

T - N00024-22-C-5415

Business Unit: RMD

Customer Contract Number: N00024-22-C-5415

Prime Contract Number: N00024-22-C-5415

Task Order/Delivery Order Number: N/A

Modification Number: N/A

DPAS Rating: DO-A2

DUNS Number: N/A

Date of Creation: November 3, 2022

The following customer contract requirements apply to this Purchase Order to the extent indicated below and are hereby incorporated into the Purchase Order by full text or by reference with the same force and effect as if they were given in full text. Upon Seller's request, Buyer's Purchasing Representative will make their full text available. Also, the full text of a FAR or DFARS provision or clause may be accessed electronically at these addresses: <http://farsite.hill.af.mil/> or <https://www.acquisition.gov/far/>:

In all provisions and clauses listed herein, terms shall be revised to suitably identify the party to establish Seller's obligations to Buyer and to the Government, and to enable Buyer to meet its obligations under the prime contract. Without limiting the generality of the foregoing, and except where further clarified or modified below, the term "Government" and equivalent phrases shall mean "Buyer", the term "Contracting Officer" shall mean "Buyer's Purchasing Representative", the term "Contractor" or "Offeror" shall mean "Seller", "Subcontractor" shall mean "Seller's Subcontractor" under this Purchase Order, and the term "Contract" shall mean this "Purchase Order". For the avoidance of doubt, the words "Government" and "Contracting Officer" do not change: (1) when a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting Officer or duly authorized representative, such as in FAR 52.227-1 and FAR 52.227-2 or (2) when title to property is to be transferred directly to the Government. Seller shall incorporate into each lower tier contract issued in support of this Purchase Order all applicable FAR and DFARS provisions and clauses in accordance with the flow down requirements specified in such clauses. Nothing in this Purchase Order grants Seller a direct right of action against the Government. If any of the following FAR or DFARS clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting.

CLAUSES INCORPORATED BY REFERENCE:

Clause #	Description
52.203-5	Covenant Against Contingent Fees.
52.203-6	Restrictions on Subcontractor Sales to the Government.
52.203-7	Anti-Kickback Procedures.
52.203-12	Limitation on Payments to Influence Certain Federal Transactions.
52.203-13	Contractor Code of Business Ethics and Conduct.
52.203-14	Display of Hotline Poster(s).
52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009.
52.203-16	Preventing Personal Conflicts of Interest.
52.203-17	Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights.
52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements.
52.204-2	Security Requirements.
52.204-9	Personal Identity Verification of Contractor Personnel.
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards.
52.204-14	Service Contract Reporting Requirements.
52.204-21	Basic Safeguarding of Covered Contractor Information Systems.
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities.
52.204-24	Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment.

52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment.
52.208-8	Required Sources for Helium and Helium Usage Data.
52.209-2	Prohibition on Contracting with Inverted Domestic Corporations-Representation.
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment.
52.209-11	Representation by Corporations Regarding Delinquent Tax Liability or a Felony Conviction under any Federal Law.
52.209-12	Certification Regarding Tax Matters.
52.214-26	Audit and Records-Sealed Bidding.
52.214-27	Price Reduction for Defective Certified Cost or Pricing Data-Modifications-Sealed Bidding.
52.214-28	Subcontractor Certified Cost or Pricing Data-Modifications-Sealed Bidding.
52.215-2	Audit and Records-Negotiation.
52.215-10	Price Reduction for Defective Certified Cost or Pricing Data.
52.215-11	Price Reduction for Defective Certified Cost or Pricing Data-Modifications.
52.215-12	Subcontractor Certified Cost or Pricing Data.
52.215-13	Subcontractor Certified Cost or Pricing Data-Modifications.
52.215-14	Integrity of Unit Prices.
52.215-15	Pension Adjustments and Asset Reversions.
52.215-16	Facilities Capital Cost of Money.
52.215-17	Waiver of Facilities Capital Cost of Money.
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions.
52.215-19	Notification of Ownership Changes.
52.215-20	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data.
52.215-21	Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data-Modifications.
52.215-23	Limitations on Pass-Through Charges.
52.219-8	Utilization of Small Business Concerns.
52.219-9	Small Business Subcontracting Plan.
52.222-4	Contract Work Hours and Safety Standards -Overtime Compensation.
52.222-20	Contracts for Materials, Supplies, Articles, and Equipment.
52.222-21	Prohibition of Segregated Facilities.
52.222-24	Preaward On-Site Equal Opportunity Compliance Evaluation.
52.222-26	Equal Opportunity.
52.222-35	Equal Opportunity for Veterans.
52.222-36	Equal Opportunity for Workers with Disabilities.
52.222-37	Employment Reports on Veterans.
52.222-40	Notification of Employee Rights Under the National Labor Relations Act.
52.222-41	Service Contract Labor Standards.
52.222-42	Statement of Equivalent Rates for Federal Hires.
52.222-43	Fair Labor Standards Act and Service Contract Labor Standards-Price Adjustment (Multiple Year and Option Contracts).
52.222-44	Fair Labor Standards Act and Service Contract Labor Standards-Price Adjustment.
52.222-50	Combating Trafficking in Persons.
52.222-51	Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements.
52.222-53	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services-Requirements.
52.222-54	Employment Eligibility Verification.
52.222-62	Paid Sick Leave Under Executive Order 13706.
52.223-1	Biobased Product Certification.
52.223-2	Affirmative Procurement of Biobased Products Under Service and Construction Contracts.
52.223-3	Hazardous Material Identification and Material Safety Data.
52.223-3_	Alternate I
52.223-4	Recovered Material Certification.
52.223-5	Pollution Prevention and Right-to-Know Information.
52.223-6	Drug-Free Workplace.
52.223-7	Notice of Radioactive Materials.
52.223-11	Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons.
52.223-12	Maintenance, Service, Repair, or Disposal of Refrigeration Equipment and Air Conditioners.
52.223-13	Acquisition of EPEAT®-Registered Imaging Equipment.
52.223-14	Acquisition of EPEAT®-Registered Televisions.
52.223-15	Energy Efficiency in Energy-Consuming Products.
52.223-16	Acquisition of EPEAT®-Registered Personal Computer Products.

52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving.
52.224-1	Privacy Act Notification.
52.224-2	Privacy Act.
52.224-3	Privacy Training.
52.225-1	Buy American-Supplies
52.225-2	Buy American Certificate.
52.225-13	Restrictions on Certain Foreign Purchases.
52.225-19	Contractor Personnel in a Designated Operational Area or Supporting a Diplomatic or Consular Mission Outside the United States.
52.225-20	Prohibition on Conducting Restricted Business Operations in Sudan-Certification.
52.225-25	Prohibition on Contracting With Entities Engaging in Certain Activities or Transactions Relating to Iran—Representation and Certifications.
52.225-26	Contractors Performing Private Security Functions Outside the United States.
52.226-6	Promoting Excess Food Donation to Nonprofit Organizations.
52.227-1	Authorization and Consent.
52.227-9	Refund of Royalties.
52.227-10	Filing of Patent Applications-Classified Subject Matter.
52.227-14	Rights in Data-General.
52.227-17	Rights in Data-Special Works.
52.227-18	Rights in Data-Existing Works.
52.227-21	Technical Data Declaration, Revision, and Withholding of Payment-Major Systems.
52.227-22	Major System-Minimum Rights.
52.228-3	Workers' Compensation Insurance (Defense Base Act).
52.228-4	Workers' Compensation and War-Hazard Insurance Overseas.
52.228-5	Insurance-Work on a Government Installation.
52.229-11	Tax on Certain Foreign Procurements—Notice and Representation.
52.229-12	Tax on Certain Foreign Procurements.
52.230-2	Cost Accounting Standards.
52.230-3	Disclosure and Consistency of Cost Accounting Practices.
52.230-4	Disclosure and Consistency of Cost Accounting Practices-Foreign Concerns.
52.230-5	Cost Accounting Standards-Educational Institution.
52.230-6	Administration of Cost Accounting Standards.
52.232-16	Progress Payments.
52.232-28	Invitation to Propose Performance-Based Payments.
52.232-32	Performance-Based Payments.
52.232-39	Unenforceability of Unauthorized Obligations.
52.232-40	Providing Accelerated Payments to Small Business Subcontractors.
52.237-2	Protection of Government Buildings, Equipment, and Vegetation.
52.237-3	Continuity of Services.
52.237-7	Indemnification and Medical Liability Insurance.
52.244-2	Subcontracts.
52.244-2_	Alternate I
52.244-5	Competition in Subcontracting.
52.244-6	Subcontracts for Commercial Products and Commercial Services.
52.245-1	Government Property.
52.245-1_	Alternate I
52.245-1_	_Alternate II
52.245-2	Government Property Installation Operation Services.
52.245-9	Use and Charges.
52.246-2	Inspection of Supplies-Fixed-Price.
52.246-11	Higher-Level Contract Quality Requirement.
52.246-26	Reporting Nonconforming Items.
52.247-63	Preference for U.S.-Flag Air Carriers.
52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels.
52.247-67	Submission of Transportation Documents for Audit.
52.247-68	Report of Shipment (REPSHIP).
52.248-1	Value Engineering.
52.249-2	Termination for Convenience of the Government (Fixed-Price).
52.250-4	SAFETY Act Pre-qualification Designation Notice.
52.251-1	Government Supply Sources.

252.225-7043 "ANTITERRORISM/FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES"

252.225-7048 Export-Controlled Items

252.204-7018 "Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services"

252.204-7012 "Safeguarding Covered Defense Information and Cyber Incident Reporting"

252.204-7015 "Notice of Authorized Disclosure of Information for Litigation Support"

252.204-7014 "Limitations on the Use or Disclosure of Information by Litigation Support Contractors"

252.204-7000 Disclosure Of Information

252.204-7004 Antiterrorism Awareness Training for Contractors.

252.237-7010 "Prohibition on Interrogation of Detainees by Contractor Personnel"

252.204-7009 "Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information"

252.231-7000 Supplemental Cost Principles

252.249-7002 "Notification of Anticipated Contract Termination or Reduction"

252.226-7001 "Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns"

252.225-7007 "Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies"

252.225-7004 "Report of Intended Performance Outside the United States and Canada--Submission after Award"

252.211-7003 ITEM UNIQUE IDENTIFICATION AND VALUATION

252.225-7008 Restriction on Acquisition of Specialty Metals

252.225-7009 "Restriction on Acquisition of Certain Articles Containing Specialty Metals"

252.244-7000 Subcontracts for Commercial Items

252.225-7028 Exclusionary Policies And Practices Of Foreign Government

252.225-7027 RESTRICTION ON CONTINGENT FEES FOR FOREIGN MILITARY SALES

252.225-7015 Restriction on Acquisition of Hand Or Measuring Tools

252.225-7016 Restriction On Acquisition Of Ball and Roller Bearings

252.225-7013 Duty-Free Entry--Basic

252.225-7012 Preference For Certain Domestic Commodities

252.203-7000 "Requirements Relating to Compensation of Former DoD Officials"

252.203-7001 "Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies"

252.234-7004 Cost and Software Data Reporting System--Basic

252.203-7002 Requirement to Inform Employees of Whistleblower Rights

252.203-7004 Display of Hotline Posters

252.246-7003 Notification of Potential Safety Issues

252.246-7001 Warranty Of Data

252.246-7008 Sources of Electronic Parts

252.246-7007 "Contractor Counterfeit Electronic Part Detection and Avoidance System"

252.227-7013 Rights in Technical Data--Noncommercial Items

252.227-7014 "Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation"

252.227-7015 Technical Data--Commercial Items

252.209-7004 "Subcontracting With Firms That Are Owned or Controlled By The Government of a Country that is a State Sponsor of Terrorism"

252.227-7016 Rights in Bid or Proposal Information

252.227-7018 "Rights in Noncommercial Technical Data and Computer Software--Small Business Innovation Research (SBIR) Program"

252.227-7019 Validation of Asserted Restrictions--Computer Software

252.239-7001 Information Assurance Contractor Training and Certification

252.209-7009 "Organizational Conflict of Interest--Major Defense Acquisition Program"

252.227-7025 "Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends"

252.227-7037 Validation of Restrictive Markings on Technical Data

252.227-7038 "PATENT RIGHTS--OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS). (JUN 2012) ALTERNATE I"

252.223-7006 "Prohibition On Storage, Treatment, and Disposal of Toxic or Hazardous Materials"

252.227-7039 Patents--Reporting Of Subject Inventions

252.223-7007 "SAFEGUARDING SENSITIVE CONVENTIONAL ARMS, AMMUNITION, AND EXPLOSIVES"

252.223-7008 Prohibition of Hexavalent Chromium

252.223-7002 Safety Precautions For Ammunition And Explosives

252.223-7003 "Changes In Place Of Performance--Ammunition And Explosives"

252.223-7004 Drug Free Work Force

252.223-7001 Hazard Warning Labels

252.232-7017 "Accelerating Payments to Small Business Subcontractors--Prohibition on Fees and Consideration"

252.228-7005 "Mishap Reporting And Investigation Involving Aircraft, Missiles, And Space Launch Vehicles"
 252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements
 252.247-7023 Transportation of Supplies by Sea
 252.219-7004 Small Business Subcontracting Plan (Test Program)

CLAUSES INCORPORATED BY FULL TEXT

B-216-H006 FEE TABLE (NAVSEA) (MAR 2019)

Labor CLIN	Labor Hours	Cost Per Hour	Fee Rate Per Hour	Loaded Hourly Rate
See Schedule B	See Schedule B	See Schedule B	See Schedule B	See Schedule B

In the event of any inconsistency between the above table and the CLIN pricing, the CLIN pricing shall take precedence.

