detail Design. The Critical Design Review shall be held at the Contractor's facility.

(d) Detail Design – The Contractor shall provide all engineering, analyses, design, technical support and drawings for the development of a complete and accurate technical data package for T-AGM(R). This effort shall produce a detail design with descriptive documentation which meets the requirements of the Specification and ICD (Attachments J-1 and J-2) and which are adequate for use in ship construction, and for operation, maintenance, and repair. The Contractor shall be responsible for the accuracy and adequacy of the detail design. The Contractor is also responsible for supporting production, test and trial documentation in order to support the construction and testing of the ship, which meet the requirements of this contract and its attachments for use in ship construction and logistics documentation for operation, maintenance and repair. The Contractor shall maintain and update its ship specification during the life of the contract. This effort shall produce a detail design with technical documentation that meets the requirements of the contract and is adequate for use in ship construction. The Contractor shall be responsible for the accuracy and adequacy of the detail design. The Contractor shall be responsible for ensuring that the final technical documents (drawings, technical manuals, final DRL submittals, etc.) accurately reflect the ship as delivered.

(e) Construction – The Contractor shall furnish all material excluding Schedule "A" and equipment required for the performance associated with the construction of the ship. The Contractor shall supply all support functions as required by the contract. The Contractor

shall demonstrate the performance of the ship through conduct of the test and trials requirements. The Contractor shall also conduct and support all test and trials as required by the Regulatory Bodies and industry standards. The Government shall be invited to witness all testing conducted in the shipyard and in other facilities. The Government shall be provided with 48 hours notice for tests conducted in the shipyard and with written notice not less than fourteen (14) calendar days prior to the start of tests in other facilities. The Contractor shall satisfy all requirements of their ship specification including equipment make or model selections as presented to the Government during the Functional Description Period.

The Contractor shall be required to complete mission spaces 270 days prior to delivery in accordance with compartment completion requirements identified in Attachments J-1 (T-AGM(R) Specification) and J-2 (Interface Control Documentation) and provisions of the contract. The Government will separately contract with a Mission Systems Integrator for installation of the mission equipment onboard the ship in the shipyard before delivery. Warehouse facilities, equipment and personnel shall be provided by the Phase II Contractor to store and handle all Government-owned material and equipment as it is received and removed for installation on the ship. The Contractor shall ensure these warehouse facilities are secured and environmentally controlled for these equipments in accordance with the specified requirements of the contract.

(f) Crew Familiarization – The Contractor shall provide a total of 120 hours of crew familiarization and equipment operation seminars. The Contractor shall familiarize the ship's crew and other Government designated representatives on the operation and maintenance characteristics of the ship. This familiarization shall be primarily devoted to practical exercise (hardware oriented) supplemented with classroom seminars. The familiarization shall take place aboard the ship and at the Contractor or vendor's facility prior to delivery of the ship, subject to the approval of the Government. The maximum number of attendees shall not exceed 40. Attendees may be a combination of USCG licensed and unlicensed crew and other Government representatives. Attendance of each session shall be sized according to the type of familiarization presentation. See Clause 3-.088 for further detail.

(g) Post Delivery Availability - Immediately following ship delivery, the Contractor shall provide a ninety (90)-calendar-day Post Delivery Availability (PDA) at the Contractor's facility. During the PDA, the Contractor shall provide:

- (1) Berthing space pier-side for the ship, including the brow and landing platforms, as appropriate, with utilities from shore connections (electricity, fresh water, telephones connections, sewage, bilge, and gray water disposal), daily garbage removal, and material handling services to support final outfitting;
- (2) Messing facilities for the ship's force personnel;
- (3) At least ten (10) convenient parking spaces, near the ship, for the ship's force and sponsor personnel and mission systems installers;
- (4) Fire protection including maintenance of the ship's firemain pressure in event of ship's system failure or interruption for repair services;
- (5) Access through the yard to the ship for authorized Government personnel, ship's force and authorized visitors.

The Contractor shall identify an estimated monthly rate for storage of the ship after the Post Delivery Availability (PDA). The estimate shall include all services provided for PDA and shall include services associated with extended lay up and berthing.

2. OPTION CLIN 0004 – MISSION RADAR ANTENNA INSTALLATION

The Contractor shall furnish all resources necessary for the Mission Radar Antenna Installation to be performed by the Contractor at the Contractor's facilities in accordance with the requirements of Attachment J-6 (Mission Radar Antenna Installation Requirements). The Mission Radar Antenna Installation shall commence upon the arrival, at the Contractor's facility, of the GFE antennas, consisting of an S-Band array and an X-Band array, and associated equipment and supplies, but no earlier than 180 days before delivery of the ship. All work shall be completed prior to Acceptance Trials (AT) to enable Radiating Trials to be conducted after AT and prior to delivery. Installation of the mission radar antennas may also be conducted post-delivery, if waived. Schedule shall be finalized before exercising of CLIN 0003.

NOTE TO PIO CLINs 0005 – 0010: Individual orders issued pursuant to Provision C-19 may alter these Statements of Work and estimated man/hours and dollars.

3. PROVISION ITEM ORDER, PIO CLIN 0005 - ADDITIONAL SPARES, REPAIR PARTS, SPECIAL TOOLS, AND SUPPORT AND TEST EQUIPMENT

The Contractor shall provide Additional Repair Parts, Spares, Special Tools and Support and Test Equipment, in accordance with the requirements herein and the "PROVISIONED ITEMS ORDER –ALTERNATE II" requirement in this contract.

4. PIO CLIN 0006 AND PIO CLIN 0007 – ADDITIONAL GOVERNMENT REQUIREMENTS

The Contractor shall provide up to 1,500 man hours pre-delivery labor, 2,500 man hours post-delivery labor and \$30,000 of material to perform Additional Government Requirements in support of the T-AGM(R). Additional Government Requirements are defined as any work authorized by the Contracting Officer that is required to support the ship without causing delay or disruption to the work performed under this contract. Orders for this effort shall be placed in accordance with the general requirements in SECTION C of this contract entitled "PROVISIONED ITEMS ORDER – ALTERNATIVE II."

5. PIO CLIN 0008 – SPECIAL STUDIES FOR CLINS 0003 AND 0004

In accordance with the clause entitled "PROVISIONED ITEMS ORDER – ALTERNATIVE II" under Section C of this contract, the Contractor shall conduct Special Studies in support of this contract, including but not limited to studies related to improvements in operating efficiencies. Contract shall provide up to 2,500 man hours of labor.

6. PIO CLIN 0009 AND PIO CLIN 0010 – GOVERNMENT-OWNED MATERIAL INSTALLATION SUPPORT

The Contractor shall provide up to 5,000 man hours of labor for PIO CLIN 0009 and \$100,000 of material for PIO CLIN 0010 to perform pre-delivery Government-owned Material Installation Support for the T-AGM(R) no earlier than 270 days before contract delivery date. Government-owned Material Installation Support is defined as any work authorized by the Contracting Officer that is required to assist with and support installation of Government-owned equipment and supplies on the ship without causing delay or disruption to the work performed under this contract.

Orders for this effort shall be placed in accordance with the general requirements in SECTION C of this contract entitled "PROVISIONED ITEMS ORDER – ALTERNATIVE II." The Contractor shall schedule performance of work so as to permit up to 5,000 man hours of labor for PIO CLIN 0009 and \$100,000 of material for PIO CLIN 0010 under this contract. The stated material amount includes any applicable handling charges, storage, overhead, or other costs, plus profit associated with the \$100,000 Government estimate. The amounts listed are provisional amounts only and do not represent a commitment that the Government will purchase any or all of these amounts.

As used herein, the term " Government-owned Material Installation Support " means work under this contract, ordered by the Contracting Officer pursuant to the procedures of the clause of this contract entitled "PROVISIONED ITEMS ORDER – ALTERNATIVE II." Government-owned Material Installation Support does not include performance of work for the correction of Contractor responsible defects.

7. CLIN 0011 – PERFORMANCE INCENTIVE PAYMENTS

Item 0011 will be used exclusively for funding purposes for providing Performance Incentive Payments, if any, payable in accordance with Special Contract Requirement H-14, Performance Incentives.

PART 2 - PHASE II STATEMENT OF WORK

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C-3.042a. SCHEDULES

The Contractor shall prepare and submit:

- a) Functional Description/ Detail Design Effort Schedule;
- b) Erection Sequence/Master Erection/Engineering/Way Schedule - The Erection Sequence/Master Erection/Engineering/Way Schedule shall provide a systematic planning sequence of starting and completing Contractor construction efforts, and established need dates for supporting requirements. It shall include the efforts and tasks associated with detail design and total ship systems integration. Model tests, analyses, Subcontractor, and critical events shall be included;
- c) Drawing Schedule - The Drawing Schedule shall include as a minimum, a tabulated list of all drawings, modeling and simulation reports, analyses, and associated lists. The List shall include a scheduled release date, actual release date, revision, and approval status;
- d) Material Ordering Schedule - The Material Ordering Schedule shall list materials, equipment, components and systems ordered by date ordered, scheduled need date, and date of receipt;
- e) Schedule of Major Milestones and Key Events - The Major Milestone and Key Events Schedule shall identify key events leading up to the Contract milestones and shall identify critical paths for completion of each Contract milestone and key event. It shall also identify key events such as Start of Construction, Keel Laying, Launching, Compartment Completion, Propulsion Light Off, Builder's Dock Trials, Docking,

Undocking, Builder's Sea Trials, Inclining, Acceptance Sea Trials, Radiating Sea Trials, and Ship Delivery;

- f) Production Testing Schedule - The Production Testing Schedule shall provide a systematic planning sequence of production testing required to be witnessed by the Supervisor;
- g) Machinery Installation Schedule - The Machinery Installation Schedule shall provide a systematic planning sequence of starting and completing program actions, and established need dates for supporting requirements;
- h) Compartment Completion Schedule - The Compartment Completion Schedule shall identify the scheduled and actual sequence and completion of events based on production craft completion dates;
- i) Test and Trials Schedule - The Test and Trials Schedule shall identify the scheduled and actual sequence and completion of all major test and trial events leading to ship delivery. The maximum time between the successful completion of the Acceptance Trials and ship delivery shall be 120 days;
- j) Purchase Order Index - A Purchase Order (PO) Index shall be prepared, maintained current and available for review by the Government at all times. Copies of purchase orders and changes thereto shall be prepared.

C-3.042b. LIFE CYCLE COST

Life cycle costs shall be considered in detail design and construction, operating and support, and disposal costs. Operating and support costs shall include costs directly attributable to the ship operation and support, including such costs as waste oil disposal and trash disposal. Operating and support costs shall be minimized. The Government has an interest in the life cycle fuel efficiency of the ship as a critical elemental of its own ship cost. Fuel efficiency shall be considered during the Phase I Concept/Preliminary Design. The Contractor shall describe how fuel efficiency impacted any design tradeoff decisions, and how these will be addressed in the Phase II effort. Estimates of the fuel necessary (in metric tonnes) to complete the most demanding mission operating profile defined in the T-AGM(R) Specification shall be described, including an estimate of the distance traveled (in nautical miles). Detailed support of these estimates, including calculations and assumptions, from related Phase I data and accompanying vendor information shall be presented during the Functional Description period.

C-3.042c. DRYDOCKING FACILITIES AND SHIPBUILDING WAYS CERTIFICATION

Drydocking, launching, building ways and transfer facilities and methods employed in the performance of this contract shall be certified by either of the two following methods:

- (1) In accordance with the standards and criteria of an internationally recognized certifying authority acceptable to the Contracting Officer, (examples of such authority include, but are not limited to, the American Bureau of Shipping (ABS), Lloyds Registry of Shipping, Det Norske Veritas) in effect on the date of contract award or;

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

A "Facility Certification Report" shall also be prepared and submitted to the Supervisor in accordance with the DRL.

The Contractor may propose an alternate drydocking/launching method only for those situations not covered by an existing certifying authority, referenced in (1) and (2) above. The documentation to support this proposal shall be as close as practicable to that required by the existing certification criteria and shall identify any potential impact/modification to the ship's structure. Additionally, the Contractor shall submit certification from an independent naval architectural firm, acceptable to the Contracting Officer, which shall certify that the method being proposed, including equipment and procedures, complies with sound naval architectural principles.

The ship shall be drydocked for survey, repair, and final hull preservation and painting not more than 150 days prior to delivery to the Government. The Contractor shall notify the Regulatory Bodies to witness the final drydocking for certification purposes.

C-3.042d. GROUNDING/DAMAGE/COLLISION

In the event of grounding or collision occurrence, the Supervisor shall be immediately notified. If requested by the Supervisor, the ship shall be drydocked and examined at no expense to the Government. A Grounding/Damage/Collision report shall be made of the incident. As a minimum, the report shall include reasons for the occurrence, damage sustained, and effects on the ship's delivery schedule.

C-3.045a. COMPARTMENT COMPLETION REQUIREMENTS AND ASSIST SERVICES

The Government's Mission Systems Integrator will install the Mission Equipment on-board the ship in the shipyard before delivery. The Contractor shall provide an environmentally controlled secure storage facility for these equipments. [A Compartment Completion Plan shall be prepared.](#) The Contractor shall be required to complete the Mission Spaces 270 days prior to delivery in accordance with the following completion requirements to permit Government installation and testing of the Mission Equipment. Completion Requirements:

(1) The Contractor shall have installed and tested the junction boxes, remotes, LAN cabling and associated drop boxes, and all of the mission intercompartmental cabling. The Government will terminate all installed intracompartment mission cables after compartment completion and the intercompartment cabling termination into each specific LAN drop box.

(2) The Contractor shall have the mission spaces ready for turnover and ready to be inspected by the Supervisor. The inspection shall demonstrate compliance with the

operating parameters, interface control documentation, and other requirements of the contract. The Contractor shall provide electrical and lighting power by the ship's own power or by shore power, and shall provide HVAC by the ship's own equipment and systems or by portable units connected to the internal distribution system in the subject spaces.

(3) The Contractor shall have completed all work within the subject spaces including all joiner work, insulation, sheathing, ceiling, welding, piping, foundations, electrical, interior communications, painting, sway bracing and other shipyard work. Final deck covering may be installed after the mission system electronics are installed. Touch-up painting and repair of any damaged deck covering shall be accomplished prior to ship delivery. The electrical, lighting and HVAC systems shall be made operational. All hot work on adjoining bulkheads, decks and overheads shall be completed.

(i) The Contractor shall provide materials handling, lifting, rigging and unpacking/uncrating services, as required, to move the Government's Mission Equipment from the Government's transport vehicle or the Contractor's environmentally controlled storage facility to final locations aboard ship.

(ii) The Contractor shall be required to provide other services to assist the Government in the installation and testing of the Mission Equipment, in accordance with the requirements of CLIN 0009 and CLIN 0010.

(4) The Contractor shall be required to complete the topside portion of the completion requirements identified in the ICD for support of the mission radar antenna arrays and GFE communication antenna systems installations no later than 90 days after turnover of the Mission Spaces.

C-3.045b. GOVERNMENT-FURNISHED MATERIAL (GFM)

Government-Furnished Material consists of Government-Furnished Equipment (GFE) and Government-owned Material. GFE is defined as that material that has been provided to the Contractor for their installation during the construction period. Government-owned Material is defined as that material that has been provided to the Contractor for their custody until such a time for the Mission Systems Integrator for installation of the mission equipment aboard the ship in the shipyard before delivery. This will occur after compartment completion and turn over of the mission spaces to the Government. Schedule A (List of Government-Furnished Equipment), Attachment J-12, will be provided to the Contractor detailing the GFE the Contractor will be required to install and the associated dates for arrival of the GFE. Schedule C (List of Government-Furnished Information), Attachment J-13, will be provided to the Contractor detailing required information needed by the Contractor for the installation of the corresponding GFE and the anticipated date of the GFI to the Contractor. Note that some GFM include components of hazardous material (HAZMAT). The Contractor shall be aware of these items, and include them in their HAZMAT accounting and management activities.

The Contractor shall provide inventory management procedures and inventory listings in accordance with the applicable Data Items for all Government Furnished Material in his

possession. The Contractor upon receipt shall inspect GFE. The Contractor shall unload and clean GFE, including removal of any temporary preservative at the appropriate time. The Contractor shall handle, store, maintain and assemble GFE when it has been disassembled for shipping purposes. Articles and equipment furnished by the Government shall be installed by or have satisfactory stowage provided by the Contractor. The Contractor shall furnish labor and material, including wiring, piping and accessories necessary for installation, testing and stowage of GFE. Government-owned Material shall only be received by the Contractor, warehoused, inventoried, tracked, and placed onboard the ship at the direction of the Government.

C-3.045c. INTERFACE CONTROL DOCUMENTATION (ICD)

The Government will be responsible for the development and supplying to the Contractor, the Interface Control Documentation (ICD), Attachment J-2. The ICD will be developed to provide information to the Contractor applicable to the physical interfaces required for the Mission Equipment Government-owned Material to be installed by the Mission Systems Integrator. The Contractor shall also be required to install GFE as detailed on Schedule A. The ICD will differentiate those Mission Equipments which are CFE, GFE, or Government-owned Material.

The Contractor shall participate in a Mission Equipment/Ship Integration Working Group formed consisting of mission radar and C4I representatives and other Government designated representatives. The Working Group will discuss identified ship and mission radar/C4I interface issues.

The Contractor shall utilize input from the ICD to define the Contractor responsible design and construction efforts to support the mission radars and C4I installation, including the design and construction of the Contractor responsible foundations and to accommodate the topside antenna arrangement.

C-3.045d. PROTECTION OF EQUIPMENT

Protection of equipment shall be provided from the time of arrival to the yard until ship delivery. The Contractor shall ensure that all equipment is properly maintained during periods of inactivity. Upon arrival in the yard equipment shall be appropriately warehoused. When removed for installation in the ship, the following requirements apply:

<u>Protective Level</u>	<u>Type of Equipment</u>	<u>Protection Required</u>
I	Classified equipment or equipment and panels which have components with glass surfaces (Plan Position Indicators (PPI's), gauges, dials etc.).	Fitted, multi-layered cover on front, consisting of two layers of Herculite one layer Refrasil and one layer of 5/8" Scotch Foam Sewn-in guards of fire retardant plywood or sheet metal peel-a-strip on exposed surfaces. Metal covers shall be installed on all classified equipment
II	Equipment and panels which have	Fitted front cover, padding taped to

	fragile, protruding appendages (louvers, knobs, actuators, etc.)	equipment where necessary. Peel-a-Strip on exposed surfaces.
III	Cabinets which have self-ventilating intake and exhaust openings, but no exposed glass surfaces or fragile protrusions.	Taped on cover, Peel-a-strip on exposed surfaces.
IV	Fluid system accessories (thermometers, sight glasses, sensing devices flow indicators, pressure gauges etc.).	Sheet metal covers, pads as necessary, taped on Herculite covers.
V	Mechanical Equipment	Sheet metal covers

C-3.045e. CONTRACTOR USE OF EQUIPMENT

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

C-3.045f. ON-SITE GOVERNMENT REPRESENTATIVES/NUCLEUS CREW FACILITIES

The Contractor shall provide:

- a) Suitable office facilities and services for the on-site Government staff of 20 personnel. In addition, facilities shall also be provided for the Nucleus crew of eight personnel. The Nucleus crew will arrive in the shipyard approximately six months prior to delivery. The offices provided shall be located convenient to the ship, management and other shipyard shops and offices;
- b) Office Furniture and Equipment - The Contractor shall provide cleaning services, toilet facilities, and appropriate office furniture and equipment;
- c) Telephone Service - The Contractor shall provide and maintain telephone and T-1 internet service for the on-site Government office spaces. Separate lines for internet service shall be provided to each workstation;
- d) Parking Spaces - The Contractor shall provide conveniently located secure parking spaces to accommodate ten occupants and two visitors.

Access to the Ship and Applicable Facilities – Government and authorized government representatives shall have 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.

C-3.045g. FIRE PREVENTION

The Contractor shall maintain a plan of fire prevention, fire detection, and firefighting to protect each ship module assembly, when they comprise at least 50 gross tons and the assembled ship prior to delivery.

C-3.045h. FLOODING PREVENTION

The Contractor shall maintain a plan of flooding prevention, flooding detection, flooding repair and dewatering capability to protect the ship while it is waterborne and prior to delivery. Fire and flooding protection organization charts and instructions shall be prepared and shall be kept up-to-date. Training drills for the shipyard's employees shall be conducted at the beginning of construction, and at intervals of not more than each six (6) months thereafter.

C-3.060a SPECIFICATION READING/REVISION CONFERENCE (SRRC)

The Contractor agrees that within 150 days after Phase II award the Contractor shall participate in a Specification Reading/Revision Conference (SRRC) with representatives from PEO Ships, PEO IWS, SEA 05, MSC and the cognizant Supervisor of Shipbuilding Conversion and Repair, USN, to be held at the Contractor's facility at a date and time to be determined by mutual agreement of the parties. During the conference, the parties will discuss those areas of the Contractor-developed specifications and other documents (including drawings and DRLs) which contain errors, omissions, or inconsistencies which may result in non-compliance with T-AGM(R) Specification and other contract requirements.