(End of text)

B-231-H001 TRAVEL COSTS (NAVSEA) (OCT 2018)

(a) Except as otherwise provided herein, the Contractor shall be reimbursed for its actual travel costs in accordance with FAR 31.205-46. The travel costs to be reimbursed shall be those costs for which the Contractor has maintained appropriate documentation and which have been determined to be allowable, allocable, and reasonable by the Procuring Contracting Officer, Administrative Contracting Officer, or their duly authorized representative.

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

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

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

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

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

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

(End of text)

B-232-H005 PAYMENTS OF FEE(S) (LEVEL OF EFFORT)--ALTERNATE I (NAVSEA) (OCT 2018)

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

(b) The Government shall make payments to the Contractor, subject to and per the clause in this contract entitled "Fixed Fee" (FAR 52.216-8) or "Incentive Fee", (FAR 52.216-10), as applicable. Such payments shall be submitted by and payable to the Contractor pursuant to the clause of this contract entitled "Allowable Cost and Payment" (FAR 52.216-7), subject to the withholding terms and conditions of the "Fixed Fee" or "Incentive Fee" clause, as applicable. Fee paid per hour shall be based on total fee dollars divided by total hours to be provided. Total fee(s) paid to the Contractor shall not exceed the fee amount(s) set forth in this contract. In no event shall the Government be required to pay the Contractor

any amount in excess of the funds obligated under this contract.

(End of text)

CLAUSES INCORPORATED BY FULL TEXT

B-232-H006 LIMITATION OF COST OR LIMITATION OF FUNDS CLARIFICATION (NAVSEA) (OCT 2018)

The clause entitled "Limitation of Cost" (FAR 52.232-20) or "Limitation of Funds" (FAR 52.232-22), as appropriate, shall apply separately and independently to each separately identified estimated cost.

(End of text)

Section C - Descriptions and Specifications

STATEMENT OF WORK

Section C - Descriptions and Specifications

This SOW describes the requirement for DLMF support and management and ESSM testing, inspection, repair and refurbishment. While the Contractor is responsible for DLMF capabilities and repairs for all ESSM sections, the Contractor shall also arrange for DLMF capability and repairs for each section to be performed by the industrial partner who manufactures that section.

Unless solely attributable to the actions of the Government, late receipt of components designed to be common between the ESSM program and other missile programs being developed by the Contractor under other contracts shall not be considered an excusable delay under this contract, nor shall the failure of those components to perform be used for relief of the requirements of this contract.

1.0 GENERAL (Applies to all Items)

1.1 PROGRAM MANAGEMENT

- a. The contractor shall utilize the existing Tracking System from induction through completion of work, shipment, and delivery to appropriate user of recertification and depot work, provide progress reports of work planned, in-progress and completed under this contract, including but not limited to: technical and financial status, problems and issues, tracking system GFM status, Ammunition Transaction Reports, and work forecasts, as well as configuration changes. (CDRLs A001, A002, A006, A007, A008, A009, A010, A021)
- b. The Contractor shall attend and participate in quarterly two-day contract review meetings with the Government. The Contractor shall prepare the agenda for such review meetings that shall include financial and technical status, issues, workaround plans, work forecasts, GFM status and other related items as required. Upon direction from the Government, a teleconference call may be held in lieu. The Contractor shall prepare the minutes of these review meetings. (CDRLs A020, A021)
- c. The Contractor shall utilize the GFM Spares Inventory Status and Usage Report system. The Contractor shall maintain the GFM spares inventory. The Contractor shall notify the Government when lack of GFM is impacting the completion of repairs. (CDRL A008)
- d. The Contractor shall provide the Government a listing of GFM spares issued to repairs on a quarterly basis by Nation. (CDRL A008)

1.2 SECURITY REQUIREMENTS

Performance of Work as approved by Security Classification Form DD-254 (Attachment 1) shall include the following:

The contractor shall maintain a SECRET facility security clearance. The contractor shall maintain a level of safeguarding for classified information/material at the SECRET level.

COMSEC Equipment: Contractor is required to utilize COMSEC equipment to facilitate the use of secure communications between Raytheon Missile Systems and the various Government Agencies in the execution of this contract. Contractor currently utilizes a STE provided as GFE. The installation and use of COMSEC equipment will be in compliance with the ESSM PSI.

Non-SCI. Contractor will require access to intelligence information and must comply with directions provided by the Contracting Officer's Representative (COR). The Program Manager has determined that disclosure does not create an unfair competitive advantage for the contractor or a conflict of interest with the contractor's obligation to protect the information. The contractor shall submit non-SCI intel requests through the COR who shall coordinate with the Program Sponsor Office and the NAVSEA STILO (SEA 00G).

ESSM Block 1 and 2 is a cooperative development program that will receive and exchange information/artifacts for program development and marketing. As such, the contractor may be required to develop informational briefings in support of NATO organizations such as the NATO Naval Armaments Group and the Conference of National Armaments Directors (CNAD).

Foreign Government Information requirement: The contractor may be required to exchange NATO SEASPARROW Missile System and Evolved SEASPARROW Missile Block 1 and 2 specific Foreign Government Information limited to Australia, Belgium, Canada, Denmark, Germany, Greece, Netherlands, Norway, Portugal, Spain, and Turkiye, within the NATO SEASPARROW Consortium. Any such transfer must be in accordance with the procedures contained in the Program Security Instruction (PSI). The Program Manager must be advised of any foreign disclosure considerations involving this Program.

SIPRNET requirement: Contractor requires access to the U.S. SIPRNET to facilitate the secure transfer of electronic ESSM Block 2 Project Information between Raytheon Missile Systems and various Government Agencies. Personnel who require access to SIPRNET backbone equipment must receive a NATO Security Briefing prior to access from the Contractor's FSO.

Classified Information Access outside U.S.: Contractor requires access to classified project information outside the U.S., as required for execution of this contract. Classified Project Information will only be handled in those facilities and by the personnel that fulfills all of the requirements addressed in the ESSM PSI. Access to classified material may take place in Australia, Canada, Denmark, Greece, Germany, The Netherlands, Norway, Spain, or Turkiye. Access to Classified ESSM Project Information and material requires a personnel security clearance.

COMSEC Account requirement: Contractor shall acquire all necessary COMSEC accounts to access COMSEC equipment, including SIPRNET, STE Telephone Equipment, Classified Facsimile System, and Key Material, to facilitate secure communications and information exchanges between Raytheon Missile Systems and the various Government Agencies in the execution of this contract. The Contractor shall ensure a sufficient number of account holders to meet the needs of the contract. Access to COMSEC requires a final U.S. government National Security Clearance.

Defense Courier Service: Contractor will use the Defense Courier Service as the preferred non-electronic transfer channel for Project Classified Information.

Receive, Store, and Generate Classified Information: Due to the services to Evolved SEASPARROW Missile Block 1 and 2 recertification, repair, maintenance, test equipment depot support that require the use of or production of classified information to include the Guided Missile Assembly, All Up Round, Guidance Sections, Inert Operational Missile, Internal Missile Initialized Power Supply, simulators, software, and test equipment, the contractor shall be able to receive, store and process classified material.

Fabricate, modify, or store classified hardware: The contractor shall fabricate and modify classified components (Guided Missile Assembly, All Up Round, Guidance Sections, Inert Operational Missile, Internal Missile Initialized Power Supply, and simulators.) in support of this contract and then store this hardware until completion of all requirements.

Defense Technical Information Center (DTIC): In order to use the current contract specifications and applicable documentation, the contractor shall use the DTIC, or other secondary distribution centers.

CUI: The contractor shall be required to have access to CUI with developers and integrators.

OPSEC requirement: Contractor shall implement an internally generated OPSEC plan to ensure operations security within all Raytheon Missile Defense and sub-contractor facilities.

2.0 Items 1500, 1502, 1503, and if exercised, Option Items 2500, 2502, 2503, 3500, 3502, 3503, 4500, 4502, and 4503 – BLK1, BLK2, & INDUSTRIAL PARTNERS DLMF PMO

- 2.1. DLMF PMO BLK1 (CLIN 1500, and if exercised, Option CLINs 2500, 3500, & 4500), BLK2 (CLIN 1502, and if exercised, Option CLINs 2502, 3502, & 4502), & Industrial Partners (CLIN 1503, and if exercised, CLINs 2503, 3503, & 4503) – The Contractor shall plan, organize, direct and control all tasks relating to DLMF repairs and maintenance efforts at the Contractor's Facilities and those of the Industrial Partners.

3.0 Item 1501 and if exercised, Option Items 2501, 3501, and 4501 – ILMF PMO

- 3.1. The Contractor shall plan, organize, direct and control all tasks relating to ESSM recertification, which is defined as the necessary facility efforts to ensure the Contractor's facility in Camden, AR is able to support the execution of all the CLINs under this contract.

4.0 Item 0002 and if exercised, Option Items 1002, 2002, 3002, and 4002 – OTHER DIRECT COSTS

Travel, incidental material, transportation and other direct costs in support of CLINs 1004, 1200, 1201, 1202, 1203, 1205, 1206, 1207, 1208 1209, 1210, 1213, 1214, and, if exercised 2004, 2201, 2202, 2203, 2205, 2206, 2207, 2208, 2209, 2212, 3004, 320, 3202, 3203, 3204, 3205, 3206, 3207, 3208, 3209, 3212, 4004, 4201, 4202, 4203, 4204, 4205, 4206, 4207, 4208, 4209, 4212, and 4215 are to be included on a cost-only basis (non-fee-bearing). The Contractor will be reimbursed for allowable travel costs incurred during the entire PoP of this contract IAW FAR 31.205-46.

5.0 RESERVED

6.0 Item 0004 and if exercised, Option Items 1004, 2004, 3004 and 4004 – BLK 1 TE CALIBRATION AND MAINTENANCE

The Contractor shall maintain and execute a calibration program, as required by ANSI/NCSS Z540.1 or ISO/IEC 17025. The Contractor shall develop and deliver calibration and certification data, Technical Data Reports, Test/Inspection Reports and Test IAW MD58044 for Block 1- Test and Test Equipment Program Plan Section 9. (CDRLs A018, A021, A023).

7.0 Item(s) 1005, 1009, 1013, 1017, 1021, 1025, 1029, 1031, 1033, 1037, 1041, 1043, 1045, 1047, 1049, 1053, and 1057 and if exercised, Option Items, 1027, 1039, 2041, 2043, 2045, 2047, 3041, 3043, 3045, 3047, 4041, 4043, 4045, 4047 – BLK 1 & 2 RECEIPT, INITIAL TESTING, ANALYSIS, REPAIR AND BLK1 CS BATTERY REPLACEMENT

The following describes the work required for the receipt, initial testing, analysis, repair of ESSM sections and the Blk1 Control Section battery replacement:

- 7.1. DLMF Maintenance Activities. The Contractor shall perform the following activities IAW the DEPOT Management Plan 61170-001:
- a. The Contractor shall maintain, utilize and provide updates/revisions to the DEPOT Management Plan 61170-00. (CDRL A016)
 - b. The Contractor shall maintain all DLMF/ILMF test equipment to support repair and recertification activities. (CDRL A008)
 - c. The Contractor shall track and maintain configuration lists for missile sections. (CDRLs A010, A014)
 - d. The Contractor shall report missile analysis results. (CDRL A022)
 - e. The Contractor shall report missile repair and recertification status to include failed parts, troubleshooting and repair part procurement efforts. (CDRL A022)
 - f. The Contractor shall provide analyses and digital reports on missile and section level failures on a monthly basis. The analyses shall include fault isolation data and feedback on what was performed to repair the missile and/or section. Missile or section level Trouble Reports (TRs) shall be generated in XFRACAS IAW MD 57566. (CDRL A015)

- 7.2. Induction, Inspect, Test, and Analysis of Sections. The Contractor shall perform receiving, induction, inspection, testing and analysis of the ESSM sections IAW the DEPOT Management Plan 61170-00. The Contractor shall stop work on items received that are found not to be acceptable for refurbishment / repair and shall notify the Government for direction for guidance as to the disposition of the ESSM section(s). If ESSM sections are found to be acceptable for refurbishment / repair, the Contractor shall induct the ESSM Sections into the repair process IAW Section 7.0 of this contract. In all instances, the Contractor shall report missile analysis results. (CDRL A022)
- 7.3. Rework/Refurbish of Sections. The Contractor shall rework/refurbish sections IAW the DEPOT Management Plan 61170-00. (CDRLs A007, A010, A012)
- 7.4. The Contractor shall repair engineering hardware (Hil/Cil)/IOM/IMIPS IOM or non-flight worthy sections as directed by the Government. These items shall meet operational test equipment parameters acceptance criteria but not production program quality requirements (nicks, scratches, etc).
- 7.5. The Contractor shall be responsible for compliance between the Contractor and the Government for Transportation Plans IAW US Department of State requirements.
- 7.6. The Contractor shall perform both recurring and non-recurring tasks in support of DLMF/ILMF activities.
- 7.7. The Contractor shall perform replacement of CS batteries. Battery replacement covers two (2) 140 VDC and one (1) 28 VDC battery. The Contractor shall provide replacement batteries unless they are provided to the Contractor as GFM. The Contractor shall manage disposal of used batteries. The Contractor shall perform an incoming test of the CS IAW MD58120, Chapter 8. The Contractor shall perform the battery replacement if the test passes. The Contractor shall schedule the CS for Depot repair if the test fails. The Contractor shall inspect the CS Shroud IAW MD58120 Chapter 8 and repair or replace if needed. The Contractor shall perform a Fin Alignment process and Vibe Testing IAW SMPDs. Post CS battery replacement, the Contractor shall test the CS IAW MD58120, Chapter 8. If the CS passes, the Contractor shall proceed to the post repair quality check. If the CS fails, the Contractor shall schedule the CS for Depot repair. The Contractor shall provide test results post inspection and replacement. (CDRL A018)
- 7.8. The contractor shall provide written notification, via email, to the Government when a unit being repaired reaches 100% of the average estimated cost to repair. The average estimated cost to repair by year is defined in attachment X – Average Cost to Repair. Upon notification, the contractor will await further direction from the Government on whether or not to continue with the repair work. If the Government requests the unit declared Beyond Economical Repair (BER) the contractor will proceed at the nations direction.

8.0 Item(s) 1010, 11022, 1030, 1050, and 1054, BLK 1 RECERTS

- 8.1. The contractor shall perform Intermediate Level Maintenance Testing, Recertification and Minor Repair of ESSMs (BLK 1), associated containers (MK783 and MK852), and canisters (MK25 MOD 0 and MK25 MOD 1) at the RMIC in Camden, AR. The BLK 1 recertification work is further described below. The Contractor shall monitor DLMF repair as well as upgrade impacts to Government spares and sparing recommendations. Obsolescence, respin, replacement, change notices and ECP impacts shall be reviewed against Government owned spares. The Contractor shall prepare and deliver a report with recommendations as to any changes or upgrades that should be made to keep the Government's spares at the latest configuration. (CDRL A021)

The Contractor shall be responsible for compliance between the Contractor and the Government for Transportation Plans IAW US Department of State requirements. The Contractor shall perform both recurring and non-recurring tasks in support of DLMF/ILMF activities.

8.2. Work Planning, Induction and Receipt Inspection:

The Contractor shall:

- a. Review the MPUL accompanying the missile to determine if there are any miscellaneous procedures, which could require rework (e.g. SPIs, ECPs, etc) to the missile or canister/container. Procedures may be mandatory, or as directed by the Government for safety or reliability.
- b. Ensure all missiles inducted into the RMIC receive the most recent approved software configuration as listed for that HW configuration in MD 31460.
- c. Schedule missile recertification and rework. The Contractor shall establish work priority. The Contractor shall amend priority as directed by the Government. The Contractor shall develop and deliver a missile recertification and rework schedule and status. (CDRL A022)
- d. Inspect the canister and or container for damage or safety concerns. The Contractor shall note any discrepancies and include in the missile recertification and rework schedule status deliverable. (CDRL A010)

8.3. Missile Recertification

The Contractor shall perform recertification testing IAW the SMPDs. The Contractor recertification effort includes providing the consumable items and piece parts (screws, o-rings, washers, etc) used during recertification. If a missile fails recertification and/or has section/components requiring mandatory DLMF action, the contractor shall disassemble the missile and send the failed component or section to DLMF for repair. If parts are available from the stock of the appropriate country or common pool spares, the Contractor shall replace the failed component or section and reassemble the missile and continue recertification. If parts are not in stock, the Contractor shall stop work and notify the National Deputy & Contracting Officer Representative immediately. The Contractor shall update the MPUL IAW MD 31460. (CDRLs A009, A010, A011, A012, A013, A015)

8.4. Reconfigurations of AURs:

As directed by the Government, the contractor shall reconfigure the missiles to one of the following configuration:

- ESSM BLK 1 Missile conversion from/to Telemetry to/from Tactical.
- ESSM BLK 1 Missile conversion from/to S-BAND MODULE to/from Non S-BAND MODULE.
- ESSM BLK 1 Missile conversion from/to MK41 (RIM 162A) to/from MK29 (RIM162D)

For USA ESSM BLK 1 telemetered rounds only, ensure that compatible Encryption Support Modules are rekeyed and included in the TLM build IAW the DD-254, Attachment 1. (CDRL A010)

8.5. Dud/Misfire and Supporting Failure Investigations:

Process dud/misfire missiles IAW MD 57529 and SPI MD57572. If any secondary failures are observed, the Contractor shall submit Trouble Reports (TRs) shall be generated in XFRACAS IAW MD 57566. (CDRL A015)

8.6. Damaged Missile:

Decan missiles from the canister or container and inspect AUR ESSM for safety concerns or significant damage IAW MD57455 (BLK 1) and MD57683 (BLK 2). If any problems are found, the Contractor shall submit Trouble Reports (TRs) shall be generated in XFRACAS IAW MD 57566 and hold the missile until further direction from the Government is received. (CDRL A015)

8.7. Canister and Container Inspection:

The Contractor shall inspect canisters and containers during DECAN/ENCAN of ESSM missile to determine if repair is necessary or if the item is serviceable for continued use IAW MD57455 (BLK 1) and MD57683 (BLK 2). If repair or service is required, the Contractor shall inform the Government and hold the canister/container until further direction from the Government is received.

8.8. Surveillance Sampling Efforts:

The Contractor shall remove requested items from the missile and replace with GFM as directed by the Government in support of ordnance assessment surveillance.

8.9. NAVSUP Reporting: (USN only)

The Contractor shall report all receipts, shipments, changes to condition code, removals and installations IAW NAVSUP 724 and OIS requirements. (CDRL A007)

8.10. Missile Recertification Turn Around Time:

Turnaround time of missile recertification shall be within 30 calendar days after missile is put into work unless GFM/GFE and safety issues inhibit completion of work.

8.11. ILMF Support for USN Recerts:

In the event that a GFE MK698 fails at RMIC Camden, the Contractor shall investigate, troubleshoot and repair the unit IAW TPM_8462507. The Contractor shall make any necessary IOM repairs to ensure the IOM is available to verify/validate the RMIC Camden MK698 is working properly IAW MD58120. The Contractor shall generate Trouble Reports (TRs) in XFRACAS IAW MD 57566. (CDRL A015)

9.0 Item 0202 and if exercised, Option Items 1202, 2202, 3202 and 4202 – Australia ILMF

9.1. Orchard Hills ILMF (MK698 TE Core Support)

The Contractor shall maintain the technical baseline for the MK698 test equipment at the ILMF in Orchard Hills, Australia IAW the MK698 LTSP. The Contractor shall provide Level I Initial Response Center, with up to 4 hours of pre-approved funding support/analysis per incident. The Contractor shall maintain Level 2 MK698 core specialist staff for timely response to challenging MK698 issues. The Contractor shall provide Test Failure Panel Reviews of ILMF AUR failure data analysis to support proper AUR fault dispositions. The Contractor shall provide development of common TE SW Fixes based on studies and analysis of reliability data to make Test Equipment improvements common to the Users. The Contractor shall develop and deliver LTSP and TPM updates IAW the terms of the MK698 core support program. (CDRL A017)

9.2. Contractor Support for the Orchard Hills ILMF

The Contractor shall provide technical support to the Orchard Hills ILMF. The Contractor shall provide engineering labor to troubleshoot and repair ILMF TE, response to facility related questions, and on-site support as directed by the Government. The Contractor shall provide technical support for missile recertification and assistance with the operation, maintenance, and calibration of the MK698 GMTS and SPIT III. The Contractor shall install TE software updates when authorized by the Government.

10.0 Item 0203 and if exercised, Option Items 1203, 2203, 3203 and 4203 – DEN HELDER (JEC NATIONS) ILMF

10.1. Den Helder (JEC Nations) (MK698 TE Core Support)

The Contractor shall maintain the technical baseline for the MK698 test equipment at the ILMF in Den Helder (JEC Nations), Netherlands IAW the MK698 LTSP. The Contractor shall provide Level I Initial Response Center, with up to 4 hours of pre-approved funding support/analysis per incident. The Contractor shall maintain Level 2 MK698 core specialist staff for timely response to challenging MK698 issues. The Contractor shall provide Test Failure Panel Reviews of ILMF AUR failure data analysis to support proper AUR fault dispositions. The Contractor shall provide development of common TE SW Fixes based on studies and analysis of reliability data to make Test Equipment improvements common to the Users. The Contractor shall develop and deliver LTSP and TPM updates IAW the terms of the MK698 core support program. (CDRL A017)

10.2. Support for the Den Helder (JEC Nations) ILMF

The Contractor shall provide technical support to the Den Helder (JEC Nations) ILMF. The Contractor shall provide engineering labor to troubleshoot and repair ILMF TE, response to facility related questions, and on-site support as directed by the Government. The Contractor shall provide technical support for missile recertification and assistance with the operation, maintenance, and calibration of the MK698 GMTS and SPIT III. The Contractor shall install TE software updates when authorized by the Government.

11.0 Item 3204 and if exercised, Option Items 4204 – Spanish ILMF

11.1. El Ferrol ILMF (MK698 TE Core Support)

The Contractor shall maintain the technical baseline for the MK698 test equipment at the ILMF in El Ferrol, Spain IAW the MK698 LTSP. The Contractor shall provide Level I Initial Response Center, with up to 4 hours of pre-approved funding support/analysis per incident. The Contractor shall maintain Level 2 MK698 core specialist staff for timely response to challenging MK698 issues. The Contractor shall provide Test Failure Panel Reviews of ILMF AUR failure data analysis to support proper AUR fault dispositions. The Contractor shall provide development of common TE SW Fixes based on studies and analysis of reliability data to make Test Equipment improvements common to the Users. The Contractor shall develop and deliver LTSP and TPM updates IAW the terms of the MK698 core support program. (CDRL A017)

11.2. Support for the El Ferrol ILMF

The Contractor shall provide technical support to the El Ferrol ILMF. The Contractor shall provide engineering labor to troubleshoot and repair ILMF TE, response to facility related questions, and on-site support as directed by the Government. The Contractor shall provide technical support for missile recertification and assistance with the operation, maintenance, and calibration of the MK698 GMTS and SPIT III. The Contractor shall install TE software updates when authorized by the Government.