In addition, the Contractor shall recommend other changes to the Contractor's specification and DRLs that are considered beneficial. With respect to the "other changes" the Contractor agrees that, within 15 days after the SRRC, he shall identify those changes which can be incorporated into the ship specification, drawings and DRLs without an increase in contract price or delay in the delivery schedule. Upon approval by the Government, the Contractor shall implement the changes in accordance with the requirements herein.

Concurrent with the specifications review, data requirements tasking statements will be reviewed to assure deliverable data content is adequately specified and appropriate compatibility changes have been incorporated in the DRL. In the event a conflict between the Ship Specification tasking statements and the DRL is identified, the Contractor developed specification and the DRL shall be revised to incorporate the tasking statements required by the T-AGM(R) Specification and other contract requirements. Such revision shall be accomplished by development of replacement pages to the T-AGM(R) Specification and DRL as applicable.

Within 30 days of Government approval of "other changes" as required above, the Contractor shall deliver a revised set of his specifications. Replacement T-AGM(R) Specification and DRL pages shall be prepared and pages shall include corrections for all inconsistencies, errors, omissions, and failures to meet the contract requirements identified by the parties at the SRRC as well as the "other changes" that the Contractor has agreed to implement. It is agreed that all the above changes, corrections, and revisions shall be made without any adjustments in the contract price or delivery schedule.

C-3.060b. EQUIVALENT EQUIPMENT

In the event that the Contractor wishes to substitute equipment which is equivalent to an item referenced in his Specification developed during the Functional Description period, by manufacturer's make and model number, the Contractor shall submit a substitution request in writing to the Government for approval by PEO Ships PMS325 in accordance with the DRL. Such requests shall be made sixty (60) days in advance of the Contractor's anticipated order of the equipment to allow the Government time to determine equivalency. Any equipment not approved within 45 days will be considered disapproved by the Government.

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

C-3.060c. TECHNOLOGY ENHANCEMENT

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

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

The Contractor shall ensure that enhancements incorporated do not degrade performance. The Contractor shall develop a Technology Enhancement Plan in accordance with the DRL that cyclically removes technically antiquated or unsupported equipment and replaces it with technically superior equipment. Technology Enhancement Status Reports shall be provided in accordance with the DRL.

For enhancement items that will increase the cost of contract performance, removal of technically antiquated or unsupported equipment and replacement with technically superior equipment shall not occur without prior Government approval via an Engineering Change Proposal.

C-3.070 REGULATORY BODIES, STANDARDS, CERTIFICATIONS AND DATA REQUIREMENTS

The ship as delivered shall comply with all the applicable laws of the United States and the requirements of the Regulatory Bodies, in issue at the time of the Phase II proposal due date, and as identified in the T-AGM(R) Specification. All necessary certifications or documents that cover the approval and indicate compliance shall be obtained by the Contractor such as the data necessary for the Contractor to provide to the USCG, ABS, SOLAS, FCC, and USPHS to obtain certifications. Additionally, the Contractor shall accomplish all work necessary to comply with those applicable laws of the United States and the requirements of the Regulatory Bodies which are imposed as a requirement subsequent to Phase II award, and shall be accomplished in order to obtain certification prior to delivery.

Copies of all correspondence, with enclosures, between the Contractor and Regulatory Bodies shall be provided to the Supervisor.

Before delivery of the ship, the original certificates/documents demonstrating approval by Regulatory Bodies or indicating compliance with the T-AGM(R) Specification shall be mounted onboard the ship as required either by the issuing Regulatory Body or as directed by the Supervisor.

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

C-3.077 INTEGRATED ENVIRONMENTAL SAFETY AND HEALTH (IESH)

The Contractor shall prepare and implement an integrated environmental, safety, and health program plan that includes the six areas listed herein. The Contractor shall interface with the Government T-AGM(R) IESH working group. The Contractor shall:

- a) Interface with the IESH working group monthly during the required Phase II design reviews and the quarterly SPPCs;
- b) Conduct and prepare meeting minutes and action items.

The Contractor shall identify mitigation steps to resolve IESH risks for final disposition by the Government.

- (1) IESH Compliance - The Contractor shall maintain compliance with Federal, State and Local IESH requirements.

- (2) Systems Safety - The Contractor shall develop and maintain a System Safety process in accordance with MIL-STD-882D.
- (3) Human Engineering - The Contractor shall incorporate human engineering principles and design standards specified in the T-AGM(R) Specification.
- (4) Pollution Prevention - The Contractor shall identify how the pollution control and prevention features will be integrated with other IESH requirements and life cycle cost to eliminate or reduce all forms of pollution.
- (5) National Environmental Protection Act (NEPA) - The Contractor shall provide sufficient information in the test and trials program to support the Government's compliance with NEPA including but not limited to transit route, test locations, time of year, duration and identification of test elements that may impact the human environment.
- (6) Hazardous Material - The Contractor shall implement a hazardous material management program following the guidance of National Aerospace Standard (NAS) 411. This approach shall address all hazardous, prohibited, controlled, or otherwise regulated materials selected by the Contractor for use in the ship construction and ship operation and maintenance. A Construction Hazardous Materials List (CHML) and a Ship Hazardous Material List (SHML) shall be prepared, and shall identify the quantity and location of all hazardous or otherwise regulated materials. The Contractor shall prepare Material Safety Data Sheets (MSDS) for all applicable substances. Note that some GFM include components of HAZMAT. The Contractor shall be aware of these items, and include them in their HAZMAT accounting and management activities.

C-3.080 INTEGRATED LOGISTICS SUPPORT (ILS)

The Contractor shall prepare and implement an ILS program to satisfy the logistics requirements. The ILS program shall be detailed in an Integrated Logistics Support Management Plan (ILSMP) as required by the Data Requirements List (DRL). The ILSMP shall identify the process and procedures to provide for the integrated logistics support of the ship, including equipment Logistics Support Information (LSI) package requirements, procurements, and control of Contractor-furnished spares and non-installed equipment, receipt, and control of Government-furnished equipment and spares and material, technical manual requirements, crew familiarization, and related data. The ILS program shall result in consistency between ILS elements and logistics products.

The Government will convene a Logistics Guidance Conference (LGC) at the Contractor's facility approximately 90 days after Phase II award. The purpose of this conference is to review and discuss with the Contractor the ILSMP, provisioning process, and the Contractor's overall logistics approach. The ILS program approach to satisfy all required logistics tasks shall be presented by the Contractor.

The Contractor shall host and conduct Logistics Reviews that will be held concurrently with SPPCs, or as determined by the Government. At these meetings, the Contractor shall address the status of all Contractor-responsible logistics processes, products, tasks, and other associated requirements. The Contractor shall prepare agendas and minutes for all Government/Contractor meetings as required by the DRL.

C-3.081 MAINTENANCE

The ship will employ a two-level maintenance philosophy (combined Organizational/Intermediate and Depot level) in accordance with the T-AGM(R) Specification requirements. MSC's Shipboard Automated Maintenance Management (SAMM) system will be utilized for documentation and scheduling of shipboard maintenance actions. SAMM system input data shall be provided by the Contractor in accordance with the DRL.

C-3.083 SUPPLY SUPPORT

(a) LOGISTICS SUPPORT INFORMATION (LSI)

The Contractor shall provide LSI data for Contractor-furnished equipment and equipage, components, special and common tools and test equipment for all repairable items in accordance with the DRL. This information shall be incrementally submitted as complete packages to the Government for approval in a manner and timeframe that will enable the ship to be completely outfitted. Submitted LSI shall accurately reflect the actual configuration of equipment/component/system as it is installed onboard ship. The Contractor shall prepare an LSI submission schedule and LSI status reports in accordance with the DRL. The Government will develop an allowance document (utilizing MERLIN) based on LSI and other data furnished by the Contractor. Materials (consumables, spares, repair parts, general and special purpose tools, equipage, shore-based spares, etc.) needed to support the ship's systems and equipment shall be provided by the Contractor.

(b) CONFIGURATION STATUS ACCOUNTING (CSA)

The Material and Equipment Realtime Logistics Network (MERLIN) shall be used to identify and control changes to the ship's configuration baseline. The Contractor shall establish, maintain, and update MERLIN and provide CSA inputs in accordance with the DRL. The MERLIN program as well as a MERLIN manual ("Mastering MERLIN") will be provided to the Contractor.

(c) MATERIAL PROCUREMENT

The applicable spares procurement listings shall be produced incrementally on a schedule agreed to between the Contractor and the Government to support the identification and procurement of all Contractor Furnished (CF) and Government Furnished (GF) material to be loaded onboard the ship prior to ship delivery. The Government will procure all items identified as GF. Adequate warehouse facilities, equipment and personnel shall be provided by the Contractor to store and

handle all CF and GF material and equipment as it is received. Onboard repair parts, spares, special tools, support and test equipment, etc shall be received, inspected, preserved, packaged, stowed, pre-binned, and loaded to the final designated storage location prior to final bin validation or delivery of the ship.

(1) Required ABS Spares - The Contractor shall procure all items identified in Part 4, for both Chapters 2 and 3, Section 1 Appendix 2 (Guidance for Spare Parts) of the ABS Rules for Building and Classing Steel Vessels.

(2) Additional Repair Parts and Spares (As Ordered) - The Contractor shall provide Additional Repair Parts, Spares, Special Tools and Support and Test Equipment, in accordance with the requirements herein and the "PROVISIONED ITEMS ORDER – ALTERNATE II" requirement in this contract as ordered under Section B-3 entitled "ORDERING ITEMS PERIODS." after approval by the Government. Where items have a limited shelf life or useful life, they shall be procured to maximize the service life to the Government after ship delivery.

(3) CF Allowance Equipage List (AEL) (As Ordered) - Attachment J-7 provides guidance CF Allowance Equipage List AELs. Specific AELs are to be developed and submitted based on actual installed equipment.

(4) General Use Consumable List (GUCL) - The Government will procure GUCL items and the Contractor shall receive, bin, load, and stow in their final locations all GUCL items onboard ship. A representative GUCL, Attachment J-8, is provided to the Contractor. The Contractor shall review the GUCL and provide comments and/or additional requirements in accordance with the DRL.

(5) GF Allowance Equipage List (AEL) - Attachment J-9 provides representative GF AELs for informational purposes.

(6) Shore Based Spares - The Contractor shall provide the shore based spares as identified in the T-AGM(R) Specification Section 3.083. The shore based spares shall be shipped to a final destination (CONUS) as identified by the Government. Packaging and shipping of shore based spares shall be in accordance with best commercial practices for long-term storage. Shore based spares shipping data sheets shall be provided in accordance with the DRL.

(d) OUTFITTING

The Contractor is designated as the Fitting Out Activity (FOA). The Contractor shall accomplish, by best commercial practice, the receipt, inspection, identification, storage, pre-binning, binning and loading to the designated stowage location/device all categories of CF and GF material prior to delivery of the ship. All CFM, GFM and any consumable items shall be marked with part number, CAGE, quantity, nomenclature, unit of issue, shelf life (if applicable) and shelf life expiration date (if applicable). The Contractor shall prepare, maintain, update and submit associated lists, records and reports in accordance with the DRL. Stowage facilities shall

be provided for outfitting and AEL materials. Stowage shall not be in the weather. The Contractor shall maintain strict accountability and stowage location data and provide this information to the Government via the Realtime Outfitting Management Information System (ROMIS) Material Management System (MMS) database to be established, maintained and updated in accordance with the DRL.

The Government will perform a final bin validation prior to ship delivery when the Contractor has received, binned, loaded and stowed onboard a minimum of 97% of the authorized allowances of CF and GF supply support material which have been loaded and stowed in the designated locations/stowage devices. The Government will not accept delivery of the ship until bin validation has been performed and meets a 100% bin accuracy requirement. All Storeroom Items (SRI) shall be loaded onboard the ship to the Contractor-provided designated storeroom VIDMAR cabinet/stowage device no later than fourteen (14) days prior to ship delivery. The Contractor shall place pre-segregated Operational Space Items (OSI) onboard the ship in the compartment and CF stowage device or location designated by the Supervisor. The Contractor shall retain responsibility and custody of all onboard material until ship delivery.

Outfitting material received after ship delivery but prior to ship departure shall be turned over to the ship on a daily basis. Outfitting material received after ship departure shall be forwarded to the ship in weekly increments until the ship receives all material. The Contractor shall provide 100% of all CFM prior to final acceptance of the ship by the Government. The Contractor shall submit outfitting status reports in accordance with the DRL.

The Contractor shall report receipt of all GFM/GFE and all missing or damaged GFM/GFE in accordance with the DRL.

GF Medical and Dental Material – The Contractor shall provide a secure and environmentally controlled storage facility, large enough to store all medical and dental supplies until turnover to the ship's medical representative can be effected. The secure facility shall be separated from the adjacent facilities by a physical barrier constructed of materials that provide protection against unauthorized access or removal of medical and dental supplies. The secure facility shall be environmentally controlled to maintain a constant temperature between 15.6C (60F) and 21.1C (70F), with relative humidity not to exceed 65%. The Contractor shall provide refrigeration for the storage of perishable medical and dental supplies. Attachment J-10 provides Authorized Medical Allowance List (AMAL), Authorized Dental Allowance List (ADAL), and Women at Sea (WAS) Allowance List documents for informational purposes.

C-3.086 TECHNICAL MANUALS

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

(a) **TECHNICAL MANUAL SUBMISSION SCHEDULE AND STATUS REPORTS**

A Technical Manual Submission Schedule and Status Report shall be developed by the Contractor which will provide the submittal schedule and status of all commercial and system technical manuals and supplemental data scheduled for submission to the Government. This schedule/status report shall be in the Contractor's format, subject to Government approval. The submission schedule format shall be submitted for Government approval prior to the Logistics Guidance Conference and in accordance with the DRL.

(b) **TECHNICAL MANUAL INDEX (TMI)**

The Technical Manual Index shall list all technical manuals by Technical Manual Identification Number (TMIN) and title that are applicable to the ship at the time of delivery. The TMI shall be sorted by alphabetical index based on the generic noun name of the equipment/system and also be alphanumerically sorted by TMINs. This TMI shall be submitted in accordance with the DRL.

C-3.088 CREW FAMILIARIZATION

The Contractor shall provide 120 hours of comprehensive general crew familiarization and equipment operation and maintenance training seminars. Prior to and/or immediately after ship delivery, the Contractor shall also provide engineering and technical services for 24 hours to assist the ship's crew with the operation and maintenance requirements of the ship's machinery and equipment as agreed to by the Government. Due to the arrival schedule of the ship's crewmembers, it is recommended that equipment maintenance and operation training be conducted before the general crew familiarization seminars commence. This training and seminars shall be conducted between builder's trials and ship delivery, subject to the approval of the Government.

The Contractor shall provide equipment operation and maintenance training seminars for ship's crew and other Government designated representatives. These seminars shall provide specific, more in-depth instruction for operators and maintainers and will be conducted by designated vendor representatives. At the beginning of each of the below system seminars, the Contractor shall give an overview of the entire system prior to discussing detailed information. These seminars shall not exceed 120 hours and shall consist of both shipboard and classroom instruction at the Contractor's facility. The maximum number of attendees for any seminar shall not exceed 40. Attendees will be a combination of USCG licensed and unlicensed crew and other Government representatives. A Government representative will be in attendance during all sessions to audit the instructor's presentation. Attendance for each seminar shall be sized according to the type of presentation (i.e. classroom or "hands on") in order to impart maximum knowledge and enhance the skills of the trainee.

Equipment and/or systems to be included as crew familiarization, operation and maintenance seminars/topics shall be, as a minimum, the following:

- (1) General Overview of T-AGM(R) – Minimum suggested hours – 4
- (2) Plant line-up for all Operation conditions – Minimum suggested hours – 8
- (3) Electrical Plant – Minimum suggested hours – 8
- (4) Propulsion System – Minimum suggested hours – 24
- (5) Auxiliary Systems – Minimum suggested hours – 20
- (6) Deck Machinery – Minimum suggested hours – 6
- (7) Navigation – Minimum suggested hours – 8
- (8) Other topics as agreed to between the Contractor and Government

The Contractor shall prepare a Crew Familiarization Plan in accordance with the DRL which shall include an instruction guide in accordance with topical outlines. Instructional materials concerning the engineering control and monitoring system, propulsion system, and auxiliary equipment and machinery shall include the use of existing contractual documentation (i.e. equipment/system technical manuals, ship construction/equipment drawings, Engineer's Operating Manual, Booklet of General Plans, etc.). Copies of selected basic source documents shall be available for participants use during crew familiarization.

The Contractor shall provide instructor lesson plans (syllabus) in lecture outline, demonstration, or question and answer (discussion) format, or any combination of these. Student guides shall also be prepared and provided to each student, and shall be marked "For Crew Familiarization Purposes Only". The guides shall consist of applicable sections of approved technical manuals, Engineer's Operating Manuals, drawings, narrative descriptions, diagrams, sketches, charts, graphs, pictures, and other material to support the information presented in the course and shall be provided in the sequential order presented by the instructor. The Contractor shall provide video recordings (in compact disc media) of the crew familiarization and training sessions. These recordings shall be of both classroom and onboard seminars, to include the Q&A portion of the sessions. These recordings shall be utilized for follow-on crews. Instructor lesson plans, student guides, and video recordings shall be submitted in accordance with the applicable DRL.

C-3.096 WEIGHT CONTROL

In accordance with the requirements specified in 3.096 of the T-AGM(R) Specification, Attachment J-1, the Contractor shall enter into an agreement with the Government as to the Accepted Weight Estimate (AWE) for the vessel under this contract, and such agreement shall be set forth in a supplemental agreement. The AWE values for full load displacement and vertical center of gravity above bottom of keel (KG) are the baseline for measuring Contractor responsibility within the meaning of this requirement. The aforementioned AWE values shall be equal to or less than the weight and moment Not-to-Exceed (NTE) values established during the functional description. In the event an agreement on the AWE values cannot be reached within two (2) months after the Critical Design Review (CDR), the weight and moment NTE values established during Phase I become AWE values.

The net weight and moment effect of every change incorporated into this contract shall be agreed upon and set forth in a supplemental agreement.

One month prior to the inclining experiment, the net weight and moment differences applicable to Government Furnished Material (GFM) included after the AWE agreement, that were beyond the control of the Contractor, excluding the effect of contract changes, shall be agreed upon and set forth in a supplemental agreement. All weight and moment differences to GFM resulting from the correction of data for which accurate information was available prior to the AWE agreement and from the relocation of GFM at the discretion of the Contractor are considered to be within the control of the Contractor.

The Contractor shall be responsible for the full load displacement and KG of the delivered vessel, minus the weight and vertical moment values agreed upon for contract changes and differences to GFM beyond his control. Also, the Contractor shall be responsible for the delivery of the vessel with a trim and list within the tolerances specified in Section 3.096 of the T-AGM(R) Specification. The Contractor, however, will not be responsible for the net total adverse effect on trim or list caused by contract changes and differences to GFM beyond his control.

If the Contractor proposes cost or contract changes solely for the purpose of meeting the values of displacement, KG, trim, or list required by this contract, and if the Contracting Officer approves, the changes shall be non-reimbursable and implemented with no increase in the cost of, or change in the period of performance of, this contract. Changes described in this paragraph, as well as Value Engineering Changes that reduce weight, are not considered contract changes when computing the Contractor responsible condition described in paragraph above.

C-3.202 SINGLE SYSTEMS VENDOR (SSV) FOR SHIP PROPULSION SYSTEM

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

SSV Design and Progress Reviews shall be scheduled and conducted quarterly by the SSV at its facility or one of the equipment manufacturers for the Contractor and the Government commencing 90 days after Phase II Contract Award. The reviews shall continue through the design/manufacture of the equipment, delivery to the Contractor, during the installation and checkout at the shipyard until ship delivery and throughout the guaranty period. The SSV shall be represented during the Builder's, Acceptance, Radiating, and Final Contract Trials. Design and progress review agendas, minutes and action items shall be prepared.

The Government shall be invited and notified thirty (30) days in advance to witness the ABS and USCG factory acceptance tests of the various SSV responsible equipment.

The Contractor shall arrange with the SSV to provide a propulsion system representative for the guaranty period following ship delivery from the shipyard to assist the crew with troubleshooting/calibration/adjustment and repair of the SSV supplied propulsion plant and control system. A total of 60 days of non-guaranty related engineering services, including travel time, shall be provided at the request of the Government at no added cost to the Government, and

may be scheduled at various different time periods throughout the guaranty period. The Contractor shall document field changes and modifications made during this period. Technical manuals and other documentation shall be updated to reflect modifications.