12.0 Item 0205 and if exercised, Option Items 1205, 2205, 3205 and 4205 – TURKISH ILMF

12.1. Çanakkale ILMF (MK698 TE Core Support)

The Contractor shall maintain the technical baseline for the MK698 test equipment at the ILMF in Çanakkale, Türkiye IAW the MK698 LTSP. The Contractor shall provide Level I Initial Response Center, with up to 4 hours of pre-approved funding support/analysis per incident. The Contractor shall maintain Level 2 MK698 core specialist staff for timely response to challenging MK698 issues. The Contractor shall provide Test Failure Panel Reviews of ILMF AUR failure data analysis to support proper AUR fault dispositions. The Contractor shall provide development of common TE SW Fixes based on studies and analysis of reliability data to make Test Equipment improvements common to the Users. The Contractor shall develop and deliver LTSP and TPM updates IAW the terms of the MK698 core support program. (CDRL A017)

12.2. Support for the Çanakkale ILMF

The Contractor shall provide technical support to the Çanakkale ILMF. The Contractor shall provide engineering labor to troubleshoot and repair ILMF TE, response to facility related questions, and on-site support as directed by the Government. The Contractor shall provide technical support for missile recertification and assistance with the operation, maintenance, and calibration of the MK698 GMTS and SPIT III. The Contractor shall install TE software updates when authorized by the Government.

13.0 Item 0206 and if exercised, Option Items 1206, 2206, 3206 and 4206 – USA ILMF

13.1. Seal Beach ILMF (MK698 TE Core Support)

The Contractor shall maintain the technical baseline for the MK698 test equipment at the ILMF in Seal Beach, USA IAW the MK698 LTSP. The Contractor shall provide Level I Initial Response Center, with up to 4 hours of pre-approved funding support/analysis per incident. The Contractor shall maintain Level 2 MK698 core specialist staff for timely response to challenging MK698 issues. The Contractor shall provide Test Failure Panel Reviews of ILMF AUR failure data analysis to support proper AUR fault dispositions. The Contractor shall provide development of common TE SW Fixes based on studies and analysis of reliability data to make Test Equipment improvements common to the Users. The Contractor shall develop and deliver LTSP and TPM updates IAW the terms of the MK698 core support program. (CDRL A017)

13.2. Support for the Seal Beach ILMF

The Contractor shall provide technical support to the Seal Beach ILMF. The Contractor shall provide engineering labor to troubleshoot and repair ILMF TE, response to facility related questions, and on-site support as directed by the Government. The Contractor shall provide technical support for missile recertification and assistance with the operation, maintenance, and calibration of the MK698 GMTS and SPIT III. The Contractor shall install TE software updates when authorized by the Government.

14.0 Item 1207 and if exercised, Option Items 2207, 3207 and 4207 – BLK 1 TE RETIREMENT

The Contractor shall identify, recommend, and execute approved test equipment disposition strategies. The Contractor shall recommend method of disposition to include disposal, long term storage, or harvesting spare parts followed by disposal. This shall include GFM such as CCA, Subassembly, Section Level and AUR Test Equipment at RMD Tucson, Camden, International Partners and Sub-tier vendors. The Contractor shall gain written Government direction for the disposition of ESSM BLK 1 TE prior to dispositioning any ESSM BLK 1 TE. (CDRL A021)

15.0 Item 0208 and if exercised, Option Items 1208, 2208, 3208 and 4208 – BLK 1 ORDNANCE ASSESSMENT HARVESTING OPERATIONS

The Contractor shall harvest service life components from ILMF and DLMF hardware as directed by the Government. Harvested items shall be maintained and stored by the Contractor until written Government direction is provided. The contractor shall provide a list of all OA- related hardware (GFM OA spares, containers, and harvested OA components) held at the contractor's facilities. The list shall contain country owner, the serial number of the ESSM and/or section from which the hardware item came, part number, serial number and lot number of the service life item and storage location. Replacement hardware and temporary storage containers will be provided GFM to the Contractor. The Contractor shall package and ship the OA hardware to other maintenance and testing sites as directed by the Government. The Contractor shall develop and deliver a document capturing the swap of hardware components IAW MD4790.600 and develop and deliver Ammunition Transaction Reports. (CDRLs A007, A012, A018, A021)

16.0 Item 0209 and if exercised, Option Items 1209, 2209, 3209 and 4209 – BLK 2 ORDNANCE ASSESSMENT HARVESTING OPERATIONS

The Contractor shall harvest service life components from ILMF and DLMF hardware as directed by the Government. Harvested items shall be maintained and stored by the Contractor until written Government direction is provided. The contractor shall provide a list of all OA- related hardware (GFM OA spares, containers, and harvested OA components) held at the contractors' facilities. The list shall contain country owner, the serial number of the ESSM and/or section from which the hardware item came, part number, serial number and lot number of the service

life item and storage location. Replacement hardware and temporary storage containers will be provided GFM to the Contractor. The Contractor shall package and ship the OA hardware to other maintenance and testing sites as directed by the Government. The Contractor shall develop and deliver a document capturing the swap of hardware components IAW MD4790.600 and develop and deliver Ammunition Transaction Reports. (CDRLs A007, A012, A018, A021)

17.0 Option Item 1210 – ILMF ORCHARD HILLS ESSM BLK 1 MK698 GMTS OPERATION AND MAINTENANCE TRAINING

The Contractor shall conduct one twenty day ESSM BLK 1 MK 698 GMTS Operation and Maintenance Training Course at the Orchard Hills ILMF in Australia. The Contractor shall liaise with the Government to set an agreeable period for the conduct. The Contractor shall instruct ESSM BLK 1 MK 698 GMTS Operation, ESSM BLK 1 MK 698 GMTS Calibration activities and ESSM BLK 1 MK 698 GMTS Maintenance. The Contractor shall update the existing MK 698 training material to reflect updated capabilities, and deliver three copies of the training curriculum including all student materials. (CDRL A019, A024).

18.0 Item 2212 – DEPOT PIECE PART REPAIR STUDY

The Contractor shall conduct a feasibility study to determine the effectiveness of component level repair for ESSM. The Contractor shall procure special purpose electronic test equipment, approved by the Government, that facilitates the troubleshooting and repair of sub-assemblies and circuit card assemblies via circuit mapping or similar process. The Contractor shall troubleshoot and repair several sub-assemblies and circuit card assemblies with an advanced circuit card tester to validate the effectiveness of the process, capture costs for repair and times to troubleshoot and repair. The Contractor shall develop and deliver a technical report outlining the efforts and provide a recommendation as to whether the process is feasible and effective. (CDRL A021)

19.0 Item 3212 and if exercised, Option Items 4212 – DEPOT PIECE PART REPAIRS

The Contractor shall troubleshoot and repair ESSM Block 1 sub-assemblies and circuit card assemblies to the component level. The Contractor shall focus initial repairs on Guidance Section and Transition Section failures. Based on the results of the study conducted under CLIN 2212, the Contractor shall recommend candidate assemblies for repair. Upon Government acceptance, the Contractor shall troubleshoot and repair these assemblies and provide a report detailing time to repair, cost to repair and troubleshooting/repair actions undertaken to effect repairs. (CDRL A021)

20.0 Item 1213 – ILMF SEAL BEACH ESSM BLK 1 MK698 GMTS OPERATION AND MAINTENANCE TRAINING

The Contractor shall conduct one, ten day ESSM BLK 1 MK 698 GMTS Operation and Maintenance refresher Training Course at the Seal Beach ILMF in CA. The Contractor shall liaise with the Government to set an agreeable period for the conduct. The Contractor shall instruct ESSM BLK 1 MK 698 GMTS Operation, ESSM BLK 1 MK 698 GMTS Calibration activities and ESSM BLK 1 MK 698 GMTS Maintenance. The Contractor shall update the existing MK 698 training material to reflect updated capabilities, and deliver three copies of the training curriculum including all student materials. (CDRL A019, A024).

21.0 Item 1214 – ILMF DEN HELDER ESSM BLK 1 MK698 GMTS OPERATION AND MAINTENANCE TRAINING

The Contractor shall conduct one, twenty day ESSM BLK 1 MK 698 GMTS Operation and Maintenance Training Course at the Den Helder ILMF in The Netherlands. The Contractor shall liaise with the Government to set an agreeable period for the conduct. The Contractor shall instruct ESSM BLK 1 MK 698 GMTS Operation, ESSM BLK 1 MK 698 GMTS Calibration activities and ESSM BLK 1 MK 698 GMTS Maintenance. The Contractor shall update the existing MK 698 training material to reflect updated capabilities, and deliver three copies of the training curriculum including all student materials. (CDRL A019, A024).

22.0 Item 4215 – ILMF ÇANAKKALE ESSM BLK 1 MK698 GMTS OPERATION AND MAINTENANCE TRAINING

The Contractor shall conduct one, twenty day ESSM BLK 1 MK 698 GMTS Operation and Maintenance refresher Training Course at the Çanakkale ILMF in Türkiye. The Contractor shall instruct ESSM BLK 1 MK 698 GMTS Operation, ESSM BLK 1 MK 698 GMTS Calibration activities and ESSM BLK 1 MK 698 GMTS Maintenance.

The Contractor shall update the existing MK 698 training material to reflect updated capabilities, and deliver three copies of the training curriculum including all student materials. (CDRL A019, A024).

23.0 Item 1600 and if exercised, Option Items 2600, 3600, and 4600– EMERGENT REQUIREMENTS

The Contractor shall provide support to the ESSM Program in the execution of emergent requirements which are not otherwise identified as part of the ESSM DLMF/ILMF scope discussed in this contract via established CLINs. The contractor shall support the Consortium Nations and FMS for ESSM BLK 1 and BLK 2 repairs, recertifications, engineering/technical assistance requirements, solutions to technical and logistics problems encountered in the testing, operation, employment, upgrade, installation and modification of the ESSM. The Contractor shall provide other services including ILMF and MMF direct support, ordnance assessment operations and training to evaluate the performance of the TE, conduct analytical studies and assess risk/cost trade-offs and review logistics documentation and procedures.

24.0 Item(s) 1217, 1222, 1223 and if exercised Option Items 2217, 2220, 2222, 2223, 2224, 3217, 3220, 3222, 3223, 4217, 4220, and 4222 – MATERIAL PROCUREMENT IN SUPPORT OF LOE CLINS

The Contractor shall procure and deliver required material in support of the specified LOE CLINs. The Contractor shall get informal written (i.e., e-mail) concurrence from the assigned Government CLIN Manager, Government CLIN Delegate or the Contracting Officer prior to procurement. The material requests and concurrences shall be tracked and reported as part of the monthly status report (CDRL A001).

25.0 Item 5000 – DATA

The data to be furnished hereunder shall be prepared and delivered in accordance with Exhibit A, Contract Data Requirements List, DD Form 1423. **The report shall be delivered in the same style and format as N00024-18-C-5400.**

<u>Acronym</u>	<u>Meaning</u>
AUR	All Up Round
BER	Beyond Economical Repair
CCA	Circuit Card Assemble
CCB	Change Control Board
CDRL	Contract Data Requirements List
CiL	Computer in the Loop
CLIN	Contract Line Item Number
CNAD	Conference of National Armaments Directors
COMSEC	Communications Security
CS	Control Section
CY	Calendar Year
DECAN	Decanister
DEOH	Defense Establishment Orchard Hills
DLMF	Depot Level Maintenance Facility
ECP	Engineering Change Proposal
ENCAN	Encanister
ESSM	Evolved SEASPARROW Missile
FMS	Foreign Military Sales
FSO	Facility Security Officer
GFE	Government Furnished Equipment
GFM	Government Furnished Material
GMTS	Guided Missile Test Set
HiL	Hardware in the Loop
HW	Hardware

IAW	In Accordance With
ILMF	Intermediate Level Maintenance Facility
IMIPS	Internal Missile Initialized Power Supply
IOM	Inert Operational Missile
LTSP	Long Term Supportability Plan
MMF	Missile Maintenance Facility
MPUL	Missile/Propulsion Log
NATO	North Atlantic Treaty Organization
NAVSUP	Naval Supply
NMC	Naval Material Command
NSPO	NATO SEASPARROW Project Office
OA	Ordnance Assessment
ODC	Other Direct Cost
OIS	Ordnance Inventory System
POP	Period of Performance
PORTUGAL	Portugal
PSI	Project Security Instruction
RAN	Royal Australian Navy
RMD	Raytheon Missile Defense
RMIC	Regional Manufacturing and Integration Center
RTAT	Repair-Turn-Around-Time
SCI	Sensitive Compartmented Information
SIPRNET	Secure Internet Protocol Routing Network
SMPD	Surface Missile Processing Description
SOW	Statement of Work
SPI	Special Processing Instruction
STE	Standard Test Equipment
SW	Software
TBD	To Be Determined
TE	Test Equipment
TLM	Telemetry
TPM	Test Position Manual
TR	Trouble Report
UAE	United Arab Emirates
USN	United States Navy
VDC	Voltage Direct Current

CLAUSES INCORPORATED BY FULL TEXT

252.204-7023 REPORTING REQUIREMENTS FOR CONTRACTED SERVICES (JUL 2021)

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

First-tier subcontract means a subcontract awarded directly by the contractor for the purpose of acquiring services for performance of a prime contract. It does not include the contractor's supplier agreements with vendors, such as

long-term arrangements for materials or supplies or services that benefit multiple contracts and/or the costs of which are normally applied to a contractor's general and administrative expenses or indirect costs.

(b) The Contractor shall report annually, by October 31, at <https://www.sam.gov>, on the services performed under this contract or order, including any first-tier subcontracts, during the preceding Government fiscal year (October 1 - September 30).

(c) The Contractor shall report the following information for the contract or order:

(1) The total dollar amount invoiced for services performed during the preceding Government fiscal year under the contract or order.

(2) The number of Contractor direct labor hours, to include first-tier subcontractor direct labor hours, as applicable, expended on the services performed under the contract or order during the previous Government fiscal year.

(d) The Government will review the Contractor's reported information for reasonableness and consistency with available contract information. In the event the Government believes that revisions to the Contractor's reported information are warranted, the Government will notify the Contractor. Upon notification, the Contractor shall revise the reported information or provide the Government with a supporting rationale for the information.

(End of clause)

C-202-H001 ADDITIONAL DEFINITIONS–BASIC (NAVSEA) (OCT 2018)

(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 dulyappointed successor.

(c) References to The Federal Acquisition Regulation (FAR) - All references to the FAR in this contract shall be deemed to also reference the appropriate sections of the Defense FAR Supplement (DFARS), unless clearly indicated otherwise.

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

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

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

(End of text)

C-204-H001 USE OF NAVY SUPPORT CONTRACTORS FOR OFFICIAL CONTRACT FILES (NAVSEA)
(OCT 2018)

(a) NAVSEA may use a file room management support contractor, hereinafter referred to as "the support contractor", to manage its file room, in which all official contract files, including the official file supporting this procurement, are retained. These official files may contain information that is considered a trade secret, proprietary, business sensitive or otherwise protected pursuant to law or regulation, hereinafter referred to as "protected information". File room management services consist of any of the following: secretarial or clerical support; data entry; document reproduction, scanning, imaging, or destruction; operation, management, or maintenance of paper-based or electronic mail rooms, file rooms, or libraries; and supervision in connection with functions listed herein.

(b) The cognizant Contracting Officer will ensure that any NAVSEA contract under which these file room management services are acquired will contain a requirement that:

(1) The support contractor not disclose any information;

(2) Individual employees are to be instructed by the support contractor regarding the sensitivity of the official contract files;

(3) The support contractor performing these services be barred from providing any other supplies and/or services, or competing to do so, to NAVSEA for the period of performance of its contract and for an additional three years thereafter unless otherwise provided by law or regulation; and,

(4) In addition to any other rights the contractor may have, it is a third party beneficiary who has the right of direct action against the support contractor, or any person to whom the support contractor has released or disclosed protected information, for the unauthorized duplication, release, or disclosure of such protected information.

(c) Execution of this contract by the contractor is considered consent to NAVSEA's permitting access to any information, irrespective of restrictive markings or the nature of the information submitted, by its file room management support contractor for the limited purpose of executing its file room support contract responsibilities.

(d) NAVSEA may, without further notice, enter into contracts with other contractors for these services. Contractors should enter into separate non-disclosure agreements with the file room contractor. Contact the Procuring Contracting Officer for contractor specifics. However, any such agreement will not be considered a prerequisite before information submitted is stored in the file room or otherwise encumber the government.

(End of text)

C-204-H002 IMPLEMENTATION OF ENHANCED SECURITY CONTROLS ON SELECT DEFENSE
INDUSTRIAL BASE PARTNER NETWORKS (NAVSEA) (JAN 2020)

1. System Security Plan and Plans of Action and Milestones (SSP/POAM) Reviews

a) Within thirty (30) days of contract award, the Contractor shall make its System Security Plan(s) (SSP(s)) for its covered contractor information system(s) available for review by the Government at the contractor's facility. The SSP(s) shall implement the security requirements in Defense Federal Acquisition Regulation Supplement (DFARS) clause 252.204-7012, which is included in this contract. The Contractor shall fully cooperate in the Government's review of the SSPs at the Contractor's facility.

b) If the Government determines that the SSP(s) does not adequately implement the requirements of DFARS clause 252.204-7012 then the Government shall notify the Contractor of each identified deficiency. The Contractor shall correct any identified deficiencies within thirty (30) days of notification by the Government. The contracting officer may provide for a correction period longer than thirty (30) days and, in such a case, may require the Contractor to

submit a plan of action and milestones (POAM) for the correction of the identified deficiencies. The Contractor shall immediately notify the contracting officer of any failure or anticipated failure to meet a milestone in such a POAM.

c) Upon the conclusion of the correction period, the Government may conduct a follow-on review of the SSP(s) at the Contractor's facilities. The Government may continue to conduct follow-on reviews until the Government determines that the Contractor has corrected all identified deficiencies in the SSP(s).

d) The Government may, in its sole discretion, conduct subsequent reviews at the Contractor's site to verify the information in the SSP(s). The Government will conduct such reviews at least every three (3) years (measured from the date of contract award) and may conduct such reviews at any time upon thirty (30) days' notice to the Contractor.

2. Compliance to NIST 800-171

a) The Contractor shall fully implement the CUI Security Requirements (Requirements) and associated Relevant Security Controls (Controls) in NIST Special Publication 800-171 (Rev. 1) (NIST SP 800-171), or establish a SSP(s) and POA&Ms that varies from NIST 800-171 only in accordance with DFARS clause 252.204-7012(b)(2), for all covered contractor information systems affecting this contract.

b) Notwithstanding the allowance for such variation, the contractor shall identify in any SSP and POA&M their plans to implement the following, at a minimum:

(1) Implement Control 3.5.3 (Multi-factor authentication). This means that multi-factor authentication is required for all users, privileged and unprivileged accounts that log into a network. In other words, any system that is not standalone should be required to utilize acceptable multi-factor authentication. For legacy systems and systems that cannot support this requirement, such as CNC equipment, etc., a combination of physical and logical protections acceptable to the Government may be substituted;

(2) Implement Control 3.1.5 (least privilege) and associated Controls, and identify practices that the contractor implements to restrict the unnecessary sharing with, or flow of, covered defense information to its subcontractors, suppliers, or vendors based on need-to-know principles;

(3) Implement Control 3.1.12 (monitoring and control remote access sessions) - Require monitoring and controlling of remote access sessions and include mechanisms to audit the sessions and methods.

(4) Audit user privileges on at least an annual basis;

(5) Implement:

i. Control 3.13.11 (FIPS 140-2 validated cryptology or implementation of NSA or NIST approved algorithms (i.e. FIPS 140-2 Annex A: AES or Triple DES) or compensating controls as documented in a SSP and POAM); and,

ii. NIST Cryptographic Algorithm Validation Program (CAVP) (see <https://csrc.nist.gov/projects/cryptographic-algorithm-validation-program>);

(6) Implement Control 3.13.16 (Protect the confidentiality of CUI at rest) or provide a POAM for implementation which shall be evaluated by the Navy for risk acceptance.

(7) Implement Control 3.1.19 (encrypt CUI on mobile devices) or provide a plan of action for implementation which can be evaluated by the Government Program Manager for risk to the program.

3. Cyber Incident Response

a) The Contractor shall, within fifteen (15) days of discovering the cyber incident (inclusive of the 72-hour reporting period), deliver all data used in performance of the contract that the Contractor determines is impacted by the incident and begin assessment of potential warfighter/program impact.

b) Incident data shall be delivered in accordance with the Department of Defense Cyber Crimes Center (DC3) Instructions for Submitting Media available at http://www.acq.osd.mil/dpap/dars/pgi/docs/Instructions_for_Submitting_Media.docx. In delivery of the incident data, the Contractor shall, to the extent practical, remove contractor-owned information from Government covered defense information.

c) If the Contractor subsequently identifies any such data not previously delivered to DC3, then the Contractor shall immediately notify the contracting officer in writing and shall deliver the incident data within ten (10) days of identification. In such a case, the Contractor may request a delivery date later than ten (10) days after identification. The contracting officer will approve or disapprove the request after coordination with DC3.

4. Naval Criminal Investigative Service (NCIS) Outreach

The Contractor shall engage with NCIS industry outreach efforts and consider recommendations for hardening of covered contractor information systems affecting DON programs and technologies.

5. NCIS/Industry Monitoring

a) In the event of a cyber incident or at any time the Government has indication of a vulnerability or potential vulnerability, the Contractor shall cooperate with the Naval Criminal Investigative Service (NCIS), which may include cooperation related to: threat indicators; pre-determined incident information derived from the Contractor's infrastructure systems; and the continuous provision of all Contractor, subcontractor or vendor logs that show network activity, including any additional logs the contractor, subcontractor or vendor agrees to initiate as a result of the cyber incident or notice of actual or potential vulnerability.

b) If the Government determines that the collection of all logs does not adequately protect its interests, the Contractor and NCIS will work together to implement additional measures, which may include allowing the installation of an appropriate network device that is owned and maintained by NCIS, on the Contractor's information systems or information technology assets. The specific details (e.g., type of device, type of data gathered, monitoring period) regarding the installation of an NCIS network device shall be the subject of a separate agreement negotiated between NCIS and the Contractor. In the alternative, the Contractor may install network sensor capabilities or a network monitoring service, either of which must be reviewed for acceptability by NCIS. Use of this alternative approach shall also be the subject of a separate agreement negotiated between NCIS and the Contractor.

c) In all cases, the collection or provision of data and any activities associated with this statement of work shall be in accordance with federal, state, and non-US law.

(End of Text)

C-211-H006 PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS (NAVSEA) (OCT 2018)

(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 following:

(1) DOD Instruction 5330.03, Defense Logistics Agency (DLA) Document Services of February 8, 2006

(2) Federal Acquisition Regulation (FAR) Subparts 8.8 and 17.5, as in effect on the date of this contract and;

(3) "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 DLA Document Services 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, camera-ready copies or digital media (CD/DVD)) by the Contractor or a subcontractor, the Contractor shall make arrangements with the DLA Document Services 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 DLA Document Services;
- (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 DLA Document Services;
- (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 (side stitch, perfect bound, saddle stitch, glue bound, tape bound plastic comb/wire bound, loose leaf, screw posts, etc.); and
- (viii) Other instructions, as applicable, such as packing instructions, banded, shrink pack, strap, binders, fill and seal cartons/boxes, inset padding of any type of envelope, water type packaging or other container quantity for each addressee, required delivery schedule, or delivery instructions. (The Contractor shall provide an address list and addressed mailing labels for each addressee).
- (ix) Special handling of classified materials from Confidential up to Top Secret requiring printing through DLA Document Services or the GPO are managed in accordance with DODD 5200.32. Contact the appropriate DLA Document Services location before delivering classified originals to ensure proper handling and disposition.

(2) The Contractor shall ship the complete set of photolithographic negatives, camera-ready copies or digital media (CD/DVD) required to be printed in accordance with the detailed procedures specified by DLA Document Services. All transportation charges are paid to DLA Document Services or a contract printer designated by DLA Document Services.

(3) For steam and electrical plant composite diagrams, the Contractor shall provide an original Mylar print or digital media (CD/DVD) of the diagram to the DLA Document Services with a guide indicating the color of each line. DLA Document Services, or via the GPO, will prepare the color separation negatives for the composite diagram and return those to the Contractor for editorial review. DLA Document Services will correct any errors and print the corrected composite diagram.

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

(5) DLA Document Services 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) DLA Document Services will pack and ship the material used for printing to the DLA Document Services, 4th Naval District (Philadelphia, PA), for storage.

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

<u>Printing</u>	<u>Minimum number of working Days required by DLA Document Services</u>
Up to 200 copies per original	30
201 through 400 copies per original	40
401 through 600 copies per original	50
601 copies per original and over	60

(2) If DLA Document Services 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 extension(s), 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.

(e) The Contractor shall not be responsible for the quality, or quality control, of printing performed by DLA Document Services or a printer under contract to DLA Document Services; and, the Government shall reimburse the Contractor for any costs incurred for replacement of material lost or damaged by DLA Document Services or a printer under contract to DLA Document Services.

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

(End of text)

C-211-H016 SPECIFICATIONS AND STANDARDS (NAVSEA) (OCT 2018)

(a) Definitions.

(i) A "zero-tier reference" is a specification, standard, or drawing that is cited in the

contract (including its attachments).