PART 3 STANDARD CLAUSES

- C-1 ACCESS TO THE VESSEL(S)
- C-2 ACCESS TO VESSELS BY NON-U.S. CITIZENS
- C-3 APPROVAL BY THE GOVERNMENT
- C-4 ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS
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SHIPBUILDING
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AND AMENDMENTS - ALTERNATE I
- C-18 PROTECTION OF THE VESSEL
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- C-20 QUALIFICATION OF CONTRACTOR NONDESTRUCTIVE TESTING (NDT)
PERSONNEL
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- C-23 APPEARANCE OF SHIP WHEN DELIVERED
- C-24 UNIQUE ITEM IDENTIFICATION
- C-25 ORDER OF PRECEDENCE
- C-26 ACCESS TO PROPRIETY DATA OR COMPUTER SOFTWARE

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) required, 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 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-4 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-5 COMPUTER SOFTWARE AND/OR COMPUTER DATABASE(S) DELIVERED TO AND/OR RECEIVED FROM THE GOVERNMENT (NAVSEA) (NOV 1996)

(a) The Contractor agrees to test for viruses all computer software and/or computer databases, as defined in the clause entitled "RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION" (DFARS 252.227-7014), before delivery of that computer software or computer database in whatever media and on whatever system the software is delivered. The Contractor warrants that any such computer software and/or computer database will be free of viruses when delivered.

(b) The Contractor agrees to test any computer software and/or computer database(s) received from the Government for viruses prior to use under this contract.

(c) Unless otherwise agreed in writing, any license agreement governing the use of any computer software to be delivered as a result of this contract must be paid-up and perpetual, or so nearly perpetual as to allow the use of the computer software or computer data base with the equipment for

which it is obtained, or any replacement equipment, for so long as such equipment is used. Otherwise the computer software or computer data base does not meet the minimum functional requirements of this contract. In the event there is any routine to disable the computer software or computer data base in the future, that date certain shall not be less than 25 years after the delivery date of the computer software or computer database.

(d) No copy protection devices or systems shall be used in any computer software or computer database delivered under this contract to restrict or limit the Government from making copies. This does not prohibit license agreements from specifying the maximum amount of copies that can be made.

(e) Delivery by the Contractor to the Government of certain technical data and other data is now frequently required in digital form rather than as hard copy. Such delivery may cause confusion between data rights and computer software rights. It is agreed that, to the extent that any such data is computer software by virtue of its delivery in digital form, the Government will be licensed to use that digital-form data with exactly the same rights and limitations as if the data had been delivered as hard copy.

(f) Any limited rights legends or other allowed legends placed by a Contractor on technical data or other data delivered in digital form shall be digitally included on the same media as the digital-form data and must be associated with the corresponding digital-form technical data to which the legends apply to the extent possible. Such legends shall also be placed in human-readable form on a visible surface of the media carrying the digital-form data as delivered, to the extent possible.

C-6 CONFIGURATION MANAGEMENT (NAVSEA) (MAR 2001)

(a) Baseline Definition - For configuration control purposes, all contractual documentation in effect at the time of contract award shall constitute the Contract Baseline which shall be considered incorporated in the baseline documentation.

(b) General Requirement - (1) The Contractor shall maintain a Configuration Control Program to assure that all detail level work being performed under this contract is in compliance with appropriate baseline documentation. The Contractor shall prepare a Configuration Management Plan for approval by the Government.

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

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

(d) Non-Engineering Change Proposals (NAVSEA Form 4130) - This form shall be used to document administrative, procedural, scheduling, or documentation changes that do not directly impact the physical configuration of the ship. The completed Form 4130 shall explain the nature of the problem, identify the applicable baseline document (i.e., Contract Data Requirement List (CDRL), Contract Clause, etc.) and provide a detailed explanation justifying the proposed course of action desired to resolve the problem. Due to the space limitation on the form, continuation sheets may be used. Insert sheets for applicable documents shall also be attached to facilitate change action in the event the Non-Engineering Change Proposal (NECP) is approved.

(e) Deviations and Waivers (DD Form 1694) - In the event that a baseline design-related document requirement cannot be met, and a change to the baseline document is considered inappropriate, the Contractor shall submit a request for deviation or waiver, as applicable. The explanation of "need for deviation" of Block 24 shall provide detailed justification and consequences of approval, to include technical details explaining the degree of non-compliance or effect on ship equipment or system operation constraints. In a similar manner, a waiver shall document an "as built" configuration that departs from baseline documentation, and shall include any proposed corrections or modifications to better meet the intent of the baseline document. MIL-STD-973 provides guidance in completing DD Form 1694.

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

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

(2) To avoid such loss, and at its option, the Contractor may submit a "preliminary" document that outlines intent, but without detailed supporting documentation and request the

Supervisor's approval for expenditure of effort to complete the detailed supporting documentation. In the event the Supervisor denies this request, the Contractor will bear the cost of development of the "preliminary" document, and shall make no further effort to complete detailed supporting documentation.

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

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

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

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

(g) The Contractor shall verify (by physical inspection of the vessel) to the Government, that all Field Modification Requests (FMRs) and Headquarters Modification Requests (HMRs) (including Government responsible trial items) have been incorporated into the vessel. Verification shall include:

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

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

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

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

**C-7 CONTRACTOR PROBLEM IDENTIFICATION REPORTS (NAVSEA)
(MAY 1993)**

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

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

(c) The Contractor shall report each contract problem promptly and in no event later than ten (10) calendar days, after the Contractor identifies such contract problem. A written CPIR shall be transmitted via the Adminstrating 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-8 DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING (AT) (NAVSEA) (JAN 1990)

Attention of the Contractor is directed to Public Law 91-596, approved December 29, 1970 (84 Stat. 1590, 29 USC 655) known as the "OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970" and to the "OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIPYARD EMPLOYMENT" promulgated thereunder by the Secretary of Labor (29 CFR.

1910 and 1915). These regulations apply to all shipbuilding and related work, as defined in the regulations. Nothing contained in this contract shall be construed as relieving the Contractor from any obligations which it may have for compliance with the aforesaid regulations.

C-9 EXCLUSION OF MERCURY (NAVSEA) (MAY 1998)

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

C-10 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-11 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-12 INFORMATION AND DATA FURNISHED BY THE GOVERNMENT (FIXED-PRICE) (NAVSEA) (MAY 1993)

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

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

(c) Government Furnished Information (GFI). GFI is defined as that information essential for the installation, test, operation, and interface support of all Government Furnished Material enumerated

on NAVSEA Form 4205/19 or Schedule A in Attachment J-12 as applicable, attached to the contract. The Government shall furnish only the GFI identified on the NAVSEA Form 4340/2 or Schedule C in Attachment J-13 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 price and delivery schedule in accordance with the procedures provided for in the clause of this contract entitled "CHANGES--FIXED-PRICE" (FAR 52.243-1).

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

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

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

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

C-13 LIMITATION OF LIABILITY - HIGH VALUE ITEMS (NAVSEA) (JUN 1992)

The following items are subject to the clause of this contract entitled "LIMITATION OF LIABILITY--HIGH VALUE ITEMS" (FAR 52.246-24):

CLIN 0003: T-AGM(R) Detail Design and Construction and Documentation

OPTION CLIN 0004: Mission Radar Antenna Installation and Documentation

C-14 PERMITS AND RESPONSIBILITIES (NAVSEA) (SEP 1990)

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

C-15 PLANS AND OTHER DATA (FT) (NAVSEA) (JAN 1983)

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

C-16 PLANT PROTECTION (NAVSEA) (APR 2002)

(a) In accordance with NAVSEA STANDARD ITEM NO: 009-72, Paragraph 3.1, 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 009-72 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/nsi/03nsi/00972.pdf>

(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 DFARS 252.217-7016 entitled "Plant Protection" and NAVSEA STANDARD ITEM NO: 009-72, Paragraphs 3.1 through 3.4 and Attachment A thereto.

(c) In addition to the foregoing requirements and in accordance with NAVSEA STANDARD ITEM NO: 009-72, paragraphs 3.5 through 3.8, the Contractor shall provide such additional safeguards 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 threat response described in NAVSEA STANDARD ITEM NO: 009-72, paragraphs 3.5 through 3.8, respectively. In addition to material costs, the labor cost 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 this 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 the 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 provision shall be completed and implemented within the timeframe required by the attached CDRLs, however, they shall only become effective after the expiration of the period of performance of the Force Protection Efforts under contract N00024-02-C.

C-17 PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS - ALTERNATE I (NAVSEA) (MAY 2000)

(a) The printing, duplication, and binding of all technical manuals, books, and other publications, and changes, amendments, and revisions thereto, including all copies and portions of such documents which are required to be prepared and furnished under this contract for review, approval or otherwise, shall be accomplished in accordance with the issue of "Government Printing and Binding Regulations", published by the Joint Committee on Printing, Congress of the United States, as in effect on the date of this contract.

(b) Publications and other printed or duplicated material which (1) are prepared and carried by equipment manufacturers for regular commercial sale or use, and (2) require no significant modification for military use or to meet the requirements of this contract, or (3) are normally supplied for commercial equipment, shall be provided by the Contractor. Except for material falling within (1) through (3) of this paragraph, the printing of technical manuals, publications, changes, revisions, or amendments by the Contractor or subcontractor is prohibited.

(c) The Contractor shall have the printing and binding of final approved technical manuals, publications, changes, revisions and amendments thereto, as required under this contract (whether prepared by the Contractor or a subcontractor), printed at Government expense by or

through the Defense Printing Service Detachment Office (DPSDO) in the Naval District in which the Contractor is located, in accordance with the following general procedures:

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

- (i) Citation of contract number;
- (ii) Security classification of materials to be printed;
- (iii) Establishment of a schedule for printing, including estimated delivery date to DPSDO;
- (iv) Provisions for furnishing photolithographic negatives or camera-ready copies and art work in the proper sequence for printing;
- (v) A check-off list to verify the printing sequence of text pages and foldouts in the form prescribed by DPSDO;
- (vi) Complete printing instructions, which shall specify colors, if required for specific pages, the trim size, including apron, if required, for each foldout/in or chart, or other unique requirements;
- (vii) Type of binding (sidewire stitch, loose leaf, screw posts, etc.); and
- (viii) Other instructions, as applicable, such as packing instructions, quantity for each addressee, required delivery schedule, or delivery instructions. (The Contractor shall provide an address list and addressed mailing labels for each addressee).

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

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

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

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

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

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

<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 52.212-15) 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-18 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-19 PROVISIONED ITEMS ORDERS – ALTERNATE II (NAVSEA) (APR 1999)
(APPLICABLE TO PIO CLINs 0005 – 0010)**

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

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

(c) Undefinitized 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 on Government liability, a maximum ceiling amount, and a schedule for definitization, as described in subparagraph (e)(2) below. Upon request the Contractor shall submit a maximum ceiling amount proposal before the undefinitized order is issued. The maximum ceiling amount is the maximum price at which the order may be definitized. The Contractor shall begin performing the undefinitized order upon receipt, except as provided in paragraph (d) below. The clause entitled "CONTRACT DEFINITIZATION" (DFARS 252.217-7027) shall be included in any undefinitized order.

(d) Unilateral Undefinitized Orders.

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

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

(e) Definitization of Undefinitized Orders.

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

price agreed upon shall be set forth in a bilateral modification to the order. In no event shall the price exceed the maximum ceiling amount specified in the undefinitized order.

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

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

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

(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 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 fifty percent (50%) of the ceiling amount, the Contracting Officer may increase the limitation of Government liability to up to seventy-five percent (75%) of the maximum ceiling amount or up to seventy-five percent (75%) of the price proposed by the Contractor, whichever is less.

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

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

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

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

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

Naval Sea Systems Command Code 0222

SUPSHIP ACO/DCMA ACO

C-20 QUALIFICATION OF CONTRACTOR NONDESTRUCTIVE TESTING (NDT) PERSONNEL (NAVSEA) (APR 2001)

(a) The Contractor and any Nondestructive Testing (NDT) subcontractor shall utilize, for the performance of required NDT, only personnel who are currently certified in accordance with NAVSEA Technical Publication T9074-AS-GIB-010/271 dated 30 April 1997 and Recommended Practice No. ASNT SNT-TC-1A. An NDT subcontractor is defined as a first tier subcontractor performing NDT in conjunction with the production of materials, components, or

equipment for the vessel(s). NDT includes radiography, magnetic particle, liquid penetrant, eddy current, ultrasonic inspections and visual inspections.

(b) Certification of Level III (NDT Examiner) personnel shall be based on (1) successful completion of appropriate American Society for Nondestructive Testing Level III Examinations, and (2) successful completion of specific and practical examinations based on NAVSEA Technical Publication T9074-AS-GIB-010/271 and associated fabrication documents. Examinations may be developed and administered by the Contractor or by an outside agent designated in the Contractor's written practice. Documentation pertaining to the qualification and certification of NDT personnel shall be available to the Contracting Officer for review upon request.

(c) 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-21 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-22 TESTS AND TRIALS - ALTERNATE I (NAVSEA) (MAY 1993)

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

C-23 APPEARANCE OF SHIP WHEN DELIVERED

The ship shall be delivered with all items such as, but not limited to, equipment, accessories, appliances, plumbing fixtures, walls (interior and exterior), floors and decks, ceilings and overheads, windows, machinery spaces, etc., displaying an obvious appearance of being new and unused. The ship shall be free of dirt and debris associated with construction and adequately prepared for transportation to destination. The ship shall, in addition to the above, also display the highest level of cleanliness such that all areas of the ship can be immediately put to its intended use.

C-24 UNIQUE ITEM IDENTIFICATION

The Contractor shall provide Unique Item Identification (UID) marking in accordance with DFARS clause 252.211-7003 and the requirements provided in the following description for the items listed in the Master Equipment List (MEL) and for any Government approved Additional Spares procured under Item 0005.

1. UID is a set of data marked on items that is globally unique, unambiguous, and robust enough to ensure data information quality throughout the life of the unit until disposal and to support multi-faceted applications and users. The unique item identifier and the component data elements of the unique item identifier shall not change over the life of the item. The UID component data elements, at a minimum, shall be contained in a Data Matrix ECC200 symbol, as required by MIL STD 130 Rev L dated 10 Oct 2003.
2. The enterprise (i.e., a manufacturer or vendor) shall be responsible for implementation of the Unique Identification marking/Automatic Identification Technology (UID/AIT) program in accordance with the Department of Defense Guide to Uniquely Identifying Tangible Items dated 14 April 2004, and with the Defense Federal Acquisition Regulation Supplement (DFARS) clause 252.211-7003, Item Identification and Valuation. These documents can be found at <http://www.acq.osd.mil/uid>.
3. The physical marks that contain the UID-required elements shall remain legible until the item is destroyed. Where space is available, human readable information for UID data elements shall be marked on the item. MIL-STD 130 Rev L dated 10 Oct 2003 or latest revision provides information on various marking methods, surface requirements, and verification criteria. The preferred placement of the mark on the part is in the installed position whenever possible. This will allow personnel to read the mark without necessitating its removal. For parts already marked with a label or data plate, the Contractor may add additional UID information if space is available on the current label or replace with a label or data plate containing UID information in addition to existing information. The verification grade for the UID marking on all items marked will be in accordance with MIL-STD 130 Rev L dated 10 Oct 2003 paragraphs 4.4 through 4.4.2.2 or latest revision. Certification of verification shall accompany part(s) upon shipment.
4. The Contractor shall construct the UID for this Contract by using the Contractors Enterpriser Identifier; the hull number of the vessel as the Serial Number; and the respective hull sequencing number (e.g. hull 1 of 5, 2 of 5, if applicable) within the class as the part number.

5. Notwithstanding DFARS 252.211.7003, the Contractor shall return to the Government the listing of the identified UID material supplied in paragraph 6 annotated with marking medium and location.
6. When requested, the Contractor shall provide a price proposal for the management and implementation costs of UID marking of the MEL items. Once an order is placed by the Government, in accordance the provisions with “PROVISIONED ITEM ORDERS” clause of this contract, the Contractor shall proceed with UID marking and annotate the items requiring UID marking with the recommended UID marking medium and locations.
7. In addition to the UID marking of the MEL items, the Contractor shall recommend items from each incremental buy list of Additional Spares to be marked UID for approval by the Government. The Contractor shall also provide the price proposal for UID marking of each recommended item. Once an order is placed by the Government, in accordance the provisions with “PROVISIONED ITEM ORDERS” clause of this contract, the Contractor shall proceed with UID marking and annotate the items requiring UID marking with the recommended UID marking medium and locations. Where items have a limited shelf life or useful life, they shall be procured to maximize the service life to the Government after ship delivery .
8. DFARS clause 252.211-7003 para. (c) (3) provides instruction on data syntax and semantics when marking items. Additional guidance from the Department of Defense Guide to Uniquely Identifying Tangible Items is as follows:

8.1 Metadata Requirements:

- 8.1.1 The UID will be a non-parsable field, not to exceed 78 characters in length. Overhead characters, such as syntax and data qualifiers, will be eliminated from the string when the UID is constructed.
- 8.1.2 The IAC string of characters will not exceed 3 characters
- 8.1.3 The enterprise identifier string of characters will not exceed 13 characters, excluding the data qualifier.
- 8.1.4 The original part number string of characters including special characters) will not exceed 32 characters, excluding the data qualifier.
- 8.1.5 The serial number string of characters (including special characters) will not exceed 30 characters, excluding the data qualifier.
- 8.1.6 The sum of the maximum number of characters for possible UID data elements is 78. The use of shorter field lengths is encouraged for part and/or serial numbers where feasible.
- 8.1.7 The UID string of data must have worldwide uniqueness (non-repeatable).
- 8.1.8 When constructing the UID, spaces contained in the component data elements will be deleted.
- 8.1.9 All special characters, except for dashes (-) and forward slashes (/) will be deleted from the original part number and serial number. The UID may only contain uppercase English alphabet characters A through Z, numeric characters 0 through 9, and the special characters “-“ and “/”.

9. Data Submission – The Contractor shall submit information required by DFARS Clause 252.211-7003 paragraphs (e), (f), (g), and (h) in accordance with the procedures at <http://www.acq.osd.mil/uid>.

C-25 ORDER OF PRECEDENCE

Any inconsistencies in this solicitation or contract shall be resolved by giving precedence in the following order:

1. The Schedule, including the Government's T-AGM(R) SPECIFICATION and the DRLs;
2. Contractor's Representations;
3. Contract clauses;
4. Other documents, exhibits, and attachments;
5. Contractor's Ship Specifications;

C-26 ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE (NAVSEA) (JUN 1994)

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

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

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

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

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

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

SECTION D - PACKAGING AND MARKING**1. CLIN 0001 - MISSILE RANGE INSTRUMENTATION SHIP [T-AGM(R)]
CONCEPT/PRELIMINARY DESIGN AND DOCUMENTATION**

Data shall be marked and packaged in accordance with best commercial practices and Attachment J-3 (T-AGM(R) Phase I CPDR) and J-4 (T-AGM(R) Phase I CPDR DRL) of this contract.

2. CLIN 0002 - DATA

Unclassified data shall be prepared for shipment in accordance with the best commercial practice, or as instructed in the DRL.

**3. CLIN 0003 – T-AGM(R) DETAIL DESIGN AND CONSTRUCTION AND
DOCUMENTATION**

The ship shall be prepared for delivery and delivered in accordance with best commercial practices, the T-AGM(R) Specification and Attachment J-2 (ICD), of this contract. The ship shall be marked in accordance with best commercial practices, requirements of this contract and the T-AGM(R) Specification. Data shall be marked and packaged in accordance with best commercial practices and DRL, Attachment J-5 of this contract.

4. OPTION CLIN 0004 - MISSION RADAR ANTENNA INSTALLATION

All items (equipment, components, subassemblies, spares, etc) which are opened, inspected, repaired, or overhauled will be repackaged and remarked (as necessary and appropriate) to their original "as new" condition or as otherwise directed by the Supervisor under orders placed against this CLIN.

**5. PIO CLIN 0005 - ADDITIONAL SPARES, REPAIR PARTS, SPECIAL TOOLS,
SUPPORT AND TEST EQUIPMENT AND UID**

The additional spares, repair parts, special tools and support and test equipment shall be marked, prepared, and packaged in accordance best commercial practices, the Contract and the T-AGM(R) Specification, or as otherwise directed by the Supervisor under orders place against this CLIN.

6. PIO CLIN(s) 0006 AND 0007 - ADDITIONAL GOVERNMENT REQUIREMENTS

All items (equipment, components, subassemblies, spares, etc) which are opened, inspected, repaired, or overhauled will be repackaged and remarked (as necessary and appropriate) to their original "as new" condition or as otherwise directed by the Supervisor under orders placed pursuant to these CLINs.

7. PIO CLIN 0008 - SPECIAL STUDIES FOR CLIN 0003 AND 0004

Any reports associated with the Special Studies shall be packaged and marked in accordance with the Data Requirements List(s), Attachment J-5 of this contract.

**8. PIO CLIN(s) 0009 AND 0010 - GOVERNMENT-OWNED MATERIAL
INSTALLATION SUPPORT**

All items (equipment, components, subassemblies, spares, etc) which are opened, inspected, repaired, or overhauled will be repackaged and remarked (as necessary and appropriate) to their original "as new" condition or as otherwise directed by the Supervisor under orders placed pursuant to these CLINs.

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

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

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

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

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

(a) Marking. 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 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-3 PRESERVATION, MARKING, PACKAGING, AND PACKING

The Contractor shall package, mark, preserve, and pack CF and GF outfitting material in accordance with best commercial standards and practices. All items shall be packaged to ensure protection against corrosion, deterioration, physical, and electrical damage. In addition to CF outfitting material, all other applicable CF material shall be bar-coded and/or uniquely identified in accordance with DoD requirements.

SECTION E – INSPECTION AND ACCEPTANCE**PART 1 - CONTRACT LINE ITEM DESCRIPTION****1. CLIN 0001 - MISSILE RANGE INSTRUMENTATION SHIP [T-AGM(R)]
CONCEPT/PRELIMINARY DESIGN AND DOCUMENTATION**

Inspection and acceptance of all data shall be as specified in the Data Requirements List(s), Attachment J-4 of this contract.

2. CLIN 0002 - DATA

Inspection and acceptance is indicated in the T-AGM(R) Specification, Attachment J-1, and DRLs, Attachments J-4 and J-5, and Mission Radar Antenna Installation Requirements, Attachment J-6.

**3. CLIN 0003 – T-AGM(R) DETAIL DESIGN AND CONTRUCTION AND
DOCUMENTATION**

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

(Name of Facility)

(Street Address)

(City, State and Zip Code)

The procedure for inspection and acceptance of the ship shall be as set forth in the T-AGM(R) Specification, Attachment J-1, Interface Control Documentation, Attachment J-2 and DRL, Attachment J-5 of this contract and in the "PRELIMINARY ACCEPTANCE", FAR 52.246-2 "INSPECTION OF SUPPLIES- FIXED PRICE" (JUL 1985) (DEVIATION), and "FINAL ACCEPTANCE" clause of this contract. Inspection and acceptance of all data shall be as specified in the Data Requirements List(s), Attachment J-5 of this contract.

4. OPTION CLIN 0004 - MISSION RADAR ANTENNA INSTALLATION

All work and Items (equipment, components, subassemblies, spares, etc) shall be inspected and accepted at origin (Contractor's facility as shown herein) by an authorized representative of the Government.

The procedure for inspection and acceptance of this Item shall be as set forth in the "PRELIMINARY ACCEPTANCE", FAR 52.246-2 "INSPECTION OF SUPPLIES – FIXED PRICE" (JUL 1985) (DEVIATION), and "FINAL ACCEPTANCE" clause of this contract and in accordance with Attachment J-6 (Mission Radar Antenna Installation Requirements) of this contract. Inspection and acceptance of all data shall be as specified in the Data Requirements List(s), Attachments J-5 and J-6 of this contract.

5. PIO CLIN 0005 - ADDITIONAL SPARES, REPAIR PARTS, SPECIAL TOOLS AND SUPPORT AND TEST EQUIPMENT AND UID

The additional spares, repair parts, special tools and support and test equipment shall be inspected and accepted at the origin (Contractor's facility as shown herein) by an authorized representative of the Government in accordance with this contract, the T-AGM(R) Specification and Section C, Part 2, Statement of Work.

6. PIO CLIN(S) 0006 AND 0007 - ADDITIONAL GOVERNMENT REQUIREMENTS

All work and Items (equipment, components, subassemblies, spares, etc) shall be inspected and accepted at the origin (Contractor's Facility as shown herein) by an authorized Representative of the Government in accordance with this contract, the T-AGM(R) Specification and Section C, Part 1, Section 2.B.4.

7. PIO CLIN 0008 - SPECIAL STUDIES FOR CLIN 0003 AND 0004

Any data associated with the Special Studies shall inspected and accepted as specified in the Data Requirements List(s), Attachment J-5 of this contract.

8. PIO CLIN(S) 0009 AND 0010 - GOVERNMENT-OWNED MATERIAL INSTALLATION SUPPORT

All work and Items (equipment, components, subassemblies, spares, etc) shall be inspected and accepted at the origin (Contractor's Facility as shown herein) by an authorized Representative of the Government in accordance with this contract, the T-AGM(R) Specification and ordering requirements.

PART 2 - GENERAL REQUIREMENTS

E-1 FINAL ACCEPTANCE (AT) (NAVSEA) (JAN 1983)

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

E-2 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 twelve (12) 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.

E-3 INSPECTION FACILITIES (FT) (NAVSEA) (JAN 1990)

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

E-4 LIMITATION OF CONTRACTOR'S LIABILITY FOR CORRECTION OF DEFECTS (FT) (NAVSEA) (JAN 1990)

The liability of the Contractor as to any vessel for the correction of defects, as determined pursuant to the "INSPECTION" and "GUARANTY PERIOD" requirements of this contract, discovered during the guaranty period (other than defects resulting from fraud or such gross mistakes as amount to fraud) shall be limited to \$4,000,000.

E-5 PRELIMINARY ACCEPTANCE (AT) (NAVSEA) (JAN 1983)

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

E-6 GOVERNMENT FURNISHED MATERIAL (NAVSEA) (MAY 1995)

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

- (a) Examination upon receipt, consistent with practicality, to detect damage in transit;
- (b) Inspection for completeness and proper type;

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

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

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

(f) Verification of quantity.

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

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

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

E-7 52.246-2 INSPECTION OF SUPPLIES--FIXED PRICE (JUL 1985) (DEVIATION)

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

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

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

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

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

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

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

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

(h) If the Contractor fails to promptly remove, replace, or correct rejected supplies that are required to be removed or to be replaced or corrected, the Government may either (1) by contract or otherwise, remove, replace, or correct the supplies and charge the cost to the Contractor or (2) may terminate the contract for default. Unless the Contractor corrects or replaces the supplies within the

delivery schedule, the Contracting Officer may require their delivery and make an equitable price reduction. Failure to agree to a price reduction shall be a dispute.

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

(j)(1) If this contract provides for the performance of Government quality assurance at source, and if requested by the Government, the Contractor shall furnish advance notification of the time (i) when Contractor inspection or tests will be performed in accordance with the terms and conditions of the contract and (ii) when the supplies will be ready for Government inspection.

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

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

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

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

such failure, the Government shall have the right by contract or otherwise to replace or correct such supplies and charge to the Contractor the cost occasioned the Government thereby.

(End of Clause)

INCORPORATED BY REFERENCE CLAUSES:

FAR 52.246-2 INSPECTION OF SUPPLIES – FIXED PRICE (Aug. 1996)
(Not applicable to CLIN 0003)

FAR 52.246-4 INSPECTION OF SERVICES – FIXED PRICE (Aug. 1996)

FAR 52.246-16 RESPONSIBILITY FOR SUPPLIES (Apr 1984)

SECTION F – DELIVERIES OR PERFORMANCE

1. CLIN 0001 - MISSILE RANGE INSTRUMENTATION SHIP T-AGM(R) CONCEPT/PRELIMINARY DESIGN AND DOCUMENTATION

The period of performance for CLIN 0001 shall be 12 months. The Concept/Preliminary Design and Documentation shall be completed within 6 months after contract award in accordance with the T-AGM(R) Specification Attachment J-1, ICD Attachment J-2, the Attachment J-3 (T-AGM(R) Phase I CPDR) and DRL, Attachment J-4 of this contract. The proposal for Phase II and associated price proposal will be submitted on or before 8 months after Phase I contract award. Phase II Detail Design and Construction award is anticipated to be awarded within 12 months after Phase I contract award. Delivery cost is borne by Contractor, with delivery at the Contractor's facility.

2. CLIN 0002 - DATA

Data shall be delivered as specified in Attachment J-1, Specification, or Attachments J-4 and J-5, Phase I and II DRLs, Attachment J-6, Mission Radar Antenna Installation Requirements.

3. CLIN 0003 - DETAIL DESIGN AND CONSTRUCTION AND DOCUMENTATION

(a) The Contractor shall deliver the ship fully outfitted in accordance with this contract, and after successful trials, ready to receive cargo and crew, and with approvals and certifications in place as required. The ship, when delivered, shall be at a draft and trim condition which is within the limiting requirements for full load condition. Where ballast water is necessary, the delivery condition shall be achieved through the use of either clean seawater or fresh water ballast or both, but the quantity shall not exceed the ship normal ballast capacity unless specifically approved by the Government's Construction Representative. Polluted or silt carrying water, such as harbor or river water, shall not be used to achieve the delivery condition of the ship. The Contractor shall ensure that the delivery condition is restored in accordance with the above criteria where it becomes necessary to obtain a differing temporary condition to clear an obstruction (low bridge, shallow draft, narrow beam clearance, etc.) on the way to open ocean.

(b) The Contractor shall turn over the mission spaces as designated in the T-AGM(R) Specification, Attachment J-1 of this contract, and DRL, Attachment J-5 of this contract, 270 days before scheduled delivery of the ship,

(c) The ship shall be delivered at the Contractor's facility in accordance with the following schedule:

<u>ITEM</u>	<u>DATE</u>
(TBD)	(TBD)

(d) A Great Lakes Contractor will be required to deliver the ship prior to the close of the St. Lawrence Seaway in time for the Government to make the exit transit, where delivery is required during December and January. In addition, when delivery is required from a Great Lakes Contractor during February, March or April, the ship shall be delivered within two weeks of the opening of the Seaway.

4. OPTION CLIN 0004 - MISSION RADAR ANTENNA INSTALLATION

The Contractor shall commence effort 180 days before ship delivery and all installation efforts shall be completed before Acceptance Trials unless waived by the Government. Completion may occur with the Government's concurrence within 90 days after delivery during the 90-day post delivery availability (PDA). Delivery and performance shall be in accordance with the T-AGM(R) Specification, Section C, Part 2 Statement of Work, DRL Attachment J-5 of this contract and the Attachment J-6 (Mission Radar Antenna Installation Requirements).

5. PIO CLIN 0005 - ADDITIONAL SPARES, REPAIR PARTS, SPECIAL TOOLS, SUPPORT AND TEST EQUIPMENT AND UID

Delivery Requirements will be specified in the individual order(s), if issued.

6. PIO CLIN(s) 0006 AND 0007 - ADDITIONAL GOVERNMENT REQUIREMENTS

Delivery Requirements will be specified in the individual order(s), if issued.

7. PIO CLIN 0008 - SPECIAL STUDIES FOR CLINs 0003 AND 0004

Delivery Requirements will be specified in the individual order(s), if issued.

8. PIO CLIN(s) 0009 AND 0010 - GOVERNMENT-OWNED MATERIAL INSTALLATION SUPPORT

Delivery Requirements will be specified in the individual order(s), if issued.

DELIVERIES

In the event that required data is not delivered as required by the contract, the Contracting Officer shall have the option to refuse acceptance of any vessels until such time as the failure to deliver is corrected.

“Data” as used above, is defined as any report or task required by;

- A Contract Line Item
- A Data Requirement List (DRL)
- The specifications hereto

SECTION F - CLAUSES INCORPORATED BY REFERENCE

<u>FAR SOURCE</u>	<u>TITLE AND DATE</u>
52.242-15	Stop-Work Order (Aug 1989)
52.242-17	Government Delay of Work (Apr 1984)
52.247-29	F.O.B. Origin (Jun 1988)
52.247-55	F.O.B. Point for Delivery of Government-Furnished Property (Apr 1984)
52.247-65	F.O.B. Origin, Prepaid Freight—Small Package Shipments (Jan 1991)

SECTION G - CONTRACT ADMINISTRATION DATA**G-1 PURCHASING OFFICER REPRESENTATIVE: Stephen V. Piasecki****G-2 CONTRACTOR REPRESENTATIVE AUTHORITY TO SIGN DOCUMENTS**

Upon execution of the Contract, the Contractor shall provide a written list to the Contract Administration Office, which identifies those Contractor representatives who are authorized to sign written communication on behalf of the Contractor. The list shall specifically contain the following: (1) name of individual authorized to sign Contractor-generated technical data and Contractor management type documentation, and (2) type of documentation each individual is authorized to sign. Upon addition or deletion of one or more names, the list shall be revised accordingly.

G-3 ELECTRONIC INFORMATION MANAGEMENT SYSTEM (APPLICABLE TO CLINS 0001 AND 0003 ONLY)

The Government will operate and maintain a secure, Web-based information management system that will be used for the review of Concept/Preliminary Design deliverables and Detail Design and Construction deliverables submitted by the Contractor in accordance with the DRLs, Attachments J-4 (Phase I) and J-5 (Phase II). The Contractor shall utilize a reliable dedicated high speed Internet connection, T-1 or better, and upload all deliverables required under this contract to the electronic information management system.

All submittals, including drawings, reports and machine-produced listings shall include the following information:

- a. A cover sheet that shall provide a brief explanation of the reason for the change or a more detailed discussion shall be included in the content of the submittal.
- b. The contract number, data item number and data item title. When multiple submissions are made under the same data item (such as drawings, purchase orders and test reports), a subtitle shall be used to further identify the content.
- c. A list of all enclosures being submitted in the data package.
- d. A revision letter or number and date shall be included to reflect the revision of any previously submitted document.
- e. Submittals requiring approval shall state: "This document requires Government approval." If approval has been granted, the approved version shall state: "This document has been reviewed and approved by the Government."
- f. Incremental submittals and documents regarding recurring meetings or events shall identify the increment/event date (if not otherwise identified in the subtitle).

g. Distribution and quantity of copies being sent.

The Contractor shall maintain scheduling data relating to the submission requirements of data items and, to the maximum extent possible, shall ensure that actual deliveries are made on or before specified due dates. Submission criteria are usually based on key events that are known to both the Contractor and to Government personnel (such as contract award). The Contractor shall alert the Contracting Officer and the Administrative Contracting Officer via email that a data item is available for review.

The Contractor shall maintain internal quality control to ensure submittals are complete and adequate and shall not rely on Government review comments to ensure the technical accuracy of data.

The approval time period for Government review, identified in the data requirements list, commences at receipt of the data by the Government agency responsible for providing approval.

In most cases, approval will be granted subject to resolution of issues raised by review comments. If all issues can be successfully resolved, the Contractor shall correct and resubmit the data. In the event the Contractor disagrees with the intent of the review comments or is unable to comply with and/or resolve issues raised, the Contractor shall submit correspondence explaining the disagreement and propose suitable alternatives with supporting rationale.

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.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H-1	ADDITIONAL INSURANCE PROVISIONS (JAN 1990)
H-2	ADDITIONAL PROVISIONS RELATING TO GOVERNMENT PROPERTY (JAN 1990)
H-3	DELIVERY OF COMPLETED VESSEL (JAN 1983)
H-4	DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENTS - ALT I (APR 1999)
H-5	EQUITABLE ADJUSTMENTS: WAIVER AND RELEASE OF CLAIMS (JAN 1983)
H-6	FINAL SETTLEMENTS (JAN 1983)
H-7	FOREIGN SHIPYARD CONSTRUCTION PROHIBITION (JAN 1983)
H-8	GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (AUG 1997)
H-9	INSURANCE-PROPERTY LOSS OR DAMAGE - LIABILITY TO THIRD PERSONS (JAN 1990)
H-10	LIENS AND TITLE - ALT I (MAY 1998)
H-11	NOTIFICATION OF CHANGES - ALT 1 (JAN 1983)
H-12	OTHER CHANGE PROPOSALS - ALT 1 (JAN 1990)
H-13	PAYABLE EVENT SCHEDULE
H-14	PERFORMANCE INCENTIVE
H-15	PRICE ADJUSTMENT FOR CHANGES IN FEDERAL LAW (NOV 1996)
H-16	SHIPBUILDING SUPPORT OFFICE SCHEDULES (JAN 1983)
H-17	TUG AND PILOT SERVICES (SEP 1990)
H-18	ADDITIONAL DEFINITIONS – ALT II (MAY 1993)
H-19	GOVERNMENT-FURNISHED PROPERTY (INCORPORATION) (SEP 1990)
H-20	LOGISITIC SUPPORT REQUIREMENT (MAY 1998)
H-21	SPECIAL NOTICE CONCERNING RFP SECTIONS L AND M
H-22	INDEMNIFICATION FOR ACCESS TO VESSEL
H-23	COMPLIANCE WITH ORGANIZATIONAL CONFLICT OF INTEREST MITIGATION PLAN

H-1 NAVSEA 5252.228-9104 ADDITIONAL INSURANCE PROVISIONS (FT) (JAN 1990)

(a) The provisions contained in the standard form of Marine Builder's Risk (Navy Form - Syndicate) policy referred to in paragraph (a) of the requirement of this contract entitled "INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS"... "with leave to fire guns and torpedoes, but no claim to attach thereto for loss of or damage to the vessel or machinery unless the accident results in a total loss of a vessel," shall not include, or be construed as including, any operation conducted under the "General Scope of Work" and "Specifications" paragraphs of Section C of this contract; and further, the operations referred to in these aforesaid

paragraphs shall not be deemed to be "warlike operation" as used in the Collision Liability and Protection and Indemnity Liabilities (Government Syndicate Form) policy referred to in paragraph (b) of the requirement of this contract entitled "INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS". Further, the Contractor shall not carry Collision Liability and Protection and Indemnity Liabilities insurance (Government Syndicate Form) referred to in the first sentence of paragraph (b) of the requirement of this contract entitled "INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS" during the period of the performance of the underway trials required by this contract, and the Government will indemnify the Contractor against liability (including expenses incidental thereto) to third persons which would have been covered by the aforesaid insurance if the Contractor had carried such insurance during the period stated above; provided, however, that the Contractor shall not be relieved of any other obligations required by the aforesaid paragraph (b) of the "INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS" requirement.

(b) Notwithstanding any provisions to the contrary in paragraph (a) of the requirement entitled "INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS", the assumption by the Government of the risk of loss of or damage to the vessels and the materials and equipment therefore provided for by the aforesaid paragraph (a) of the requirement entitled "INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS", shall continue until the expiration of the guaranty periods of the vessels, or until completion of all work under this contract, whichever is later. The Government does not, however, assume the risk of loss of or damage to any equipment which results from a defect in a part thereof for which the Contractor is responsible pursuant to the "PRELIMINARY ACCEPTANCE", "GUARANTY PERIOD", or "INSPECTION OF SUPPLIES--FIXED-PRICE (FT) (JUL 1985) - ALTERNATE I (JUL 1985) (DEVIATION 89-915 - 29 JUN 1989)" (FAR 52.246-2) requirements of this contract. The term "equipment" as used in the preceding sentence means the largest integrated unit (e.g., component, subassembly, or individual system, as the case may be) furnished by the same supplier who furnished the part causing the loss or damage.

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

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

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

H-2 NAVSEA 5252.245-9127 ADDITIONAL PROVISIONS RELATING TO GOVERNMENT PROPERTY (FT) (JAN 1990)

- (a) The Contracting Officer may increase the amount of property to be furnished under this contract and the contract shall be equitably adjusted to reflect such increase in accordance with procedures of the "CHANGES" clause of the contract.
- (b) (1) As to all equipments listed in NAVSEA Form 4205/19 or Schedule A, as applicable, which will be permanently installed or otherwise will be built into the vessel(s), the AN nomenclature or other model designations given therein are to indicate only the basic description of equipments to be furnished and do not indicate the specific model or manufacturer's equipment that will be furnished. The Government may furnish, without issuing a change under the "CHANGES" clause of the contract, other equipments bearing nomenclature and model designations which further define the specific equipment to be furnished and to further substitute other equipments with different nomenclature or model designations as long as they are geometrically congruent dimensionally, and mechanically and electrically interchangeable with the equipment identified in NAVSEA Form 4205/19 or Schedule A, as applicable.
- (2) As to all equipments listed in NAVSEA Form 4205/19 or Schedule A, as applicable, which are portable in nature and require only means for stowage in the vessel(s), the AN nomenclature or other model designations given therein are to indicate only the basic description of the equipments to be furnished. The Government may furnish, without issuing any change under the "CHANGES" clause of the contract, other equipments bearing different AN nomenclature or other model designations as long as the equipments furnished are functionally interchangeable with the equipments specified in NAVSEA Form 4205/19 or Schedule A, as applicable, and no changes in ship stowage provisions are required.
- (c) Unless otherwise specifically directed by the Supervisor, nonreusable crates and other nonreusable packaging in which Government Property is delivered to the Contractor shall become the property of the Contractor upon removal of the packaged or crated material, in which event such crates and other packaging shall not be subject to the provisions of the clause of this contract entitled "GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) (FT) (DEC 1989) (DEVIATION 89-915 - 29 JUN 1989)" (FAR 52.245-2).
- (d) Any packaging or preparation for delivery or for other disposal of Government Property by the Contractor at the direction or authorization of the Contracting Officer pursuant to paragraph (i) of the clause of this contract entitled "GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS)" shall be provided for by change order and an appropriate adjustment shall be made in the contract price in accordance with the clause of the contract entitled "CHANGES".
- (e) (1) In addition to the equipments listed on NAVSEA Form 4205/19 or Schedule A, as applicable, the Government may provide installation and checkout (I&C) spares. The Contractor shall provide segregated stowage and inventory management for Government furnished I&C spares. These I&C spares will be pre-positioned by the Government at the shipyard for use by Contractor or Government personnel for the installation and checkout of

Government Furnished Equipment (GFE). The Contractor shall maintain these spares in a suitable warehouse accessible 24 hours per day during GFE installation and checkout, in accordance with the ship construction test program. I&C spares do not include parts to support installation and checkout of reactor plant equipment. Requirements governing such reactor plant repair parts, known as Shipyard Load List (SLL) parts, are defined in the ship specification.