(ii) A "first-tier reference" is either: (1) a specification, standard, or drawing cited in a zero-tier reference, or (2) a specification cited in a first-tier drawing.

(b) Requirements. All zero-tier and first-tier references, as defined above, are mandatory for use. All lower tier references shall be used for guidance only unless specifically identified below.

None

(End of text)

C-211-H017 UPDATING SPECIFICATIONS AND STANDARDS (NAVSEA) (DEC 2018)

The contractor may request that this contract be updated to include the current version of the applicable specification or standard if the update does not affect the form, fit or function of any deliverable item or increase the cost/price of the item to the Government. The contractor should submit update requests to the Procuring Contracting Officer with copies to the Administrative Contracting Officer and cognizant program office representative for approval. The contractor shall perform the contract in accordance with the existing specifications and standards until notified of approval/disapproval of its request to update by the Procuring Contracting Officer. Any approved alternate specifications or standards will be incorporated into the contract.

(End of text)

C-211-H018 APPROVAL BY THE GOVERNMENT (NAVSEA) (JAN 2019)

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.

(End of text)

C-223-W001 ACCIDENT REPORTING (NAVSEA) (OCT 2018)

(a) In accordance with DFARS 252.223-7002 (d), the Contractor shall immediately notify the Administrative Contracting Officer (ACO) and Procuring Contracting Officer (PCO) following an accident or incident. Also, the Contractor shall provide a written report within 5 calendar days of the accident or incident containing, at a minimum, the following:

- (1) Location, date and local time of the occurrence;
- (2) Category of accident (fire, explosion, natural disaster, etc.);
- (3) Identification of equipment, material and type of activity involved;
- (4) Contract number;
- (5) Procuring activity (name of PCO and ACO);
- (6) Narrative of occurrence, including cause(s), if known;
- (7) Personnel involved and degree of injury, if any. Specify whether Contractor and/or Government personnel;
- (8) Assessment of damage. Estimate in dollars for contractor and/or government owned material, property, equipment;
- (9) Was a news release made? If so, by whom? If not, will a news release be made?

- (10) Was a request made for any assistance?
- (11) Will there be any effect on production? If so, explain in detail.
- (12) Corrective action taken, if any.
- (13) Name and title of person submitting this report.

(b) The Contractor shall forward weekly written reports to the ACO and PCO until the accident or incident no longer affects production or when contract deliveries are on schedule.

(End of text)

C-227-H006 DATA REQUIREMENTS (NAVSEA) (OCT 2018)

The data to be furnished hereunder shall be prepared in accordance with the Contract Data Requirements List, DD Form 1423, Exhibit(s) A, attached hereto.

(End of Text)

C-227-H008 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (NAVSEA) (DEC 2018)

(a) The contractor shall actively participate in the Government Industry Data Exchange Program in accordance with the GIDEP Operations Manual, S0300-BT-PRO-010. The contractor shall submit information concerning critical or major nonconformances, as defined in FAR 46.407/DFARS 246.407, to the GIDEP information system.

(b) The contractor shall insert paragraph (a) of this clause in any subcontract when deemed necessary. When so inserted, the word "contractor" shall be changed to "subcontractor."

(c) The contractor shall, when it elects not to insert paragraph (a) in a subcontract, provide the subcontractor any GIDEP data which may be pertinent to items of its manufacture and verify that the subcontractor utilizes any such data.

(d) The contractor shall, whether it elects to insert paragraph (a) in a subcontract or not, verify that the subcontractor utilizes and provides feedback on any GIDEP data that may be pertinent to items of its manufacture."

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

GIDEP Operations Center
P.O. Box 8000
Corona, CA 92878-8000
Phone: (951) 898-3207
FAX: (951) 898-3250
Internet: <http://www.gidep.org>

(End of text)

C-227-H010 COMPUTER SOFTWARE AND COMPUTER DATA BASES DELIVERED TO OR RECEIVED FROM THE GOVERNMENT (NAVSEA) (JAN 2019)

(a) The Contractor agrees to test for viruses, malware, Trojan Horses, and other security threats such as those listed in NIST Special Publication 800-12 Rev 1, An Introduction to Computer Security, The NIST Handbook, Chapter 4,

in all computer software and computer data bases (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 data base in whatever media and on whatever system the computer software or data base is delivered whether delivered separately or imbedded within delivered equipment. The Contractor warrants that when delivered any such computer software and computer data base shall be free of viruses, malware, Trojan Horses, and other security threats such as those listed in NIST Special Publication 800-12 Rev 1.

(b) The Contractor agrees that prior to use under this contract, it shall test any computer software and computer data base received from the Government for viruses, malware, Trojan Horses, and other security threats listed in NIST Special Publication 800-12 Rev 1, An Introduction to Computer Security, The NIST Handbook, Chapter 4.

(c) Any license agreement governing the use of any computer software or computer software documentation delivered to the Government as a result of this contract must be paid-up, irrevocable, world-wide, royalty-free, perpetual and flexible (user licenses transferable among Government employees and personnel under Government contract).

(d) The Contractor shall not include or permit to be included any routine to enable the contractor or its subcontractor(s) or vendor(s) to disable the computer software or computer data base after delivery to the Government.

(e) No copy protection devices or systems shall be used in any computer software or computer data base delivered under this contract with unlimited or Government purpose rights (as defined in DFARS 252.227-7013 and 252.227-7014) to restrict or limit the Government from making copies.

(f) It is agreed that, to the extent that any technical or other data is computer software by virtue of its delivery in digital form, the Government shall 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.

(g) 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 legend(s) 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.

(End of text)

C-227-H014 PROTECTION OF DEPARTMENT OF NAVY TRADEMARKS - BASIC (NAVSEA) (JAN 2021)

(a) The contractor shall not assert any claim, in any jurisdiction, based on trademark or other name or design-based causes of action that are based on rights the contractor believes it has in the term(s) Evolved SEASPARROW, NATO SEASPARROW, and all end deliverables to the NATO SEASPARROW Missile System Program and/or any end deliverable to the NATO SEASPARROW Project Office Program (the "Designation(s)"), against the Government or others authorized by the Government to use the Designation(s) (including the word(s), name, symbol, or design) acting within the scope of such authorization (i.e. claims for trademark infringement, dilution, trade dress infringement, unfair competition, false advertising, palming off, passing off, or counterfeiting). Such authorization shall be implied by the award of a Government contract to any party for the manufacture, production, distribution, use, modification, maintenance, sustainment, or packaging of the products and services identified under this contract, and the scope of such implied authorization is defined as the use of the Designation(s) in performance under such contract by the prime contractor and its subcontractors and suppliers at any tier. In all other cases, the scope of the authorization will be defined by the Government in writing.

(b) The contractor shall notify the contracting officer at least 30 days before asserting rights in, or filing an application to register, any one of the Designation(s) in any jurisdiction within the United States. Any such notification shall be in writing and shall identify the Designation(s) (including the word(s), name, symbol, or design), provide a statement as to its intended use(s) in commerce, and list the particular classes of goods or services in which registration will be sought.

(End of text)

C-233-H001 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT--BASIC (NAVSEA) (OCT 2018)

(a) For the purposes of this special contract requirement, the term "change" includes not only a change that is made pursuant to a written order designated as a "change order" but also (1) an engineering change proposed by the Government or by the Contractor and (2) any act or omission to act on the part of the Government in respect of which a request is made for equitable adjustment.

(b) Whenever the Contractor requests or proposes an equitable adjustment of \$100,000 or more per vessel in respect to a change made pursuant to a written order designated as a "change order" or in respect to a proposed engineering change and whenever the Contractor requests an equitable adjustment in any amount in respect to any other act or omission to act on the part of the Government, the proposal supporting such request shall contain 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 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 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 not required by the terms hereof before the change, which is substituted or added by the change. A list of 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 each element of disruption and exactly how work has been, or will be disrupted:

(i) The calendar period of time during which disruption occurred, or will occur;

(ii) Area(s) aboard the vessel where disruption occurred, or will occur;

(iii) Trade(s) disrupted, with a breakdown of manhours for each trade;

(iv) Scheduling of trades before, during, and after period of disruption;

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

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

(7) Other work attributable to the change;

(8) Supplementing the foregoing, a narrative statement of the direct "causal" relationship between any alleged Government act or omission and the claimed consequences therefor, cross-referenced to the detailed information provided as required above; and

(9) A statement setting forth a comparative enumeration of the amounts "budgeted" for the cost elements, including the material costs, labor hours and pertinent indirect costs, estimated by the Contractor in preparing its initial and ultimate proposal(s) for this contract, and the amounts claimed to have been incurred and/or projected to be incurred corresponding to each such "budgeted cost" elements.

(c) Each proposal in excess of \$100,000 submitted in support of a claim for equitable adjustment under any requirement of this contract shall, in addition to the information required by paragraph (b) hereof, contain such information as the Contracting Officer may require with respect to each individual claim item.

(d) It is recognized that individual claims for equitable adjustment may not include all of the factors listed in paragraph (b) above. Accordingly, the Contractor is required to set forth in its proposal information only with respect to those factors which are comprehended in the individual claim for equitable adjustment. In any event, the information furnished hereunder 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, submitted pursuant to paragraph (c) of this requirement, with the information submitted pursuant to paragraph (b) hereof.

(End of text)

C-242-H001 EXPEDITING CONTRACT CLOSEOUT (NAVSEA) (OCT 2018)

(a) As part of the negotiated fixed price or total estimated amount of this contract, both the Government and the Contractor have agreed to waive any entitlement that otherwise might accrue to either party in any residual dollar amount of \$1,000 or less at the time of final contract closeout. The term "residual dollar amount" shall include all money that would otherwise be owed to either party at the end of the contract, except that, amounts connected in any way with taxation, allegations of fraud and/or antitrust violations shall be excluded. For purposes of determining residual dollar amounts, offsets of money owed by one party against money that would otherwise be paid by that party may be considered to the extent permitted by law.

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

(End of text)

C-243-H003 CONFIGURATION MANAGEMENT (NAVSEA) (JAN 2019)

(a) Baseline Definition - 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 in accordance with the requirements of the contract. If required, the Contractor's Configuration Management Plan shall be submitted through the appropriate Contract Data Requirements List (CDRL) for approval by the Government.

(2) Whenever a situation arises wherein the Contractor cannot comply with a baseline document, or whenever intent of such documentation is significantly changed by detail level documentation, the Contractor shall submit change documents to modify the baseline 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 such detail of related costs as to allow the Government to determine an equitable adjustment for the change document submission. 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. Requirements for cost and pricing data shall be determined by the gross amount of the change unless otherwise directed by the Contracting Officer. Change documentation shall be submitted to the Contracting Officer in accordance with the appropriate CDRL, and as described in paragraphs (c) through (f) below.

(c) Engineering Change Proposals (ECPs) - ECPs shall be prepared in accordance with the approved configuration management plan and the requirements of the contract. DI-SESS-80639D approved 7 April 2015, EIA-649-1 of Nov 2014 and MIL-HDBK-61A of 7 Feb 2001 apply. An ECP shall be submitted 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 (Specifications, Contract Drawings, etc.), and a change to the baseline document is considered an appropriate means of resolving a design-related issue. The contractor shall develop documentation in sufficient detail to enable Government review and evaluation of the merits of the proposed change, including cost and scheduling impact, ship class impact if applicable, and consequences if disapproved. List all existing drawings and technical manuals impacted by the change, including a brief narrative explanation of needed changes to incorporate the ECP if approved. Provide weight and moment data incidental to the change, if applicable. 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 (NECPs) - An NECP shall be submitted whenever necessary to document administrative, procedural, scheduling, or documentation changes that do not directly impact the physical configuration of the equipment. The NECP 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. Insert sheets for applicable documents shall also be attached to facilitate change action in the event the NECP is approved.

(e) Deviations/Waivers - 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 Variance. The explanation of "Need for Deviation/Waiver" in the DD1694 shall provide detailed justification and consequences of approval, to include technical details explaining the degree of non-compliance and the effect on ship equipment or system operation.

(f) Equitable Adjustments for Change Documentation Preparations - For its effort expended in preparing ECPs, NECPs, and Deviations/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 Contracting Officer, 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 Contracting Officer's approval for expenditure of effort to complete the detailed supporting documentation. In the event the Contracting Officer 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 Contracting Officer 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 Contracting Officer 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 Contracting Officer, the cost of developing such documentation shall be subject to equitable adjustment.