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

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

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

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

H-3 NAVSEA 5252.246-9128 DELIVERY OF COMPLETED VESSEL (FT) (JAN 1983)

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

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

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

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

(b) The Contractor shall be responsible for scheduling an interval of a minimum of 60 days between the satisfactory completion of acceptance trials and delivery of the vessel. During this period, the Contractor shall satisfactorily correct all Contractor responsible deficiencies, whether discovered before, during, or after completion of acceptance trials, which are determined by the Contracting Officer to be necessary to avoid an adverse effect on the operational capability of the vessel.

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

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

(e) Following preliminary acceptance, the Government may, during the guaranty period, make the vessel available to the Contractor, at the Contractor's plant, (i) for correction of defects noted at the time of preliminary acceptance, or which are discovered during the guaranty period, and (ii) for the performance of any additional work required by change orders issued pursuant to the "CHANGES" clause of this contract prior to preliminary acceptance and not theretofore performed. If the

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

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

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

H-4 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.

H-5 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.

H-6 NAVSEA 5252.232-9108 FINAL SETTLEMENT (FT) (JAN 1983)

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

H-7 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.

H-8 NAVSEA 5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (AUG 1997)

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

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

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

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

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

H-9 NAVSEA 5252.228-9105 INSURANCE-PROPERTY LOSS OR DAMAGE-LIABILITY TO THIRD PERSONS (FT) (JAN 1990)

(a) The Contractor shall not, unless otherwise directed or approved in writing by the Department, carry or incur the expense of any insurance against any form of loss of or damage to the vessels or to the materials or equipment therefor to which the Government has acquired title or which have been furnished by the Government for installation by the Contractor. The Government assumes the risks of loss of and damage to the vessels and such materials and equipment which would have been assumed by the underwriters if the Contractor had procured and maintained throughout the term of this contract, on behalf of itself and the Government, insurance with respect to the vessels and such materials and equipment for full value against pre-keel and post-keel laying risks (i) under the forms of Marine Builders Risk (Navy Form-Syndicate) policy, including the rider attached to the "Free of Capture and Seizure" clause thereof, and War Damage policy, both as set forth in the pamphlet entitled "Standard Forms of Marine Builders Risk (Navy Form-Syndicate) and War Damage Insurance Policies referred to in Vessel Contracts to the Bureau of Ships," dated 23 November 1942, or (ii) under any other policy forms which the Assistant Secretary of the Navy (R,D&A), Insurance Office shall determine were customarily carried or would have been customarily carried

by the Contractor in the absence of the foregoing requirement that the Contractor not carry or incur the expense of insurance, provided, that the Government does not assume any risk with respect to loss or damage compensated for by insurance or otherwise or resulting from risks with respect to which the Contractor has failed to procure or maintain insurance, if available, as required or approved by the Department; provided, further, that under the above identified policies or under this requirement the Government does not assume any risk with respect to, and will not pay for any costs of the Contractor for the inspection, repair, replacement, or renewal of any defects themselves in the vessel(s) or such materials and equipment due to (A) defective workmanship, or defective materials or equipment performed by or furnished by the Contractor or its subcontractors or, (B) workmanship, or materials or equipment performed by or furnished by the Contractor or its subcontractors which do(es) not conform to the requirements of the contract, whether or not any such defect is latent or whether or not any such non-conformance is the result of negligence; provided, further, that under the above identified policies or under this requirement the Government does not assume the risk of and will not pay for the costs of any loss, damage, liability or expense caused by, resulting from, or incurred as a consequence of delay or disruption of any type whatsoever. No requirement of this contract shall operate to subject the Contractor to a liability for which the Government has assumed the risk hereunder. Notwithstanding the foregoing, the Contractor shall bear the first \$10,000 of loss or damage from each occurrence or incident the risk of which the Government otherwise would have assumed under the requirements of this paragraph.

(b) Unless otherwise directed by the Department, the Contractor shall procure and thereafter maintain with respect to each of the vessels Collision Liability and Protection and Indemnity Liabilities Insurance (Government-Syndicate Form), as set forth in the aforesaid 23 November 1942 pamphlet, if available, in an amount equal to (i) eighty percent (80%) of the sum of the target price of the vessel and an amount estimated by the Department to represent the value of materials and equipment furnished by the Government for installation by the Contractor, or (ii) Two Million Dollars (\$2,000,000), whichever shall be less. The Government will indemnify the Contractor against liabilities (including expenses incidental thereto) to third persons which, but for the limitation on amount specified in this paragraph, would have been covered by such Collision Liability and Protection and Indemnity Liabilities Insurance, and which are not compensated for by insurance or otherwise, provided such liabilities are represented by final judgments or by settlements approved in writing by the Department. The Contractor shall not, however, be so indemnified against liabilities with respect to which the Contractor has failed to procure or maintain insurance, if available, as required or approved by the Department. The Contractor shall promptly notify the Department of each suit or action filed and each claim made against which the Contractor may be entitled to indemnification under this paragraph. The Contractor shall furnish the Department with copies of all papers received with respect to each suit, action or claim and, if requested by the Department, shall authorize representatives of the Government to settle, or direct or take charge of the defense of, such suit, action or claim. In the absence of such request, the Contractor shall diligently proceed with such defense. The Government's liability under this paragraph(b) and the Collision Liability and Protection and Indemnity Liabilities Insurance forms set forth in the pamphlet entitled "Standard Forms of Marine Builders Risk (Navy Form Syndicate) and War Damage Insurance Policies, referred to in Vessel Contracts of the Bureau of Ships, dated 23 November 1942, is subject to the availability of appropriated funds at the time a contingency occurs. Nothing in this contract shall be construed as implying that the Congress will, at a later date, appropriate funds sufficient to meet deficiencies.

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

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

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

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

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

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

(B) Terminate the construction of any part or all of the vessel(s) under the clause of this contract entitled "TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE)" (FAR 52.249-2).

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

(List facilities)

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

H-10 NAVSEA 5252.245-9124 LIENS AND TITLE (FP) - ALTERNATE I (MAY 1998)

(a) Any and all partial and progress payments **and performance-based payments** made hereunder on account of the vessels and the materials and equipment therefor shall be secured, when made, by a lien in favor of the Government upon such material and equipment on account of all payments so made, except to the extent that the Government, by virtue of any other requirement of this contract, or otherwise, shall have valid title to such material and equipment as against other creditors of the Contractor. If such property is not identified by marking or segregating, the Government shall be deemed to have a lien upon a proportionate part of any mass of property with which such property is commingled. Any lien provided for by virtue of this requirement is paramount to all other liens under the provisions of 10 U.S.C. Sec 2307. Upon completion and delivery of the vessels, said lien shall be discharged as to any materials and equipment which have not been included in the vessels and which are no longer required therefor.

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

(c) Title to the vessels under construction shall be in the Government and title to all materials and equipment acquired for each vessel shall vest in the Government upon delivery thereof to the plant of the Contractor or other place of storage selected by the Contractor, whichever of said events shall first occur; provided, that the Supervisor may, by written direction, require that title shall vest in the Government upon delivery of such materials and equipment to the carrier for transportation to the plant of the Contractor or other place of storage selected by the Contractor. The amount of any freight charges, transportation, taxes or other costs which would have been paid by the Contractor, either directly or as an element of any subcontract cost, and which the Contractor shall not be required to pay as a result of such earlier vesting of title and any use of Government bills of lading, shall be determined and treated as though resulting from a change order and the contract price reduced accordingly. Upon completion of the vessels, or with the approval of the Supervisor at any time during the construction of the vessels, all such materials and equipment which have not been included therein and which are agreed between the Contractor and the Supervisor to be no longer required therefor, except materials and equipment which were furnished by the Government or the cost of which has been reimbursed by the Government to the Contractor, shall become the property of the Contractor; provided, however, that models, mockups, plans and other items which the

Contractor is expressly required to construct, prepare, or furnish shall remain the property of the Government. Upon completion of the contract, or at such earlier date as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of property not consumed in the performance of this contract (including any resulting scrap) or not theretofore delivered to the Government, the cost of which has been reimbursed by the Government to the Contractor apart from the fixed price. The Contractor shall deliver or make such other disposal of such property as may be directed or authorized by the Contracting Officer. Recoverable scrap from such property shall be reported in accordance with such procedure and in such form as the Contracting Officer may direct. The net proceeds of any such disposal shall be credited to the Government and shall be paid in such manner as the Contracting Officer may direct. For the purpose of this requirement, "net proceeds" means actual amount collected from such sale of disposal less sales, collection fees and other reasonable related expenses.

H-11 NAVSEA 5252.243-9105 NOTIFICATION OF CHANGES (FT) - ALTERNATE I (JAN 1983) (APPLICABLE TO CLIN 0003 ONLY)

(a) Definitions. As used in this requirement, the term "Contracting Officer" does not include any representative of the Contracting Officer whether or not such representative is acting within the scope of his authority nor does it include any other individuals or activities that in any way communicate with the Contractor. As used in this requirement, the term "conduct" includes both actions and failures to act, and includes the furnishing of, or the failure to furnish, any item under any provision of this contract.

(b) Notice. The primary purpose of this requirement is to obtain prompt reporting of any conduct which the Contractor considers would constitute or would require a change to this contract. The parties acknowledge that proper administration of this contract requires that potential changes be identified and resolved as they arise. Therefore, except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Contracting Officer of any conduct which the Contractor considers would constitute or would require a change to this contract. Such notice shall be provided promptly, and in any event within thirty (30) calendar days from the date the Contractor identifies any such conduct. The Notice shall be written and shall state, on the basis of the most accurate information available to the Contractor:

- (i) The date, nature, and circumstances of the conduct regarded as a change;
- (ii) The name, function, and activity of the individuals directly involved in or knowledgeable about such conduct;
- (iii) The identification of any documents and the substance of any oral communication involved in such conduct;
- (iv) The particular elements of contract performance for which the Contractor might seek an equitable adjustment under this requirement, including:
 - (1) What ship(s) have been or might be affected by the potential change;

(2) To the extent practicable, labor or materials or both which have been or might be added, deleted, or wasted by the potential change;

(3) To the extent practicable, the Contractor's preliminary order of magnitude estimate of cost and schedule effect of the potential change; and

(4) What and in what manner are the particular technical requirements or contract requirements regarded as changed.

(c) Continued Performance. Except as provided in paragraph (f) below, following submission of notice, the Contractor shall take no action to implement a potential change until advised by the Contracting Officer in writing as provided in (d) below, unless the potential change was previously directed by the Contracting Officer, in which case the Contractor shall conform therewith. Nothing in this paragraph (c) shall excuse the Contractor from proceeding with contract work other than implementation of the potential change or from proceeding in accordance with directions issued by the Contracting Officer.

(d) Government Response. The Contracting Officer shall promptly, and in any event within twenty-one (21) calendar days after receipt of Notice, respond thereto in writing. In such response, the Contracting Officer shall either:

(i) Confirm that the conduct of which the Contractor gave notice would constitute a change, and when necessary, direct the mode of further performance, or;

(ii) Countermand any conduct regarded by the Contractor as a change, or;

(iii) Deny that the conduct of which the Contractor gave notice would constitute a change and, when necessary, direct the mode of further performance, or;

(iv) In the event the Contractor's notice information is inadequate to make a decision under (i), (ii) or (iii) above, advise the Contractor what additional information is required. Failure of the Government to respond within the time required above shall be deemed a countermand under (d)(ii).

(e) Equitable Adjustments. Equitable adjustments for changes confirmed or countermanded by the Contracting Officer shall be made in accordance with the clause of this contract entitled "CHANGES", or any other requirement of this contract which provides for an equitable adjustment.

(f) Special Procedures. Paragraph (c) provides that the Contractor is to take no action to implement a potential change pending the Contracting Officer's response to the Contractor's notice of the potential change, except where specifically directed by the Contracting Officer. In special situations, however, where

(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 price and delivery schedule due to conduct under this contract, which occurred on or before ____.

b. The Contractor, for itself, its successors, assigns, vendors, suppliers, and subcontractors, hereby remises, releases and forever discharges the Government, its officers, agents and employees from (i) any and all entitlement of the Contractor to equitable adjustment of the contract cost and fee and/or delivery schedule of this contract or of any other Government contract (with this or any other Contractor) or any contract between the Contractor and any third party by reason of any conduct which increases the Contractor's cost or time of performance of work under this contract and meets the following conditions (1) known to the Contractor, (2) occurred on or before ____ and (3) the Contractor failed to give notice prior to date of this release, and (ii) any and all liabilities to the Contractor for money damages and/or other relief for the impact of any such conduct, upon this contract or any other Government contract (with this or any other Contractor) or any contract between the Contractor and any third party.

H-12 NAVSEA 5252.243-9113 OTHER CHANGE PROPOSALS (FT) - ALTERNATE I (JAN 1990)

(a) The Contracting Officer, in addition to proposing engineering changes pursuant to other requirements of this contract, and in addition to issuing changes pursuant to the clause of this contract entitled "CHANGES", may propose other changes within the general scope of this contract as set forth below. Within forty-five (45) days from the date of receipt of any such proposed change, or within such further time as the Contracting Officer may allow, the Contractor shall submit the proposed scope of work, plans and sketches, and its estimate of: (A) the cost, (B) the weight and moment effect, (C) effect on delivery dates of the vessel(s), and (D) status of work on the vessels affected by the proposed change. The proposed scope of work and estimate of cost shall be in such form and supported by such reasonably detailed information as the Contracting Officer may require. Within sixty (60) days from the date of receipt of the Contractor's estimate, the Contractor agrees to either (A) enter into a supplemental agreement covering the estimate as submitted, or (B) if the estimate as submitted is not satisfactory to the Contracting Officer, enter into negotiations in good faith leading to the execution of a bilateral supplemental agreement. In either case, the supplemental agreement shall cover an equitable adjustment in the contract price, including an equitable adjustment for the preparatory work set forth above, scope, and all other necessary equitable adjustments. The Contractor's estimate referred to in this subparagraph shall be

a firm offer for sixty (60) days from and after the receipt thereof by the Contracting Officer having cognizance thereof, unless such period of time is extended by mutual consent.

(b) Pending execution of a bilateral agreement or the direction of the Contracting Officer pursuant to the "CHANGES" clause, the Contractor shall proceed diligently with contract performance without regard to the effect of any such proposed change.

(c) In the event that a change proposed by the Contracting Officer is not incorporated into the contract, the work done by the Contractor in preparing the estimate in accordance with subparagraph (a) above shall be treated as if ordered by the Contracting Officer under the "CHANGES" clause. The Contractor shall be entitled to an equitable adjustment in the contract price for the effort required under subparagraph (a), but the Contractor shall not be entitled to any adjustment in delivery date. Failure to agree to such equitable adjustment in the contract price shall be a dispute within the meaning of the clause of this contract entitled "DISPUTES" (FAR 52.233-1).

H-13 PAYABLE EVENT SCHEDULE (APPLICABLE TO CLINs 0001 and 0003 ONLY)

The Contractor shall perform the efforts required by the Contract and its attachments. The Contractor will be paid for each payable event accomplished, along with its associated documentation, upon Government acceptance in accordance with the Schedule of Payments and Payable Events set forth below.

Phase I:

Task	Payable Event	Payment CLIN	Schedule
1	In Process Design Review (IPDR) #1	FY05 FY05 FY05 FY06	
2	In Process Design Review (IPDR) #2		
3	Preliminary Design Review (PDR)		
4	Phase II Proposal Submittal		

Phase II:

Task	Payable Event	Payment CLIN 0003	Schedule
1	Post-Award Conference		FY06
2	Specification Reading Session		FY06
3	Propulsion Single Systems Vendor Purchase Order (SSV PO) Placed		FY06
4	Critical Design Review (CDR)/Authorization for Detail Design		FY07
5	Completion of Model Testing		FY07
6	Approval of Hull Lines/Commencing of Hull Lofting		FY07

7	Completion of Detail Design/Start Construction/Pilot House Mockup		FY07
8	Keel Laying		FY07
9	Prime Mover Placed on Main Machinery Space Foundations		FY08
10	Land Generators		FY08
11	Land Shafting and Propulsion Train		FY08
12	50% Modules erected		FY08
13	75% Modules erected		FY08
14	Vessel Launch		FY08
15	Compartment Completion		FY09
16	Load Testing of Generators		FY09
17	Completion of BT		FY09
18	Completion of AT		FY09
19	Preliminary Acceptance		FY10
20	Completion of PDA		FY10
21	Expiration of Guaranty Period		Various

DEFINITIONS OF PAYABLE EVENTS

Phase I:

1. **In Process Design Review (IPDR) #1** – Conference attended and conducted as required by contract. All ~~minutes and supporting~~ documentation is in accordance with contract requirements required by the contract and presented during the conference, has been submitted, and has been presented at the conference. approved by the Government. All work, actions tasks and documentation has been completed and approved by the Government.

2. **IPDR #2** – Conference attended and conducted as required by contract. All ~~minutes and supporting~~ documentation is in accordance with contract requirements required by the contract and presented during the conference, has been submitted, and has been presented at the conference. and approved by the Government. All work, actions tasks and documentation completed and approved by the Government.

3. **Preliminary Design Review (PDR)** – Conference attended and conducted as required by contract. All ~~minutes and supporting~~ documentation is in accordance with contract requirements required by the contract and presented during the conference, has been submitted and presented at the conference. and approved by the Government. All work, actions tasks and documentation has been completed and approved by the Government.

4. **Phase II Proposal Submittal** – Submit a complete Phase II proposal in accordance with the contract.

Phase II:

1. **Post-Award Conference** – Conference attended and conducted as required by contract. All minutes and supporting documentation required by the contract and presented during the

conference, has been submitted and approved by the Government. All work, actions tasks and documentation has been completed and approved by the Government.

2. Specification Reading Session – Reading Session attended and conducted as required by contract. All minutes and supporting documentation required by the contract and presented during the Session has been submitted and approved by the Government. All work, actions tasks and documentation has been completed and approved by the Government.

3. Propulsion SSV PO Placed – The Single System Vendor (SSV), as previously identified by the shipbuilder or an alternate SSV as requested by the shipbuilder and approved by the Government, is contractually obligated to the shipbuilder in accordance with T-AGM(R) contract.

4. Critical Design Review (CDR)/Authorization for Detail Design – CDR attended and conducted as required by contract. The Critical Design Report has been submitted in accordance with the applicable DRL requirements and all required updates have been identified and agreed to. All minutes and supporting documentation required by the contract and presented during the review has been submitted and approved by the Government. All work, actions, tasks and documentation has been completed and approved by the Government.

5. Completion of Model Testing - Hydrodynamic Model Test Report is submitted and all significant government comments are adjudicated. The Shipbuilder may present existing baseline hull form full scale ship performance data in lieu of model tests, if the data can be correlated to the new design hull form candidate and the information has been presented in the Phase I Model Test Program Plan and approved by the Government.

6. Approval of Hull Lines/Commencing of Hull Lofting – Molded Lines, Offsets, Control Surfaces and Appendage drawings are complete and Government comments have been adjudicated.

7. Completion of Detail Design/Start Construction/Pilot House Mockup – Ship construction drawings are 85% complete and all Government comments are adjudicated. The shipbuilder has started and maintained sustained construction in accordance with their previously submitted production schedule for one month (following first work issuance, all scheduled starts and completes have been accomplished). The Pilot House mockup has been completed and it depicts an acceptable Pilot House arrangement in accordance with the regulatory body requirements and the contract.

8. Keel Laying – The first two erection units are landed on the construction way. All unit assembly structural and outfitting work scheduled for completion prior to unit erection in accordance with the Erection Sequence/Master Erection/Engineering/Way Schedule is complete in all respects, including boundary hot work and applied paintings/coatings.

9. Prime Mover Placed on Main Machinery Space Foundations – All propulsion engines and/or propulsion motors are landed, set in place and preliminarily aligned on their respective foundations. Foundation work is complete.

10. Land Generators - All generators are landed, set in place and preliminarily aligned on their respective foundations. Foundation work is complete.

11. Land Shafting and Propulsion Train - All propulsion shafting is landed and set in place. All shaft bearings/supports are landed and set in place on their respective foundations. A preliminary alignment of all shafting and bearings/supports is complete. Foundation work is complete.

12. 50% Modules erected – Production has completed fabricating and erecting 50% of the units. Construction and completion of outfitting will average at least 90% of planned pre-outfitting of the units. Each of these units will be properly placed together and final butt welded at the erection site. Final butt-welding shall be verified.

13. 75% Modules erected – Production has completed fabricating and erecting 75% of the units. Construction and completion of outfitting will average at least 90% of planned pre-outfitting of the units. Each of these units will be properly placed together and final butt welded at the erection site. Final butt-welding shall be verified.

14. Vessel Launch – Successful launching of the vessels and all post launching inspections have been completed to the satisfaction of the Government representatives and the Regulatory Bodies as applicable. . At launch, all hull penetration fittings will have been permanently installed. Ballast, firemain and seawater systems below the Main deck will have been completed to allow for fire protection and cooling water needs. Structural closures below the Main deck have been installed and completed. The propulsion train has been preliminarily aligned. Eighty percent (80%) of all cables shall be pulled to the point of connection/termination or properly sealed. Regulatory Body concurrence shall be obtained prior to launch.

15. Compartment Completion –Satisfactory completion of the requirements as defined in Contract Clause C-3.045a COMPARTMENT COMPLETION REQUIREMENTS AND SERVICES.

16. Load Testing of Generators – Load testing will be conducted in accordance with the approved test procedure(s) and witnessed by ABS, USCG and Government representatives. Successful generator load testing will be accomplished upon submittal of the completed test memo with the authorized regulatory body and government witnesses' signatures and Government acceptance.

17. Completion of BT - The Shipbuilder, prior to Builders Sea (BST), shall certify to the Supervisor that the ship is ready for sea trials. The certification shall identify, and schedule for completion, Shipbuilder-responsible items that will be completed at BST. Builder's Dock Trials (BDT) and all Contractor responsible tests shall have been completed and all mutually agreed safety requirements met. All tests that cannot be preformed with the ship moored are to be accomplished during BST. All BST prerequisites shall be complete. BST is required to demonstrate that the ship is seaworthy and all machinery, equipment, and systems are ready for Acceptance Trials. BST will be successfully completed to the satisfaction of the Supervisor.

18. Completion of AT - Successful completion of BT is a prerequisite to AT. Successful completion of AT is a prerequisite to preliminary acceptance of the ship by the Government. Acceptance trials shall be performed at sea and in port in accordance with INSURV instructions to demonstrate to INSURV the compliance with contractual requirements. After completion of the at-sea portion of AT, the ship shall be returned to the Shipbuilder's facilities, and selected equipment as requested by INSURV and directed by the Supervisor shall be opened for such examinations as INSURV may request. Correction of defects or deficiencies shall be accomplished as specified in the Contract. Following the examination or correction of defects or deficiencies, the equipment shall be made ready for service and retested. An AT Report shall be provided.

19. Preliminary Acceptance – Successful completion of Acceptance Trials, submittal/correction of technical documentation, load out complete and, signing of the DD-250 by the authorized Government representative.

20. Completion of PDA - All services have been provided in accordance with CLIN 0003 DETAIL DESIGN AND CONSTRUCTION AND DOCUMENTATION (g) items (1)-(5) as verified by the on-site Government representatives.

21. Expiration of Guaranty Period – The payment schedule for Phase II above includes a 2.0% withhold to be used as a performance reserve. This reserve will remain in the possession of the Government until the expiration of the Guaranty Period (See Section E) provided however there is no uncompleted work remaining. The amount of this reserve released at the expiration period of the Guaranty Period is dependent on the value, determined by the Government, of any remaining unfinished work for which the Contractor is responsible. If at any time it appears to the Government that the amount of the performance reserve may be insufficient to meet the cost to the Government of finishing any unfinished work under the contract for which the Contractor is responsible, or for correcting defects for which the contractor is responsible whether discovered before or during the Guaranty Period, the Government may, in making payments under this requirement, deduct or withhold such additional amounts as it may deem necessary to render this reserve adequate; provided,, that any additional amounts deducted or withheld on accounts of defects, vice incomplete or unfinished work, which are discovered during the Guaranty period shall not exceed the limit of the Contractor's liability as set forth in the clause entitled "LIMITATION OF CONTRACTOR'S LIABILITY FOR THE CORRECTION OF DEFECTS".

(a) Contractor request for performance-based payment. The Contractor may submit requests for payment of performance-based payments based on the payment schedule indicated above., in a form and manner acceptable to the Contracting Officer. Unless otherwise authorized by the Contracting Officer, all performance-based payments in any period for which payment is being requested shall be included in a single request, appropriately itemized and totaled. The Contractor's request shall contain the information and certification detailed in paragraphs (g) and (h) below.

(b) Approval and payment of requests.

(1) The Contractor shall not be entitled to payment of a request for performance-based payment prior to successful accomplishment of the event or performance criterion for which payment is requested. The Contracting Officer shall determine whether the event or performance criterion for which payment is requested has been successfully accomplished in accordance with the terms of the contract. The Contracting Officer may, at any time, require the Contractor to substantiate the successful performance of any event or performance criterion which has been or is represented as being payable.

(2) A payment under this performance-based payment clause is a contract financing payment under the Prompt Payment clause of this contract and not subject to the interest penalty provisions of the Prompt Payment Act. The designated payment office will pay approved requests on the ____30th____ [*Contracting Officer insert day as prescribed by agency head; if not prescribed, insert "30th"*] day after receipt of the request for performance-based payment. However, the designated payment office is not required to provide payment if the Contracting Officer requires substantiation as provided in paragraph (b)(1) above, or inquires into the status of an event or performance criterion, or into any of the conditions listed in paragraph (d) below, or into the Contractor certification. The payment period will not begin until the Contracting Officer approves the request.

(3) The approval by the Contracting Officer of a request for performance-based payment does not constitute an acceptance by the Government and does not excuse the Contractor from performance of obligations under this contract.

(c) Liquidation of performance-based payments.

(1) Performance-based finance amounts paid prior to payment for delivery of an item shall be liquidated by deducting a percentage or a designated dollar amount from the delivery payment.

(2) If at any time the amount of payments under this contract exceeds any limitation in this contract, the Contractor shall repay to the Government the excess. Unless otherwise determined by the Contracting Officer, such excess shall be credited as a reduction in the unliquidated performance-based payment balance(s), after adjustment of invoice payments and balances for any retroactive price adjustments.

(d) Reduction or suspension of performance-based payments. The Contracting Officer may reduce or suspend performance-based payments, liquidate performance-based payments by deduction from any payment under the contract, or take a combination of these actions after finding upon substantial evidence any of the following conditions:

(1) The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (e) and (f) of this clause).

(2) Performance of this contract is endangered by the Contractor's --

(i) Failure to make progress; or

(ii) Unsatisfactory financial condition.

(3) The Contractor is delinquent in payment of any subcontractor or supplier under this contract in the ordinary course of business.

(g) Records and controls. The Contractor shall maintain records and controls adequate for administration of this clause. The Contractor shall have no entitlement to performance-based payments during any time the Contractor's records or controls are determined by the Contracting Officer to be inadequate for administration of this clause.

(f) *Reports and Government access.* The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information requested by the Contracting Officer for the administration of this clause and to determine that an event or other criterion prompting a financing payment has been successfully accomplished. The Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's records and to examine and verify the Contractor's performance of this contract for administration of this clause.

(g) *Content of Contractor's request for performance-based payment.* The Contractor's request for performance-based payment shall contain the following:

- (1) The name and address of the Contractor;
- (2) The date of the request for performance-based payment;
- (3) The contract number and/or other identifier of the contract or order under which the request is made;
- (4) Such information and documentation as is required by the contract's description of the basis for payment; and
- (5) A certification by a Contractor official authorized to bind the Contractor, as specified in paragraph (h) of this clause.

(h) *Content of Contractor's certification.* As required in paragraph (g)(5) of this clause, the Contractor shall make the following certification in each request for performance-based payment:

I certify to the best of my knowledge and belief that --

- (1) This request for performance-based payment is true and correct; this request (and attachments) has been prepared from the books and records of the Contractor, in accordance with the contract and the instructions of the Contracting Officer;
- (2) (Except as reported in writing on _____), all payments to subcontractors and suppliers under this contract have been paid, or will be paid, currently, when due in the ordinary course of business;
- (3) There are no encumbrances (except as reported in writing on _____) against the property acquired or produced for, and allocated or properly chargeable to, the contract which would affect or impair the Government's title;
- (4) There has been no materially adverse change in the financial condition of the Contractor since the submission by the Contractor to the Government of the most recent written information dated _____; and
- (5) After the making of this requested performance-based payment, the amount of all payments for each deliverable item for which performance-based payments have been requested will not exceed any limitation in the contract, and the amount of all payments under the contract will not exceed any limitation in the contract.

H-14 PERFORMANCE INCENTIVE (APPLICABLE TO CLIN 0003)

(a) **Performance Profit** - The Contractor may earn performance profit **during Phase II** as determined by the Profit Determining Official (PDO). The Government's purpose in granting such performance profit is to encourage and reward superior Contractor effort directed toward

performance of the detail design and construction effort. By way of overseeing the Contractor's performance, the Government will continuously monitor the manner in which the Contractor is proceeding to attain such objectives and to discharge such obligations. The general areas on which particular emphasis will be placed in evaluating the Contractor's performance are set forth below.

(b) Evaluation Board - The Contractor's performance evaluation for each period will be conducted by an Evaluation Board consisting of no less than five of the following members:

- a) T-AGM(R) Project Manager (PMS325Q), Chairman
- b) T-AGM(R) Assistant Project Manager (PMS325Q)
- c) CJR Program Manager or Representative (IWS 2.0)
- d) Procuring Contract Officer (PCO) or Representative
- e) Senior PEO Ships On-Site Construction Representative
- f) Administrative Contract Officer (ACO) or Representative
- g) Logistics Manager (PMS325L) or Representative
- h) T-AGM(R) Project Engineer (PMS325Q)
- i) T-AGM(R) Ship Design Manager (SEA 05D)

(c) Profit Determining Official - The PDO will be either the PMS325 Program Manager (PMS325) or the PMS325 Deputy Program Manager (PMS325B). The PDO shall determine the performance profit the Contractor may be awarded in accordance with the procedures set forth in paragraph (d) below.

(d) Performance Profit Evaluation Procedure—

- (i) The Contractor shall furnish to the Board such information, as may be reasonably required, to assist the Board in evaluation of the Contractor's effectiveness of its various organizations (management, engineering, purchasing, configuration control, and quality assurance) to achieve success in the areas such as, but not limited to:
 - a) Scheduling
 - b) Adherence to schedules
 - c) Mission systems integration/compartment completion
 - d) Design/engineering
 - e) Production
 - f) Logistics
 - g) Contract change administration
 - h) Test/trials
 - i) Guaranty
 - j) Claims avoidance
 - k) Significant events

In addition to the information provided at the Incentive Evaluation Board meeting, the Government will also utilize data provided at the Contractor Production Progress Conference (SPPC) for this evaluation.

(ii) At the conclusion of the Evaluation Board meeting, the Board shall, in closed session, arrive at a scoring consensus and advise the Profit Determining Official of its recommendation. The recommendation will include the Board's reasons, rationale and justifications for its findings. The Evaluation Board findings shall be furnished to the Contractor via the PCO, and the Contractor will be given five calendar days to provide written comments on the Board's findings. In the event that the Contractor does not concur with the Board's findings, he may present to the Profit Determining Official an exception to the Board's findings. In support of his exception, the Contractor may furnish a written description of his performance. This description shall clearly identify specifics where disagreements exist and the rationale for the Contractor's own rating of performance. These comments shall be considered by the Profit Determining Official in establishing the performance profit.

(iii) The Profit Determining Official shall, within ten days of receipt of Contractor's comments on the Evaluation Board findings, provide the performance profit determination (including the amount, rationale and justification for the determination) in writing to the PCO and request that the PCO issue a contract modification formally establishing the performance profit for the period. Any performance profit earned by the Contractor shall be conferred to the Contractor by the execution of a contract modification within thirty (30) days after performance profit determination and shall not be subject to any payment withholding percentage, notwithstanding any other provision of this contract.

(e) Finality of Profit Determining Official's Determination - Determinations of the Profit Determining Official with respect to the amount of performance profit to be paid to the Contractor are final and shall not be subject to the "DISPUTES" clause of this contract, nor shall the Contractor be entitled to submit a claim regarding any such determination under the Contract Disputes Act of 1978 (P.L. 95-563).

(f) Evaluation Periods - The Evaluation Board will evaluate the Contractor's performance semiannually with the first period ending on the last day of the sixth month after Phase II award through the end of the guaranty period.

(g) Performance Profit Pool - In order to obligate funds, as needed for performance profit payment purposes, the amounts obligated shall be increased from time to time by the Administrative Contracting Officer. It is understood that the Contractor's right to performance profit shall be determined in accordance with this clause and that the Government's obligation of funding to any evaluation period as aforesaid does not entitle the Contractor to receive a performance profit. Performance profit will be available for the consideration of payment as follows:

Evaluation Period	Profit Available	Profit Earned
First Period	TBD	TBD
Second Period	TBD	TBD
Third Period	TBD	TBD

Fourth Period	TBD	TBD
Fifth Period	TBD	TBD
Sixth Period	TBD	TBD
Seventh Period	TBD	TBD
Eighth Period	TBD	TBD
End of Guaranty	TBD	TBD
TOTAL	TBD	TBD

The Government will allocate profit available for the first evaluation period at the time of Phase II award. Additional allocation of profit available for subsequent period will be in accordance within the paragraph (i) herein. The amount of profit available for the periods specified above is not transferable between evaluation periods.

(h) Performance Ratings - In evaluating Contractor performance, the following adjectives and numerical ratings will be used:

Adjective Rating	Numerical Value	Criteria
Outstanding	98-100	The Contractor's performance exceeds the requirements of the Contract by a substantial margin.
Excellent	94-97	The Contractor's performance exceeds the requirements of the Contract.
Good	85-93	The Contractor's performance is above the required level of performance, with areas for significant improvement being offset by higher performance in other areas being evaluated.
Acceptable	80-84	The Contractor's performance meets the required level of performance as stated in the contract requirements. There are areas requiring improved performance; however, these are offset by better performance in other areas.
Marginal	71-79	The Contractor's performance is less than the required level of performance by a substantial margin. Many areas require improvement, which are not offset by better performance in other areas.

Unacceptable	70 and below	The Contractor's performance is below minimum acceptable standards and performance required major improvements in most areas.
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The relationship of the percent of performance profit pool to be paid, subject to the determination of the Profit Determining Official, to the performance rating will be as follows:

Performance Rating	Percent of Performance Profit Pool
0-70	0
71-100	$\frac{[(\text{Rating} - 70)]}{30} \times 100$

(i) **Adjustments** - Evaluation categories specified in paragraph (d) of this clause are of equal weights. However, the weights assigned to each of the performance categories listed in paragraph (d), and the distribution of Available Performance Profit dollars as specified in paragraph (g) may be modified from time to time unilaterally by the Contracting Officer, provided that the Contracting Officer notifies the Contractor within thirty (30) days after the start of each affected evaluation period. In the absence in writing of said notification, the performance categories and distribution of available performance incentive dollars remain as listed in paragraphs (d) and (g), respectively. The alterations described above shall not change the total available performance profit potential provided by this clause nor change the performance profit earned by the Contractor in any completed evaluation period.

(j) **Payment of Performance Profit** - The Contractor shall be paid performance profit, if any, upon submitting a proper invoice or voucher to the Administrative Contracting Officer (ACO), together with a copy of the modification to the contract authorizing payment of performance profit for the applicable Evaluation Period.

H-15 NAVSEA 5252.215-9106 PRICE ADJUSTMENT FOR CHANGES IN FEDERAL LAW (FT) (NOV 1996)

(a) Definitions

(1) For the purpose of this requirement:

(i) The term "Currently Applicable Federal Laws" is defined to mean and include only the statutes listed below and regulations thereunder, promulgated by Federal authorities as in effect on ____.

(A) Contract Work Hours and Safety Standards Act

- (B) Occupational Safety and Health Act
- (C) Atomic Energy Act
- (D) National Environmental Policy Act
- (E) Clean Air Act
- (F) Clean Water Act
- (G) Refuse Act
- (H) Noise Control Act
- (I) Toxic Substances Control Act
- (J) Solid Waste Disposal Act
- (K) Marine Protection, Research and Sanctuaries Act
- (L) Comprehensive Environmental Response, Compensation, and Liability Act
- (M) Act to Prevent Pollution from Ships
- (N) Hazardous Materials Transportation Act

(ii) The term "New Federal Law" is defined to mean a new Federal Statute enacted subsequent to _____ pertaining to (1) workplace conditions affecting employees or the public, or (2) environmental standards and requirements, and regulations thereunder promulgated by Federal authorities.

(iii) The term "change" shall be deemed to mean the amendment or repeal of any Currently Applicable Federal Law or New Federal Law or regulations promulgated thereunder by Federal authorities.

(b) If, at any time after the effective date of this contract, a New Federal Law is enacted or a change is made to a Currently Applicable Federal Law or a New Federal Law or regulations thereunder promulgated by Federal authorities, and compliance with such new law or change directly results in an increase or decrease in the Contractor's cost of performance of this contract, the contract price(s) shall be adjusted as provided in paragraph (c) below. No such adjustment shall be made for contract costs incurred or projected to be incurred during the two (2) year period after the effective date of this contract.

(c) The price adjustment provided for in paragraph (b) above shall be made, in the same amount, in each of the Target Cost(s), the Target Price(s), and the Ceiling Price(s) or Fixed Price(s) of this contract, as appropriate, and shall include only the properly allowable and allocable direct

and indirect costs of additional labor and materials directly resulting from compliance with the new law or with the change, but shall not include:

- (i) Costs of delay, disruption, or acceleration of performance;
- (ii) Increases or decreases in prices charged by subcontractors or suppliers; or
- (iii) Costs of additional facilities or of any portion thereof constructed or acquired after _____ unless such additional facilities or the portion thereof have been constructed or acquired by the Contractor solely in order to comply with a New Federal law or a change in Currently Applicable Federal Laws or New Federal Laws, or regulations thereunder promulgated by Federal authorities.

The price adjustment shall consider and exclude any tax, depreciation, or other special allowances provided to the Contractor in the New Federal Law or change for compliance therewith. No adjustment shall be made in the Profit or Delivery Schedule of the contract, provided, however, that the Contractor's right, if any, to extension of the delivery schedule under any other requirement of this contract shall not be prejudiced thereby. No adjustment shall be made unless a New Federal Law or a change directly causes an increase or decrease in the Contractor's cost of performance of this contract in excess of \$125,000 per ship.

(d) The Contractor shall promptly notify the Contracting Officer, in writing, of the enactment of New Federal Laws or of a change that reasonably may be expected to result in an adjustment under the provisions of this requirement.

(e) Requests for price adjustments hereunder shall be made in accordance with the procedures of the requirement entitled "DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT".

H-16 NAVSEA 5252.246-9124 SHIPBUILDING SUPPORT OFFICE SCHEDULES (AT) (JAN 1983)

The U.S. Navy Shipbuilding Support Office, which is responsible within the Department for providing central scheduling for ship programs, may, but shall not be obligated to, promulgate from time to time Master Program Schedules and other documents relating to the design, material procurement for, and orderly erection of the vessel(s). Such schedules and documents, if promulgated, are intended to facilitate integration of all work required in connection with the vessels, and other vessels, if any, in the same ship program and to serve as a planning aid for the Contractor and its agents, but such schedules and documents shall not alter or increase the obligations of the Government and the use thereof or adherence thereto is not a requirement of this contract. Neither the promulgation of such schedules and documents nor any use thereof by the Contractor or its agent shall in any way relieve the Contractor of its obligation to complete and deliver the vessel(s) by the date and in accordance with the other requirements set forth in this contract or affect responsibility for any delays.

H-17 NAVSEA 5252.247-9110 TUG AND PILOT SERVICES (SEP 1990)

The Contractor shall provide necessary tug and pilot services to move the vessel(s) from the fairway of the plant to the pier or dock, and upon completion of all work from the pier or dock, to the fairway of the plant.