(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) Any cost reduction proposal submitted pursuant to the clause entitled "Value Engineering" (FAR 52.248-1) shall be submitted as a Value Engineering Change Proposal (VECP). The Contractor shall follow the VECP preparation requirements of FAR 52.248-1(c) and any additional guidance provided by the Contracting Officer.

(End of text)

C-244-H002 SUBCONTRACTORS/CONSULTANTS (NAVSEA) (OCT 2018)

Notwithstanding FAR 52.244-2(d) and in addition to the information required by FAR 52.244-2(e) of the contract, the contractor shall include the following information in requests to add subcontractors or consultants during performance, regardless of subcontract type or pricing arrangement:

- (1) Impact on subcontracting goals,
- (2) Impact on providing support at the contracted value,
- (3) IF SEAPORT TASK ORDER - The results of negotiations to incorporate fee rate caps no higher than the lower of (i) SeaPort-e fee rate caps for the prime contractor, or in the case where the proposed subcontractor is also a SeaPort-e prime, (ii) fee rate caps that are no higher than the subcontractor's prime SeaPort-e contract.

(End of text)

C-245-H005 INFORMATION AND DATA FURNISHED BY THE GOVERNMENT--ALTERNATE I (NAVSEA) (MAY 2019)

- (a) Contract Specifications, Drawings and Data. The Government will furnish, if not included as an attachment to the contract, any unique contract specifications or other design or alteration data cited or referenced in Section C.
- (b) Government Furnished Information (GFI). GFI is defined as that information essential for the installation, test, operation, and interface support of all Government Furnished Material identified in an attachment in Section J. The Government shall furnish only the GFI identified in an attachment in Section J. 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 as follows:

- (1) The Contracting Officer may at any time by written order:
 - (i) delete, supersede, or revise, in whole or in part, data identified in an attachment in Section J; or
 - (ii) add items of data or information to the attachment identified in Section J; or
 - (iii) establish or revise due dates for items of data or information in the attachment identified in Section J.

(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, the contractor may be entitled to an equitable adjustment in the contract amount and delivery schedule in accordance with the procedures provided for in the "CHANGES" clause of this contract.

(c) Except for the Government information and data specified by paragraphs (a) and (b) 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 identified in an attachment in Section J, the clause of this contract entitled "Government Property" (FAR 52.245-1) or "Government Property Installation Operation Services" (FAR 52.245-2), as applicable, or any other term or condition of this contract. Such referenced documentation may be obtained:

(1) From the ASSIST database via the internet at <https://assist.dla.mil/online/start/>; or

(2) By submitting a request to the

Department of Defense Single Stock Point (DoDSSP)
Building 4, Section D

700 Robbins Avenue
Philadelphia, Pennsylvania 19111-5094
Telephone (215) 697-6396
Facsimile (215) 697-9398.

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

(End of text)

C-245-H011 RENT-FREE USE OF GOVERNMENT PROPERTY (AS IS) (NAVSEA) (JAN 2019)

(a) The Contractor may use on a rent-free basis, as necessary for the performance of this contract, Government property (as defined in FAR 45.101) accountable under Contract(s)

N00024-15-C-5408

N00024-15-C-5420

N00024-16-C-5408

N00024-16-C-5433

N00024-17-C-5409

N00024-17-C-5410

N00024-17-C-5420

N00024-18-C-5400

N00024-18-C-5407

N00024-18-C-5417

N00024-18-G-5421

N00024-19-C-5418

N00024-20-C-5405

N00024-21-G-5421

N00024-21-C-5408

N00024-21-C-5417

N00024-21-C-5434

Contract Number	TE Identification	Duration
FA8675-06-C-0003	Balance station TP402484	Date of Contract Award– 31 Dec 2025
FA8675-13-C-0003	G2B7 TP404822 G2B7 TP404823 Leak and Fill station TP402119 XMTR support equipment TP100116	Date of Contract Award– 31 Dec 2025
FA8675-15-C-0022	G2B15 TP405389 G2B15 TP405104	Date of Contract Award– 31 Dec 2025
FA8675-18-C-0003	G2B7 TP404676	Date of Contract Award– 31 Dec 2025

The said property shall be governed by the terms and conditions of the contract(s) under which it is accountable. No representation or warranty is made by the Government as to the fitness or suitability of said property for its intended use under this contract; it being understood and agreed that the said property is being made available for use under this contract on an "as is" basis in accordance with paragraph (d)(2)(iii) of the clause entitled "Government Property" (FAR 52.245-1).

IDENTITY AND PERIOD OF AVAILABILITY OF GOVERNMENT PROPERTY

(b) If the Government limits or terminates the Contractor's authority to use the above referenced property and the Government's action affects the Contractor's ability to perform this contract, then an equitable adjustment shall be made in accordance with the terms and conditions of the "Changes" clause of this contract; provided, however, that if the limitation or termination is due to failure by the Contractor to perform its obligations under the above referenced contract(s), the Contractor shall be entitled only to such adjustment as the Contracting Officer determines to be appropriate under the circumstances.

(End of text)

C-245-H012 RENT-FREE USE OF GOVERNMENT PROPERTY (NAVSEA) (JAN 2019)

The Contractor may use on a rent-free, non-interference basis, as necessary for the performance of this contract, the Government property accountable under Contract(s)

N00024-15-C-5408

N00024-15-C-5420

N00024-16-C-5408

N00024-16-C-5433

N00024-17-C-5409

N00024-17-C-5410

N00024-17-C-5420

N00024-18-C-5400

N00024-18-C-5407

N00024-18-C-5417

N00024-18-G-5421

N00024-19-C-5418

N00024-20-C-5405

N00024-21-G-5421

N00024-21-C-5408

N00024-21-C-5417

N00024-21-C-5434

Contract Number	TE Identification	Duration
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FA8675-06-C-0003	Balance station TP402484	Date of Contract Award– 31 Dec 2025
FA8675-13-C-0003	G2B7 TP404822 G2B7 TP404823 Leak and Fill station TP402119 XMTR support equipment TP100116	Date of Contract Award– 31 Dec 2025
FA8675-15-C-0022	G2B15 TP405389 G2B15 TP405104	Date of Contract Award– 31 Dec 2025

The Contractor is responsible for scheduling the use of all property covered by the above referenced contract(s) and the Government shall not be responsible for conflicts, delays, or disruptions to any work performed by the Contractor due to use of any or all of such property under this contract or any other contracts under which use of such property is authorized.

(End of text)

C-246-H001 EXTENSION OF COMMERCIAL WARRANTY (NAVSEA) (OCT 2018)

The Contractor shall extend to the Government the full coverage of any standard commercial warranty normally offered in a similar commercial sale, provided that such warranty is available at no additional cost to the Government. The Contractor shall provide a copy of the standard commercial warranty with the item. The standard commercial warranty period shall begin upon the final acceptance of the applicable material or software. Acceptance of the standard commercial warranty does not waive the Government's rights under the "Inspection" clause, nor does it limit the Government's rights with regard to other terms and conditions of the contract. In the event of a conflict, the terms and conditions of the contract shall take precedence over the standard commercial warranty.

(End of text)

CLAUSES INCORPORATED BY FULL TEXT

C-246-H002 GOVERNMENT USE OF CONTRACTOR'S INSPECTION EQUIPMENT (NAVSEA) (OCT 2018)

The contractor's gages, measuring, and testing devices shall be made available to the Government when required to determine contractor conformance with contract requirements. If conditions warrant, the contractor's personnel shall be made available for operation of such devices and for verification of their accuracy and condition.

(End of text)

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C-251-H001 ACCESS TO THE NAVY SUPPLY SYSTEM (NAVSEA) (OCT 2018)

(a) In compliance with the comparability requirement of 10 U.S.C. 7314, Public and Private Shipyards will be provided equal access to the Naval Supply System. Use by private yards is permissive, not mandatory.

(b) Pursuant to the clause of this contract entitled "Government Supply Sources" (FAR 52.251-1) the Contracting Officer hereby authorizes the Contractor to place orders with the Navy Supply System for materials and equipment or other supplies necessary to perform the required work. The Naval Supply System shall process such orders in the same manner as it would for any other Navy supply user, and the Contractor shall make payment on account of materials and equipment and other supplies ordered or received in accordance with the normal requirements of the Naval Supply Systems Command, but in no event shall payment in full be any later than 30 days after receipt by the Contractor of each order. The Contractor shall pay the Naval Supply System any costs for materials, equipment, or other supplies obtained including any surcharges normally charged to any other Naval Supply System user.

(c) This contract has been priced on the basis that, except as specifically provided elsewhere in this contract with regards to Government furnished property, the Contractor shall provide all necessary materials, equipment and supplies for performance of this contract. If the Contractor uses the Naval Supply System, it has elected to use the system for its own convenience to meet its contractual obligations to perform the work under this contract. The Naval Supply System is considered to be an alternate source or vendor of contractor furnished material; therefore, materials, equipment, or other supplies ordered or obtained from the Naval Supply System are specifically not considered to be Government furnished material, but are considered to be contractor furnished material. The Government makes no representation as to the availability of materials, equipment, or other supplies for the performance of the work required under this contract, nor shall unavailability, late delivery, delivery of non-conforming supplies, higher costs of the Naval Supply System (if any), or any failure of the Naval Supply System to meet the expectations or requirements of the Contractor constitute excusable delay or grounds for equitable or any other adjustment to the contract or relief from the requirement to perform in accordance with the terms of the contract.

(End of text)

Section D - Packaging and Marking

SECTION D

Items 0002, 1222, and if exercised, Option Item(s)1002, 1003, 1218, 1219, 1221, 1223, 1503, 2002, 2003, 2220, 2222, 2223, 2224, 2503, 3002, 3220, 3222, 3503, 4002, 4003, 4220, 4222, 4224, 4503 – All items returned under these CLINs shall be packaged in accordance with best commercial practice and marked in accordance with MIL-STD-129P dated 19 September 2007 or latest version. If any special markings or instructions for packaging are needed by an individual DLMF or ILMF, the information will be provided in writing to the Contractor by the Government before shipping occurs.

CLAUSES INCORPORATED BY FULL TEXT

D-211-H001 PACKAGING OF DATA (NAVSEA) (OCT 2018)

Data to be delivered by Integrated Digital Environment (IDE) or other electronic media shall be as specified in the contract.

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

Classified reports, data, and documentation shall be prepared for shipment in accordance with National Industrial Security Program Operating Manual (NISPOM), DOD 5220.22-M dated 28 February 2006 incorporating Change 2 dated 18 May 2016.

(End of text)

D-211-H002 MARKING OF REPORTS (NAVSEA) (OCT 2018)

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

(1) name and business address of the Contractor

(2) contract number

(3) sponsor:

Raymond Lewis

(Name of Individual Sponsor)

NATO SEASPARROW Project Office

(Name of Requiring Activity)

Arlington, VA

(City and State)

(End of text)

D-211-H004 IDENTIFICATION MARKING OF PARTS--BASIC (NAVSEA) (OCT 2018)

For all parts not subject to the marking requirements in DFARS 252.211-7003 – Item Unique Identification and Valuation, 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.

(End of text)

D-211-H005 IDENTIFICATION MARKING OF PARTS – ALTERNATE I (NAVSEA) (OCT 2018)

(a) For all parts not subject to the marking requirements in DFARS 252.211-7003 – Item Unique Identification and Valuation, marking shall be accomplished in accordance with the following:

(1) Parts not manufactured to Government specifications shall be marked in accordance with generally accepted commercial practice.

(2) Parts manufactured to Government specifications shall be marked as follows:

(i) Electrical Parts - that is, all parts in electrical equipment and electrical parts when used in equipment which are not electrical in nature (e.g., electric controls and motors in a hydraulic system) - shall be identified and marked in accordance with MIL-STD-1285D(2) dated 22 June 2018, or, where MIL-STD-1285D(2) does not cover such a part, in accordance with MIL-STD-130N(1) dated 16 November 2012. Requirements of MIL-STD-1686C dated 25 October 1995 for Electrostatic Discharge Control shall be addressed.

(ii) Electronic Parts - that is, all parts in electronic equipment and electronic parts when used in equipment which are not electronic in nature (e.g., electronic fuel controls in some engines) - shall be identified and marked in accordance with Requirement 67 of MIL-HDBK-454B dated 15 April 2007 with Notice 1 dated 12 December 2012. Requirements of MIL-STD-1686C for Electrostatic Discharge Control shall be addressed.

(iii) Parts other than electrical or electronic parts (as described above) shall be identified and marked in accordance with MIL-STD-130N(1).

(b) 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.