H-18 NAVSEA 5252.202-9101 ADDITIONAL DEFINITIONS (FT) – ALTERNATE II (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) COMMANDER, NAVAL SEA SYSTEMS COMMAND - means the Commander of the Naval Sea Systems Command of the Department of the Navy or his duly appointed successor or duly authorized representative.
- (c) NAVSEA 08 - means the Deputy Commander, Nuclear Propulsion Directorate, Naval Sea Systems Command of the Department of the Navy.
- (d) SUPERVISOR - means the cognizant Supervisor of Shipbuilding, Conversion and Repair, Department of the Navy.
- (e) PROJECT MANAGER (SHAPM)(PMS) - means the (List appropriate PM) Program Manager, or his duly appointed successor or duly authorized representative, of the Naval Sea Systems Command of the Department of the Navy.
- (f) LEAD CONTRACTOR, LEAD YARD OR LEAD SHIPYARD - mean (List contractor) in its capacity as Contractor under Contract No. (List Contract) for the construction of the (List first ship of the class).
- (g) FOLLOW CONTRACTOR, FOLLOW YARD OR FOLLOW SHIPYARD - mean a prime contractor performing a contract for the construction of follow ships of the (List ship class) Class.
- (h) LEAD SHIP OR FIRST SHIP OF THE CLASS - mean the (List first ship.)
- (i) FOLLOW SHIP - means any ship of the (List class) Class other than the first ship.
- (j) ADJUSTMENT IN CONTRACT PRICE - means adjustment in target cost, target profit, target price and ceiling price or fixed price, as appropriate under the circumstances and except as otherwise provided in the contract.
- (k) DESIGN AGENT - means (List contractor) in its capacity as Design Agent, not in its capacity as shipbuilding contractor.
- (l) NATIONAL STOCK NUMBERS - Whenever the term Federal Item Identification Number and its acronym FIIN or the term Federal Stock Number and its acronym FSN appear in the contract,

order or their cited specifications and standards, the terms and acronyms shall be interpreted as National Item Identification Number (NIIN) and National Stock Number (NSN) respectively which shall be defined as follows:

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

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

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

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

(o) REFERENCES TO THE FEDERAL ACQUISITION REGULATION (FAR) - All references to the FAR in this contract shall be deemed also to include the Defense FAR Supplement (DFARS), unless clearly indicated otherwise.

(p) CONSTRUCTION OF THE VESSEL - means conversion of the vessel (except where it is used in paragraphs (f) and (g) of this requirement).

H-19 GOVERNMENT-FURNISHED PROPERTY

The Government will provide only that property set forth in Attachment J-12, Schedule "A", notwithstanding any term or condition of this contract to the contrary. The Government will furnish, upon request by the Contractor to the Program Manager (PMS 325) via the ACO, the following for incorporation in the equipment to be delivered under CLIN 0003 and if exercised Option CLIN 0004 of this contract: See Attachment J-12, Schedule "A".

H-20 NAVSEA 5252.227-9112 LOGISTIC SUPPORT REQUIREMENT (AT) (MAY 1998)

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

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

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

H-21 SPECIAL NOTICE CONCERNING RFP SECTIONS L AND M

Upon award of CLIN 0001, Section L and Section M of this solicitation will remain part of the resultant contract, as these sections are required for the purpose of the down-selection process for Phase II. Should the Contractors identify changes to their Preliminary Design Review (PDR) presentation after the performance of CLIN 0001, those proposed changes shall be documented in the Contractors' information provided for the down-selection for Phase II. Section L and Section M will be removed from the Contract upon the award of CLIN 0003.

H-22 NAVSEA 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.

**H-23 COMPLIANCE WITH ORGANIZATIONAL CONFLICT OF INTEREST
MITIGATION PLAN**

The Contractor shall comply with all processes, procedures, actions, and measures described in the *AMSEC LLC Corporate Organizational Conflict of Interest Mitigation Plan for the United States Navy T-AGM(R) Program (Revised 4/26/05)*.

SECTION I-1 - CLAUSES INCORPORATED BY REFERENCE

1. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

SECTION I-1 - CLAUSES INCORPORATED BY REFERENCE

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES:

<u>FAR SOURCE</u>	<u>TITLE AND DATE</u>
52.202-1	DEFINITIONS (JUN - <u>JUL</u> 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 (JUN 1997 <u>2003</u>)
52.204-2	SECURITY REQUIREMENTS (AUG 1996)
52.204-4	PRINTED/COPIED DOUBLE-SIDED ON RECYCLED PAPER (AUG 2000)
52.204-7	CENTRAL CONTRACTOR REGISTRATION (OCT 2003)
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JUL 1995 <u>JAN 2005</u>)
52.211-5	MATERIAL REQUIREMENTS (<u>AUG 2000</u>)

52.211-15	DEFENSE PRIORITY AND ALLOCATION REQUIREMENT (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. 251 215-13	SUBCONTRACTOR COST OR PRICING DATA—MODIFICATIONS (OCT 1997)	
52.215-14 and Alt I	INTEGRITY OF UNIT PRICES (OCT 1997) AND ALTERNATE I (OCT 1997) (Applies if contract award was not based on full and open competition.)	
52.215-15	<u>PENSION ADJUSTMENTS AND ASSET REVERSIONS</u> <u>(DEC 1998OCT 2004)</u>	
52.215-16	FACILITIES CAPITAL COST OF MONEY (JUNE 2003)	
52.215-17	WAIVER OF FACILITIES CAPITAL COST OF MONEY (OCT 1997) (IF APPLICABLE)	
52.215-18	REVERSION OR ADJUSTMENT OF PLANS FOR POST RETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS (OCT 1997)	
52.215-21 and Alt II	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA MODIFICATIONS (OCT 1997) AND ALTERNATE II (OCT 1997)	
52.219-4	NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZONE SMALL BUSINESS CONCERNS (OCT 2004)	
52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS (MAY 2004)	

52.219-9 and Alt II	SMALL BUSINESS SUBCONTRACTING PLAN (JUL 2005) AND ALTERNATE II (OCT 2001)
52.219-16	LIQUIDATED DAMAGES – SUBCONTRACTING PLAN (JAN 1999)
52.222-1	NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (FEB 1997)
52.222-3	CONVICT LABOR (AUG 1996 JUN 2003)
52.222-4	CONTRACT WORK HOURS AND SAFETY STANDARDS ACT--OVERTIME COMPENSATION (SEP 2000)
52.222-19	CHILD LABOR--COOPERATION WITH AUTHORITIES AND REMEDIES (JUN 2004)
52.222-20	WALSH-HEALEY PUBLIC CONTRACTS ACT (DEC 1996)
52.222-21	PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)
52.222-26	EQUAL OPPORTUNITY (APR 2002)
52.222-29	NOTIFICATION OF VISA DENIAL (JUN 2003)
52.222-35	AFFIRMATIVE ACTION FOR DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (DEC 2001)
52.222-36	AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998)
52.222-37	EMPLOYMENT REPORTS ON DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (DEC 2001)
52.222-38	COMPLIANCE WITH VETERANS' EMPLOYMENT REPORTING REQUIREMENTS (DEC 2001)
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 (OCT 1996 AUG 2003)
52.225-8	DUTY-FREE ENTRY (FEB 2000)

53.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (DEC 2003 MAR 2005)	
52.226-1	UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN OWNED ECONOMIC ENTERPRISES (JUN 2000)	
52.227-1	AUTHORIZATION AND CONSENT (JUL 1995)	
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT (AUG 1996)	
52.227-10	FILING OF PATENT APPLICATIONS--CLASSIFIED SUBJECT MATTER (APR 1984)	
52.227-12	PATENT RIGHTS – RETENTION BY THE CONTRACTOR (LONG FORM) (JAN 1997)	
52.229-3	FEDERAL, STATE, AND LOCAL TAXES (APR 2003)	
52.230-2	COST ACCOUNTING STANDARDS (APR 1998)	
52.230-6	ADMINISTRATION OF COST ACCOUNTING STANDARDS (NOV 1999)	
52.232-1	PAYMENTS (APR 1984)	
52.232-8	DISCOUNTS FOR PROMPT PAYMENT (FEB 2002)	
52.232-9	LIMITATION ON WITHHOLDING OF PAYMENTS (APR 1984)	
52.232-11	EXTRAS (APR 1984)	
52.232-16	PROGRESS PAYMENTS (APR 2003) (APPLICABLE TO CLINS 0004-0010)	
52.232-17	INTEREST (JUN 1996)	
52.232-23	ASSIGNMENT OF CLAIMS (JAN 1986) AND ALTERNATE I (APR 1984)	
52.232-25	PROMPT PAYMENT (OCT 2003)	
52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER-- CENTRAL CONTRACTOR REGISTRATION (OCT	

	2003)
52.233-1 and Alt I	DISPUTES (JUL 2002) AND ALTERNATE I (DEC 1991)
52.233-3	PROTEST AFTER AWARD (AUG 1996)
52.242-10	F.O.B. – ORIGIN – GOVERNMENT BILLS OF LADING OR PREPAID POSTAGE (APR 1984)
52.242-12	REPORT OF SHIPMENT (REPSHIP) (JUN 2003)
52.242-13	BANKRUPTCY (JUL 1995)
52.243-1	CHANGES--FIXED-PRICE (AUG 1987) AND ALTERNATE and Alt II (APR 1984)
52.243-6	CHANGE ORDER ACCOUNTING (APR 1984)
52.244-5	COMPETITION IN SUBCONTRACTING (DEC 1996)
52.245-2	GOVERNMENT PROPERTY (FIXED-PRICE 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 (APR 1984)
52.248-1	VALUE ENGINEERING (FEB 2000)
52.249-2	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED PRICE) (MAY 2004)
52.249-8	DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) (APR 1984)
52.253-1	COMPUTER GENERATED FORMS (JAN 1991)

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

<u>DFARS SOURCE</u>	<u>TITLE AND DATE</u>
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252.203-7001	PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT RELATED FELONIES (MAR-1999 DEC 2004)	
252.203-7002	DISPLAY OF DOD HOTLINE POSTER (DEC 1991) (Applies if this contract exceeds \$5,000,000.)	
252.204-7000	DISCLOSURE OF INFORMATION (DEC 1991)	
252.204-7003	CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)	
252.204-7004	ALTERNATE A (NOV 2003)	
252.204-7005	ORAL ATTESTATION OF SECURITY RESPONSIBILITIES (NOV 2001)	
252.205-7000	PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS (DEC 1991) (Applies if this contract exceeds \$500,000.)	
252.209-7000	ACQUISITION FROM SUBCONTRACTORS SUBJECT TO THE ON SITE INSPECTION UNDER THE INTERMEDIATE-RANGE NUCLEAR FORCES (INF) TREATY (NOV 1995)	
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)	
252.211-7003	ITEM IDENTIFICATION AND VALUATION (JAN 2004)	
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 SUB-CONTRACTING PLAN (DoD CONTRACTS) (APR 1996)	
252.222-7001	RIGHT OF FIRST REFUSAL OF EMPLOYMENT--CLOSURE OF MILITARY INSTALLATIONS (APR 1993)	
252.223-7004	DRUG-FREE WORK FORCE (SEP 1988)	

252.225-7001	BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM (APR 2003)
252.225-7002	QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS (APR 2003)
252.225-7003	REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES US (APR 2003)
252.225-7004	REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (APR 2003)
252.225-7005	IDENTIFICATION OF EXPENDITURES IN THE UNITED STATES (APR 2002)
252.225-7012	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES (JUN 2004)
252.225-7013	DUTY-FREE ENTRY (JAN 2004)
252.225-7014	PREFERENCE FOR DOMESTIC SPECIALTY METALS (APR and Alt I 2003) AND ALTERNATE I (APR 2003)
252.225-7015	PREFERENCE FOR DOMESTIC HAND OR MEASURING TOOLS (APR 2003)
252.225-7016	RESTRICTION ON ACQUISITION OF BALL OR ROLLER BEARINGS (MAY 2004)
252.225-7019	RESTRICTION ON ACQUISITION OF ANCHOR AND MOORING CHAIN (APR 2003)
252.225-7022	RESTRICTION ON ACQUISITION ON POLYACRYLONITRILE (PAN) BASED CARBON FIBER (APR 2003)
252.225-7025	RESTRICTION ON ACQUISITION OF FORGINGS (APR 2003)
252.225-7028	EXCLUSIONARY POLICIES AND PRACTICES OF FOREIGN GOVERNMENTS (APR 2003)
252.225-7030	RESTRICTIONS ON ACQUISITION OF CARBON, ALLOY, AND ARMOR STEEL PLATE (ARR 2003)
252.225-7031	SECONDARY ARAB BOYCOTT OF ISRAEL (APR 2003)

252.225-7038	RESTRICTION ON ACQUISITION OF AIR CIRCUIT BREAKERS (APR 2003)
252.225-7039	RESTRICTION ON ACQUISITION OF TOTALLY ENCLOSED LIFEBOAT SURVIVAL SYSTEMS (APR 2003)
252.225-7043	ANTITERRORISM/FORCE PROTECTION FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES (JUN 1998)
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)
252.227-7015	TECHNICAL DATA – COMMERCIAL ITEMS (NOV 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)
252.227-7036	DECLARATION OF TECHNICAL DATA CONFORMITY (JAN 1997)
252.227-7037	VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (SEP 1999)
252.227-7039	PATENTS – REPORTING OF SUBJECT INVENTIONS (APR 1990)
252.231-7000	SUPPLEMENTAL COST PRINCIPLES (DEC 1991)
252.232-7003	ELECTRONIC SUBMISSION OF PAYMENT REQUESTS (JUN <u>JAN</u> 2004)
252.232-7004	DoD PROGRESS PAYMENT RATES (OCT 2001) (APPLICABLE TO CLINs 0004-0010)

252.242-7000	POST-AWARD CONFERENCE (DEC 1991)
252.242-7003	APPLICATION FOR U.S. GOVERNMENT SHIPPING DOCUMENTATION/INSTRUCTIONS (DEC 1991)
252.243-7001	PRICING OF CONTRACT MODIFICATIONS (DEC 1991)
252.243-7002	REQUESTS FOR EQUITABLE ADJUSTMENT (MAR 1998)
252.244-7000	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DOD CONTRACTS) (MAR 2000)
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) AND ALTERNATE II (DEC 1991)
252.249-7002	NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION (DEC 1996)

SECTION I-2 - CLAUSES INCORPORATED IN FULL TEXT

FAR 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

(a) The Contractor shall make the following notification in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall--

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

(c) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

FAR 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA— MODIFICATIONS (OCT 1997) AND ALTERNATE II (OCT 1997)

(a) Exceptions from cost or pricing data.

(1) In lieu of submitting cost or pricing data for modifications under this contract, for price adjustments expected to exceed the threshold set forth in 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 may provide, at a minimum, information on prices at which the same item or similar items have been sold that is adequate for evaluating the reasonableness of the price of the modification. Such information may include--

(1) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished), e.g., wholesale, original equipment manufacturer, or reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities.

(2) For market-priced items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market.

(3) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(2) The Contractor grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this clause, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the Contractor's determination of the prices to be offered in the catalog or marketplace.

(b) Requirements for cost or pricing data. If the Contractor is not granted an exception from the requirement to submit cost or pricing data, the following applies:

(1) The Contractor shall submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

(2) As soon as practicable after agreement on price, but before contract award (except for unpriced actions), the Contractor shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

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

FAR 52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (JAN 1997)

(a) “*Hazardous material*,” as used in this clause, includes any material defined as hazardous under the latest version of Federal Standard No. 313 (including revisions adopted during the term of the contract).

(b) The offeror must list any hazardous material, as defined in paragraph (a) of this clause, to be delivered under this contract. The hazardous material shall be properly identified and include any applicable identification number, such as National Stock Number or Special Item Number. This information shall also be included on the Material Safety Data Sheet submitted under this contract.

Material <i>(If none, insert “None”)</i>	Identification No.

(c) This list must be updated during performance of the contract whenever the Contractor determines that any other material to be delivered under this contract is hazardous.

(d) The apparently successful offeror agrees to submit, for each item as required prior to award, a Material Safety Data Sheet, meeting the requirements of 29 CFR 1910.1200(g) and the latest version of Federal Standard No. 313, for all hazardous material identified in paragraph (b) of this clause. Data shall be submitted in accordance with Federal Standard No. 313, whether or not the apparently successful offeror is the actual manufacturer of these items. Failure to submit the Material Safety Data Sheet prior to award may result in the apparently successful offeror being considered nonresponsible and ineligible for award.

(e) If, after award, there is a change in the composition of the item(s) or a revision to Federal Standard No. 313, which renders incomplete or inaccurate the data submitted under paragraph (d) of this clause, the Contractor shall promptly notify the Contracting Officer and resubmit the data.

(f) Neither the requirements of this clause nor any act or failure to act by the Government shall relieve the Contractor of any responsibility or liability for the safety of Government, Contractor, or subcontractor personnel or property.

(g) Nothing contained in this clause shall relieve the Contractor from complying with applicable Federal, State, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous material.

(h) The Government’s rights in data furnished under this contract with respect to hazardous material are as follows:

(1) To use, duplicate and disclose any data to which this clause is applicable. The purposes of this right are to --

(i) Apprise personnel of the hazards to which they may be exposed in using, handling, packaging, transporting, or disposing of hazardous materials;

(ii) Obtain medical treatment for those affected by the material; and

(iii) Have others use, duplicate, and disclose the data for the Government for these purposes.

(2) To use, duplicate, and disclose data furnished under this clause, in accordance with subparagraph (h)(1) of this clause, in precedence over any other clause of this contract providing for rights in data.

(3) The Government is not precluded from using similar or identical data acquired from other sources.

FAR 52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (DEC 1994)

(a) *Definitions.* “Title III industrial resource” means materials, services, processes, or manufacturing equipment (including the processes, technologies, and ancillary services for the use of such equipment) established or maintained under the authority of Title III, Defense Production Act (50 U.S.C. App. 2091-2093).

“Title III project contractor” means a contractor that has received assistance for the development or manufacture of an industrial resource under 50 U.S.C. App. 2091-2093, Defense Production Act.

(b) The Contractor shall refer any request from a Title III project contractor for testing and qualification of a Title III industrial resource to the Contracting Officer.

(c) Upon the direction of the Contracting Officer, the Contractor shall test Title III industrial resources for qualification. The Contractor shall provide the test results to the Defense Production Act Office, Title III Program, located at Wright Patterson Air Force Base, Ohio 45433-7739.

(d) When the Contracting Officer modifies the contract to direct testing pursuant to this clause, the Government will provide the Title III industrial resource to be tested and will make an equitable adjustment in the contract for the costs of testing and qualification of the Title III industrial resource.

(e) The Contractor agrees to insert the substance of this clause, including paragraph (e), in every subcontract issued in performance of this contract.

FAR 52.243-7 NOTIFICATION OF CHANGES (APR 1984)
(Applicable to CLINS 0001, 0002, 0004-0011)

(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 promptly, within ____ (to be negotiated) calendar days from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the Contractor regards as a change to the contract terms and conditions. On the basis of the most accurate information available to the Contractor, the notice shall state --

- (1) The date, nature, and circumstances of the conduct regarded as a change;
- (2) The name, function, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;
- (3) The identification of any documents and the substance of any oral communication involved in such conduct;
- (4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;
- (5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including --
 - (i) What contract line items have been or may be affected by the alleged change;
 - (ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;
 - (iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;

(iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and

(6) The Contractor's estimate of the time by which the Government must respond to the Contractor's notice to minimize cost, delay or disruption of performance.

(c) *Continued performance.* Following submission of the notice required by paragraph (b) of this clause, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance; provided, however, that if the Contractor regards the direction or communication as a change as described in paragraph (b) of this clause, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing promptly and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall promptly countermand any action which exceeds the authority of the SAR.

(d) *Government response.* The Contracting Officer shall promptly, within _____ (to be negotiated) calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either --

(1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;

(2) Countermand any communication regarded as a change;

(3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or

(4) In the event the Contractor's notice information is inadequate to make a decision under subparagraphs (d)(1), (2), or (3) of this clause, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.

(e) *Equitable adjustments.*

(1) If the Contracting Officer confirms that Government conduct effected a change as alleged by the Contractor, and the conduct causes an increase or decrease in the Contractor's cost of, or the time required for, performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment shall be made --

(i) In the contract price or delivery schedule or both; and

(ii) In such other provisions of the contract as may be affected.

(2) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time extension for delay reasonably incurred by the Contractor in attempting to comply with the defective drawings, designs or specifications before the Contractor identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by the Contracting Officer under this clause is included in the equitable adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Contractor's failure to provide notice or to continue performance as provided, respectively, in paragraphs (b) and (c) of this clause.

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.

FAR 52.244-5 COMPETITION IN SUBCONTRACTING (DEC 1996)

(a) The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.

(b) If the Contractor is an approved mentor under the Department of Defense Pilot Mentor-Protégé Program (Pub. L. 101-510, section 831 as amended), the Contractor may award subcontracts under this contract on a noncompetitive basis to its protégés.

~~**FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (MAY 2004)**~~ **FAR 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (DEC 2004)**

~~(a) Definitions. As used in this clause—~~

~~"Commercial item" has the meaning contained in the clause at 52.202-1, Definitions.~~

~~"Subcontract" includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.~~

~~(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.~~

~~(c)~~

~~(1) The Contractor shall insert the following clauses in subcontracts for commercial items:~~

~~(i) 52.21908, Utilization of Small Business Concerns (Oct 200) (15 U.S.C. 637(d)(2)(3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceed \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.~~

~~ii) 52.222-26, Equal Opportunity (Feb 1999) (E.O. 11246).~~

~~(iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) (38 U.S.C. 4212(a));~~

~~(iv) 52.222-36, Affirmative Action for Workers with Disabilities (Jun 1998) (29 U.S.C. 793).~~

~~(v) 52.247-64, Preference for Privately Owned U.S. Flagged Commercial Vessels (Jun 2000) (46 U.S.C. Appx 1241) (flow down not required for subcontracts awarded beginning May 1, 1996).~~

~~(2) While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.~~

~~(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.~~

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

“Commercial item” has the meaning contained Federal Acquisition Regulation 2.101, Definitions.

“Subcontract” includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

(c)

(1) The Contractor shall insert the following clauses in subcontracts for commercial items:

(i) 52.219-8, Utilization of Small Business Concerns (May 2004) (15 U.S.C. 637(d)(2)(3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceed \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(ii) 52.222-26, Equal Opportunity (Apr 2002) (E.O. 11246).

(iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) (38 U.S.C. 4212(a));

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (Jun 1998) (29 U.S.C. 793).

(v) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) (E.O. 13201). (Flow down a required in accordance with paragraph (g) of FAR clause 52.222-39.)

(vi) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (APR 2003) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631) (flow down required in accordance with paragraph (d) of FAR clause 52.247-64).

(2) While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

52.245-2 GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) (DEC 1989) (DEVIATION)

The Navy has a deviation from the requirements of FAR 45.106(b)(2) and 16.405(a). The Navy is NOT authorized to use the Alternate I with the clause for shipbuilding contracts.

Note: Delete “FAR 52.245-2 and Alt I” from Section I-1.

FAR 52.245-2 GOVERNMENT PROPERTY (FIXED PRICE CONTRACTS) (MAY 2004) (DEVIATION) (JUN 2003)

(a) *Government-furnished property.*

(1) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the Government-furnished property described in the Schedule or specifications together with any related data and information that the Contractor may request and is reasonably required for the intended use of the property (hereinafter referred to as “Government-furnished property”).

(2) The delivery or performance dates for this contract are based upon the expectation that Government-furnished property suitable for use (except for property furnished “as is”) will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet the contract’s delivery or performance dates.

(3) If Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt of it, notify the Contracting Officer, detailing the facts, and, as directed by the Contracting Officer and at Government expense, either repair, modify, return, or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, the Contracting Officer shall make an equitable adjustment as provided in paragraph (h) of this clause.

(4) If Government-furnished property is not delivered to the Contractor by the required time, the Contracting Officer shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused the Contractor and shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(b) Changes in Government-furnished property.

(1) The Contracting Officer may, by written notice,

(i) decrease the Government-furnished property provided or to be provided under this contract, or

(ii) substitute other Government-furnished property for the property to be provided by the Government, or to be acquired by the Contractor for the Government, under this contract.

The Contractor shall promptly take such action as the Contracting Officer may direct regarding the removal, shipment, or disposal of the property covered by such notice.

(2) Upon the Contractor's written request, the Contracting Officer shall make an equitable adjustment to the contract in accordance with paragraph (h) of this clause, if the Government has agreed in the Schedule to make the property available for performing this contract and there is any --

(i) Decrease or substitution in this property pursuant to subparagraph (b)(1) of this clause; or

(ii) Withdrawal of authority to use this property, if provided under any other contract or lease.

(c) Title in Government property.

(1) The Government shall retain title to all Government-furnished property.

(2) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. However, special tooling accountable to this contract is subject to the provisions of the Special Tooling

clause and is not subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(3) Title to each item of facilities and special test equipment acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(4) If this contract contains a provision directing the Contractor to purchase material for which the Government will reimburse the Contractor as a direct item of cost under this contract --

(i) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and

(ii) Title to all other material shall pass to and vest in the Government upon --

(A) Issuance of the material for use in contract performance;

(B) Commencement of processing of the material or its use in contract performance; or

(C) Reimbursement of the cost of the material by the Government, whichever occurs first.

(d) *Use of Government property.* The Government property shall be used only for performing this contract, unless otherwise provided in this contract or approved by the Contracting Officer.

(e) *Property administration.*

(1) The Contractor shall be responsible and accountable for all Government property provided under this contract and shall comply with Federal Acquisition Regulation (FAR) Subpart 45.5, as in effect on the date of this contract.

(2) The Contractor shall establish and maintain a program for the use, maintenance, repair, protection, and preservation of Government property in accordance with sound industrial practice and the applicable provisions of Subpart 45.5 of the FAR.

(3) If damage occurs to Government property, the risk of which has been assumed by the Government under this contract, the Government shall replace the items or the Contractor shall make such repairs as the Government directs. However, if the Contractor cannot effect such repairs within the time required, the Contractor shall dispose of the property as directed by the Contracting Officer. When any property for which the Government is

responsible is replaced or repaired, the Contracting Officer shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(4) The Contractor represents that the contract price does not include any amount for repairs or replacement for which the Government is responsible. Repair or replacement of property for which the Contractor is responsible shall be accomplished by the Contractor at its own expense.

(f) *Access.* The Government and all its designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting the Government property.

(g) *Risk of loss.* Unless otherwise provided in this contract, the Contractor assumes the risk of, and shall be responsible for, any loss or destruction of, or damage to, Government property upon its delivery to the Contractor or upon passage of title to the Government under paragraph (c) of this clause. However, the Contractor is not responsible for reasonable wear and tear to Government property or for Government property properly consumed in performing this contract.

(h) *Equitable adjustment.* When this clause specifies an equitable adjustment, it shall be made to any affected contract provision in accordance with the procedures of the Changes clause. When appropriate, the Contracting Officer may initiate an equitable adjustment in favor of the Government. The right to an equitable adjustment shall be the Contractor's exclusive remedy. The Government shall not be liable to suit for breach of contract for --

- (1) Any delay in delivery of Government-furnished property;
- (2) Delivery of Government-furnished property in a condition not suitable for its intended use;
- (3) A decrease in or substitution of Government-furnished property; or
- (4) Failure to repair or replace Government property for which the Government is responsible.

(i) *Government property disposal.* Except as provided in paragraph (i)(1)(i), (i)(2), and (i)(8)(i) of this clause, the Contractor shall not dispose of Government property until authorized to do so by the Plant Clearance Officer.

(1) *Scrap (to which the Government has obtained title under paragraph (c) of this clause).--*

(i) *Contractor with an approved scrap procedure.--*

(A) The Contractor may dispose of scrap resulting from production or testing under this contract without Government approval. However, if the

scrap requires demilitarization or is sensitive property, the Contractor shall submit the scrap on an inventory disposal schedule.

(B) For scrap from other than production or testing or testing the Contractor may prepare scrap lists in lieu of inventory disposal schedules (provided such lists are consistent with the approved scrap procedures), except that inventory disposal schedules shall be submitted for scrap aircraft or aircraft parts and scrap that--

- (1) Requires demilitarization;
- (2) Is a classified item;
- (3) Is generated from classified items;
- (4) Contains hazardous materials or hazardous wastes;
- (5) Contains precious metals; or
- (6) Is dangerous to the public health, safety, or welfare.

(ii) *Contractor without an approved scrap procedure.* The Contractor shall submit an inventory disposal schedule for all scrap.

(2) *Pre-disposal requirements.* When the Contractor determines that a property item acquired or produced by the Contractor, to which the Government has obtained title under paragraph (c) of this clause, is no longer needed for performance of this contract, the Contractor, in the following order of priority:

- (i) May purchase the property at the acquisition cost.
- (ii) Shall make reasonable efforts to return unused property to the appropriate supplier at fair market value (less, if applicable a reasonable restocking fee that is consistent with the supplier's customary practices)
- (iii) Shall list, on Standard Form 1428, Inventory Disposal Schedule, property that was not purchased under paragraph (i)(2)(i) of this clause, could not be returned to a supplier, or could not be used in the performance of other Government contracts.

(3) *Inventory disposal schedules.--*

- (i) The Contractor shall use Standard Form 1428, Inventory Disposal Schedule, to identify--

(A) Government-furnished property that is no longer required for performance of this contract, provided the terms of another Government contract do not require the Government to furnish that property for performance of that contract; and

(B) Property acquired or produced by the Contractor, to which the Government has obtained title under paragraph (c) of this clause, that is no longer required for performance of that contract.

(ii) The Contractor may annotate inventory disposal schedules to identify property the Contractor wishes to purchase from the Government.

(iii) Unless the Plant Clearance Officer has agreed otherwise, or the contract requires electronic submission of inventory disposal schedules, the Contractor shall prepare separate inventory disposal schedules for--

(A) Special test equipment with commercial components:

(B) Special test equipment without commercial components;

(C) Printing equipment;

(D) Computers, components thereof, peripheral equipment, and related equipment;

(E) Precious Metals;

(F) Nonnuclear hazardous materials or hazardous wastes; or

(G) Nuclear materials or nuclear wastes.

(iv) Property with the same description, condition code, and reporting location may be grouped in a single line item. The Contractor shall describe special test equipment in sufficient detail to permit an understanding of the special test equipment's intended use.

(4) *Submission requirements.* The Contractor shall submit inventory disposal schedules to the Plant Clearance Officer no later than--

(i) Thirty days following the Contractor's determination that a Government property item is no longer required for performance of the contract;

(ii) Sixty days, or such longer period as may be approved by the Plant Clearance Officer, following completion of contract deliveries or performance; or

(iii) One hundred twenty days, or such longer period as may be approved by the Plant Clearance Officer, following contract termination in whole or in part.

(5) *Corrections.* The Plant Clearance officer may require the Contractor to correct an inventory disposal schedule or may reject a schedule if the property identified on the schedule is not accountable under this contract or is not in the quantity or condition indicated.

(6) *Postsubmission adjustments.* The Contractor shall provide the Plant Clearance Officer at least 10 working days advance written notice of its intent to remove a property item from an approved inventory disposal schedule. Unless the Plant Clearance Officer objects to the intended schedule adjustment within the notice period, the Contractor may make the adjustment upon expiration of the notice period.

(7) *Storage.--*

(i) The Contractor shall store the property identified on an inventory disposal schedule pending receipt of disposal instructions. The Government's failure to provide disposal instructions within 120 days following acceptance of an inventory disposal schedule might entitle the Contractor to an equitable adjustment for costs incurred to store such property on or after the 121st day.

(ii) The Contractor shall obtain the Plant Clearance Officer's approval to remove Government property from the premises at which the property is currently located prior to receipt of final disposition instructions. If approval is granted, any costs incurred by the Contractor to transport or store the property shall not increase the price or fee of any Government contract. The storage facility shall be appropriate for assuring the property's physical safety and suitability for use. Approval does not relieve the Contractor of any liability under this contract for such property.

(8) *Disposition instructions.--*

(i) If the Government does not provide disposition instructions to the Contractor within 45 days following acceptance of a scrap list, the Contractor may dispose of the listed scrap in accordance with the Contractor's approved scrap procedures.

(ii) The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of Government property as directed by the Plant Clearance Officer. The Contractor shall remove and destroy any markings identifying the property as Government property prior to disposing of the property.

(iii) The Contracting Officer may require the Contractor to demilitarize the property prior to shipment or disposal. Any equitable adjustment incident to the Contracting Officer's direction to demilitarize Government property shall be made in accordance with paragraph (h) of this clause.

(9) *Disposal proceeds.* The Contractor shall credit the net proceeds from the disposal of Government property to the price or cost of work covered by this contract or to the Government as the Contracting Officer directs.

(10) *Subcontractor inventory disposal schedules.* The Contractor shall require a subcontractor that is using property accountable under this contract at a subcontractor-managed site to submit inventory disposal schedules to the Contractor in sufficient time for the Contractor to comply with the requirements of paragraph (i)(4) of this clause.

(j) *Abandonment of Government property.--*

(1) The Government will not abandon sensitive Government property without the Contractor's written consent.

(2) The Government, upon notice to the Contractor, may abandon any nonsensitive Government property in place at which time all obligations of the Government regarding such abandoned property shall cease.

(3) The Government has no obligation to restore or rehabilitate the Contractor's premises under any circumstances; however, if Government-furnished property is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this clause may properly include restoration or rehabilitation costs.

(k) *Communications.* All communications under this clause shall be in writing.

(l) *Overseas contracts.* If this contract is to be performed outside of the United States and its outlying areas, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Government-furnished," respectively.

Alternate II (June 2003). As prescribed in [45.106\(b\)\(3\)](#), substitute the following paragraphs (c) and (g) for paragraphs (c) and (g) of the basic clause:

(c) *Title in Government property.*

(1) The Government shall retain title to all Government-furnished property.

(2) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(3) Title to each item of facilities, special test equipment, and special tooling (other than that subject to a special tooling clause) acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences, or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(4) Title to equipment (and other tangible personal property) purchased with funds available for research and having an acquisition cost of less than \$5,000 shall vest in the Contractor upon acquisition or as soon thereafter as feasible; provided, that the Contractor obtained the Contracting Officer's approval before each acquisition. Title to equipment purchased with funds available for research and having an acquisition cost of \$5,000 or more shall vest as set forth in the contract. If title to equipment vests in the Contractor under this subparagraph (c)(4), the Contractor agrees that no charge will be made to the Government for any depreciation, amortization, or use under any existing or future Government contract or subcontract thereunder. The Contractor shall furnish the Contracting Officer a list of all equipment to which title is vested in the Contractor under this subparagraph (c)(4) within 10 days following the end of the calendar quarter during which it was received.

(5) Vesting title under this paragraph (c) is subject to civil rights legislation, 42 U.S.C. 2000d. Before title is vested any by signing this contract, the Contractor accepts and agrees that --

“No person in the United States or its outlying areas shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this contemplated financial assistance (title to equipment).”

**FAR 52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) (FT) (APR 1984)
ALTERNATE II (DEVIATION)**

Modify the clause as follows:

(a) The word "supplies" as used in this clause includes the term "vessel(s)" and has the definition stated in the clause entitled "INSPECTION OF SUPPLIES--FIXED-PRICE."

(b) At the end of paragraph (b), add the following:

"In addition to its other remedies, the Government may, by contract or otherwise, with respect to work terminated as permitted in this clause, proceed with the completion of the vessel(s) and supplies at such plant or plants, including that of the Contractor, as may be designated by the Contracting Officer. If the vessel(s) and other supplies are to be completed at the Contractor's plant, the Government may use all tools, machinery, facilities and equipment of the Contractor determined by the Contracting Officer to be necessary for that purpose. The Government shall also have the right, in the event

performance is completed at the Contractor's plant, to procure any additional supplies, tools, machinery, facilities, and equipment that are necessary to complete the vessel(s) and other supplies. If the cost to the Government of completing the vessel(s) and other supplies or procuring supplies similar to those terminated (after adjusting such cost to exclude the effect of changes in the plans and specifications made subsequent to the date of termination) exceeds the price fixed for such vessel(s) and other supplies under this contract (after adjusting such price on account of changes in the plans and specifications made prior to the date of termination), the Contractor, or its surety, if any, shall be liable for such excess."

(c) In the first sentence of paragraph (c), after the word "costs", insert the phrase "or other damages".

(d) In the first sentence of paragraph (e), after the word "title", insert the phrase "(insofar as not previously transferred)."

FAR 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

FAR clauses & provisions: <http://farsite.hill.af.mil/VFFARA.HTM>

DFARS clauses & provisions: <http://farsite.hill.af.mil/VFDFARA.HTM>

NAPS clauses & provisions: <http://farsite.hill.af.mil/VFNAPSa.htm>

FAR 52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(b) The use in this solicitation or contract of any Defense FAR Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

~~**DFARS 252.211-7005 SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATIONS AND STANDARDS (OCT 2001)**~~

DFARS 252.211-7005 SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATIONS AND STANDARDS (FEB 2003)

(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 in Excel format at <http://www.dcmamil/onebook/7.0/7.2./7.2.6/reports/modified.xls>.

(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 Contractor 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.

DFARS 252.223-7001 HAZARD WARNING LABELS (DEC 1991)

(a) “Hazardous material,” as used in this clause, is defined in the Hazardous Material Identification and Material Safety Data clause of this contract.

(b) The Contractor shall label the item package (unit container) of any hazardous material to be delivered under this contract in accordance with the Hazard Communication Standard (29 CFR 1910.1200 et seq). The Standard requires that the hazard warning label conform to the requirements of the standard unless the material is otherwise subject to the labelling 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 labelled 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.

<input type="checkbox"/>	MATERIAL (If None, Insert “None.”)	<input type="checkbox"/>	<input type="checkbox"/>	ACT	<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>

(d) The apparently successful Offeror agrees to submit, before award, a copy of the hazard warning label for all hazardous materials not listed in paragraph (c) of this clause. The Offeror shall submit the label with the Material Safety Data Sheet being furnished under the Hazardous Material Identification and Material Safety Data clause of this contract.

(e) The Contractor shall also comply with MIL-STD-129, Marking for Shipment and Storage (including revisions adopted during the term of this contract).

DFARS 252.232-7010 LEVIES ON CONTRACT PAYMENTS (SEP 2005)

(a) 26 U.S.C. 6331(h) authorizes the Internal Revenue Service (IRS) to continuously levy up to 100 percent of contract payments, up to the amount of tax debt.

(b) When a levy is imposed on a payment under this contract and the levy will jeopardize contract performance, the Contractor shall promptly notify the Procuring Contracting Officer and provide—

(1) The total dollar amount of the levy;

(2) A statement that the levy will jeopardize contract performance, including rationale and adequate supporting documentation; and

(3) Advice as to whether the inability to perform may adversely affect national security, including rationale and adequate supporting documentation.

(c) DoD shall promptly review the Contractor's assessment and provide a notification to the Contractor including—

(1) A statement as to whether DoD agrees that the levy jeopardizes contract performance; and

(2) If the levy jeopardizes contract performance and the lack of performance will adversely affect national security, the total amount of the monies collected that should be returned to the Contractor; or

(3) If the levy jeopardizes contract performance but will not impact national security, a recommendation that the Contractor promptly notify the IRS to attempt to resolve the tax situation.

(d) Any DoD determination under this clause is not subject to appeal under the Contract Disputes Act.

DFARS 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 subcontracts 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

(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 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.

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.

SECTION J - LIST OF ATTACHMENTS

**ATTACHMENT
NUMBER**

TITLE

J-1	T-AGM(R) SPECIFICATION UPDATED PER 9-30-05 CHANGED AT TIME OF AWARD	
J-2	INTERFACE CONTROL DOCUMENTATION NEW ISSUE: WAS DATED 10 DEC 1004 IS NOW DATED 30 SEP 2005 CHANGED AT TIME OF AWARD	
J-3	T-AGM(R) PHASE I CONCEPT/PRELIMINARY DESIGN REQUIREMENTS UPDATED PER 9-30-05 CHANGED AT TIME OF AWARD	
J-4	T-AGM(R) PHASE I CONCEPT/PRELIMINARY DESIGN REQUIREMENTS DATA REQUIREMENTS LIST (DRL)	
J-5	T-AGM(R) PHASE II DETAILED DESIGN AND CONSTRUCTION REQUIREMENTS DATA REQUIREMENTS LIST (DRL) UPDATED PER 9-30-05 CHANGED AT TIME OF AWARD	
J-6	MISSION RADAR ANTENNA INSTALLATION REQUIREMENTS UPDATED PER 9-30-05 CHANGED AT TIME OF AWARD	
J-7	CONTRACTOR FURNISHED ALLOWANCE EQUIPAGE LIST (AEL), OUTFITTING GUIDANCE DOCUMENT	
J-8	GOVERNMENT FURNISHED GENERAL USE CONSUMABLES LIST (GUCL)	
J-9	GOVERNMENT FURNISHED ALLOWANCE EQUIPAGE LIST (AEL), OUTFITTING GUIDANCE DOCUMENT	
J-10	GOVERNMENT FURNISHED AUTHORIZED MEDICAL ALLOWANCE LIST (AMAL), AUTHORIZED DENTAL ALLOWANCE LIST (ADAL) AND WOMEN AT SEA (WAS) ALLOWANCE LIST GUIDANCE	

DOCUMENTS

J-11	T-AGM(R) ACCOMMODATION STANDARDS	
J-12	T-AGM(R) SCHEDULE "A" - LIST OF GOVERNMENT-FURNISHED EQUIPMENT (GFE UPDATED PER 9-30-05 CHANGED AT TIME OF AWARD	
J-13	T-AGM(R) SCHEDULE "C" - LIST OF GOVERNMENT-FURNISHED INFORMATION (GFI) UPDATED PER 9-30-05 CHANGED AT TIME OF AWARD	
J-14	QUESTIONS SUBMITTAL FORM	
J-15	PAST PERFORMANCE QUESTIONNAIRE	
J-16	NAVSEA FORM 4280/2	
J-17	PHASE I AND PHASE II ANTICIPATED SCHEDULE OF MEETINGS	
J-18	SMALL BUSINESS SUBCONTRACTING PLAN	
J-19	FINANCIAL ACCOUNTING DATA SHEET	