(End of Text)

D-223-W001 EXPLOSIVE OR HAZARDOUS MATERIALS--PACKAGING & LABELING (NAVSEA) (OCT

2018)

(a) Packaging, Packing, Marking and Labeling of Explosive materials to be shipped by any mode or combination of transportation modes shall be prepared (properly classed, described, packaged, marked, labeled, placarded, etc.) for shipment in accordance with all applicable Department of Transportation/Department of Defense regulations in effect at time of shipment.

(b) In the event of a conflict between specific requirements in the contract or order and existing applicable regulations, the regulations take precedence. Under no circumstance shall the contractor knowingly use materials, markings or procedures that are not in accordance with law and regulations applicable to the mode of transportation employed.

Mode of Transportation/Applicable Regulation

1. Domestic Highway/A
2. Domestic Commercial Air/A, B
3. Export Surface/A, C, E
4. Export Commercial Air/A, B, E
5. Export Military Air/D, E

List of Regulations

- A. Code of Federal Regulations Title 49
- B. International Air Transport Association (IATA) Dangerous Goods Regulation
- C. International Maritime Organization (IMO) Dangerous Goods Regulation
- D. Air Force Joint Manual (AFJAM) Preparation of Hazardous Materials for Military Air Shipment
- E. Export shipments are also subject to the domestic regulations indicated to transport the material to the port of embarkation (POE).

(c) Markings listed below are a minimum for acceptance of the material:

1. Proper Shipping Name
2. UN Number
3. Name and Address of Shipper and Consignee

(d) Additional Required Markings for EXPLOSIVE Material:

1. National Stock Number _____ or Local Stock Number _____
2. Material Item Nomenclature
3. Lot # / Quantity contained in this package
4. Net Explosive Weight / Gross Weight of Package

(e) A packing list must be placed on the outside of the package with the shipping papers (i.e. DD 250, DD 1149, etc.) enclosed. The shipping papers must include the technical point of contact at Destination for Delivery. All other documentation should be placed in a separate packing list.

(End of text)

D-247-H004 MARKING AND PACKING LIST(S) – BASIC (NAVSEA) (OCT 2018)

(a) Marking. Shipments, shipping containers and palletized unit loads shall be marked in accordance with ASTM-D-3951-15 approved 1 December 2015, Standard Practice for Commercial Packing.

(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.

(End of text)

D-247-H005 MARKING AND PACKING LIST(S) – ALTERNATE I (NAVSEA) (OCT 2018)

- (a) Marking. Shipments, shipping containers and palletized unit loads shall be marked in accordance with MIL-STD-129R with Change 1 dated 24 May 2018.
- (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 in accordance with the above cited MIL-STD. 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 DD Form 1348-1 or DD Form 1348-1A is applicable and an assortment of related items is included in the shipping container, a packing list identifying the contents shall be furnished.
- (c) Master Packing List. In addition to the requirements in paragraph (b) above, a master packing list shall be prepared where more than one shipment, shipping container or palletized unit load comprise the contract line item being shipped. The master packing list shall be attached to the number one container and so identified.
- (d) Part Identification. All items within the kit, set, installation hardware or material shall be suitably segregated and identified within the unit pack(s) or shipping container by part number and/or national stock number. Refer to the above cited MIL-STD for marking of assorted (related-unrelated) items.

(End of text)

Section E - Inspection and Acceptance

SECTION E

Items 1004, 1005, 1009, 1013, 1017, 1021, 1025, 1029, 1031, 1033, 1037, 1043, 1045, 1047 1049, 1053, (and, if exercised, Option Items 1027, 1039, 2004, 2041, 2043, 2045, 2047, 3004, 3041, 3043, 3045, 3047, 4004, 4041, 4043, 4045, and 4047) - Induction, Test, Inspection, and Repair/Refurbishment: Acceptance of the items called for hereunder will be made by DCMA by signature on a DD Form 250.

Items 1010, 1022, 1030, 1050, 1054 - The monthly induction schedule will be agreed upon by the Government and Contractor prior to each month. Once repairs have been completed, acceptance will be made by DCMA by signature on a DD Form 250.

Item 5000 - Inspection and acceptance of all data shall be completed as specified on the attached Contract Data Requirements List(s), DD Form 1423.

INSPECTION AND ACCEPTANCE TERMS

Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
0002	Origin	Government	Origin	Government
000201	N/A	N/A	N/A	N/A

000202	N/A	N/A	N/A	N/A
000203	N/A	N/A	N/A	N/A
0004	Origin	Government	Origin	Government
000401	N/A	N/A	N/A	N/A
0202	N/A	N/A	N/A	N/A
0202AA	Origin	Government	Origin	Government
0202AB	Origin	Government	Origin	Government
0202AC	Origin	Government	Origin	Government
0203	Origin	Government	Origin	Government
020301	N/A	N/A	N/A	N/A
0205	Origin	Government	Origin	Government
020501	N/A	N/A	N/A	N/A
0206	Origin	Government	Origin	Government
020601	N/A	N/A	N/A	N/A
0208	Origin	Government	Origin	Government
020801	N/A	N/A	N/A	N/A
0209	Origin	Government	Origin	Government
020901	N/A	N/A	N/A	N/A
1001	Origin	Government	Origin	Government
1002	Origin	Government	Origin	Government
100201	N/A	N/A	N/A	N/A
100202	N/A	N/A	N/A	N/A
1003	Origin	Government	Origin	Government
1004	Origin	Government	Origin	Government
100401	N/A	N/A	N/A	N/A
100402	N/A	N/A	N/A	N/A
100403	N/A	N/A	N/A	N/A
100404	N/A	N/A	N/A	N/A

4221	Origin	Government	Origin	Government
4222	Origin	Government	Origin	Government
4223	Origin	Government	Origin	Government
4224	Origin	Government	Origin	Government
4225	Origin	Government	Origin	Government
4226	Origin	Government	Origin	Government
4227	Origin	Government	Origin	Government
4228	Origin	Government	Origin	Government
4229	Origin	Government	Origin	Government
4230	Origin	Government	Origin	Government
4231	Origin	Government	Origin	Government
4232	Origin	Government	Origin	Government
4233	Origin	Government	Origin	Government
4234	Origin	Government	Origin	Government
4235	Origin	Government	Origin	Government
4236	Origin	Government	Origin	Government
4237	Origin	Government	Origin	Government
4500	Origin	Government	Origin	Government
4501	Origin	Government	Origin	Government
4502	Origin	Government	Origin	Government
4503	Origin	Government	Origin	Government
4600	Origin	Government	Origin	Government
5000	Origin	Government	Origin	Government

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52.246-11 HIGHER-LEVEL CONTRACT QUALITY REQUIREMENT (DEC 2014)

(a) The Contractor shall comply with the higher-level quality standard(s) listed below.

1. Inspection and Test Quality Systems Requirements for Aviation, Space, and Defense Organizations, AS9003A, dated 31 July 2012
2. AS9100D, Quality Management Systems - Requirements for Aviation, Space, and Defense Organiz

(b) The Contractor shall include applicable requirements of the higher-level quality standard(s) listed in paragraph (a) of this clause and the requirement to flow down such standards, as applicable, to lower-tier subcontracts, in--

(1) Any subcontract for critical and complex items (see 46.203(b) and (c)); or

(2) When the technical requirements of a subcontract require--

(i) Control of such things as design, work operations, in-process control, testing, and inspection; or

(ii) Attention to such factors as organization, planning, work instructions, documentation control, and advanced metrology.

(End of clause)

E-246-H014 INSPECTION AND ACCEPTANCE OF ENGINEERING SERVICES (NAVSEA) (OCT 2018)

Item(s) 0004, 0202, 0203, 0205, 0206, 0208, 0209, 1004, 1200, 1201-1203, 1205-1209, 1210, 1213, 1214 (and, if exercised, Option Items 2004, 2201-2203, 2205-2209, 2212, 2217, 3004, 3201-3209, 3212, 4004, 4201-4209, 4212, 4215 - Inspection and acceptance shall be made by the Contracting Officer's Representative (COR) or a designated

representative of the Government.

(End of Text)

E-246-H020 QUALITY MANAGEMENT SYSTEM REQUIREMENTS (NAVSEA) (OCT 2018)

The Contractor shall provide and maintain a quality management system that, as a minimum, adheres to the requirements of ASQ/ANSI/ISO 9001:2015 “Quality Management Systems – Requirements” and supplemental requirements imposed by this contract. The quality management system procedures, planning, and all other documentation and data that comprise the quality management system shall be made available to the Government for review. Existing quality documents that meet the requirements of this contract may continue to be used. The Government may perform any necessary inspections, verifications, and evaluations to ascertain conformance to requirements and the adequacy of the implementing procedures. The Contractor shall flow down such standards, as applicable, to lower-tier subcontractors under instances covered in FAR 52.246-11(b) or at the direction of the Contracting Officer. The Government reserves the right to disapprove the quality management system or portions thereof when it fails to meet the contractual requirements.

(End of text)

E-246-H023 QUALITY REQUIREMENT FOR SOFTWARE DEVELOPMENT OR PRODUCTION (NAVSEA) (JAN 2019)

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

- (a) All deliverable software
- (b) All deliverable software that is included as part of deliverable hardware or firmware.
- (c) Non deliverable software (commercially available or user-developed) used for development, fabrication, testing, or acceptance of deliverable software or hardware (includes automated fabrication, test, and inspection/acceptance equipment software and software design, test, and inspection tools).
- (d) Commercially available, reusable, or Government software designated as part of a deliverable item.

(End of text)

E-246-W002 CERTIFICATE OF COMPLIANCE (NAVSEA) (OCT 2018)

(a) A certification of material shall be provided by the Contractor, one (1) copy to accompany the shipment (in the packing list envelope) and (1) copy mailed to arrive at time of receipt of the shipment. Mark all certificates to the attention of Code 00Q.

(b) The certificate shall state compliance of material with drawing specification and contract/order requirements. The certificate shall as a minimum state the company name, contract/order number, drawing or specification number, and date. The certificate shall state, above the signature of a legally authorized representative of the company, the following:

This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

(c) Failure to provide certification at the time of shipment may result in material being rejected and returned at the contractor's expense.

(d) The certificate shall read as follows:

I certify that on _____ [insert date], the _____ [insert Contractor's name] furnished the supplies called for by the Order/Contract No. _____ via _____ [Carrier] on _____ [identify the bill of lading or shipping document] in accordance with all applicable requirements. I further certify that the supplies or services are of the quality specified and conform in all respects with the contract requirements, including specifications, drawings, preservation, packaging, packing, marking requirements, and physical item identification (part number), and are in the quantity shown on this document.

Date of Execution: _____

Signature: _____

Typed Name: _____

Title: _____

(End of text)

E-246-W006 SAMPLING OF RECEIVED MATERIAL – ORDNANCE MATERIAL AND ORDNANCE COMPONENT PARTS (NAVSEA) (MAY 2021)

(a) When NAVSEA, Naval Surface Warfare Center Indian Head Division receipt inspects ordnance material and/or ordnance component parts, under this contract, for rockets, missiles and their related component parts; the sampling plan utilized shall be as outlined in the technical data package or as otherwise specified in other applicable controlling documentation. If the sampling plan is not specified within any applicable controlling documentation, the sampling plan and the sampling size shall be as outlined in the specification checked below:

☐ ASQ Z1.4 (ANSI/ASQ Z1.4 -2003 (R2018):

Critical: 100%

Major:

Minor:

☐ ASQ Z1.9 (ANSI/ASQ Z1.9 -2003 (R2018)):

Critical: 100%

Major:

Minor:

☐ [MIL-STD-1916](#) (DTD 1 APR 96 with NOTICE 2 DTD 5 JUN 14):

Critical: 100%

Major:

Minor:

☐ OTHER: *[Insert Applicable Specification]*

Critical: 100%

Major:

Minor:

(b) In all cases the acceptance number of defects will be ZERO (0), the entire lot will be rejected for any defect unless specifically otherwise specified by the inspection type and code.

(c) Notwithstanding the above, NAVSEA, Naval Surface Warfare Center Indian Head Division may, at its discretion, accept a defect on an approved waiver on a case-by-case basis.

(End of text)

E-246-W007 NOTIFICATION OF INSPECTION OR TEST (NAVSEA) (OCT 2018)

The Contractor agrees to notify the Government, in writing, when the material will be inspected and/or tested. A minimum of 30 working days is required to arrange such a visit.

(End of text)

CLAUSES INCORPORATED BY REFERENCE

52.242-15	Stop-Work Order	AUG 1989
52.242-15 Alt I	Stop-Work Order (Aug 1989) - Alternate I	APR 1984
52.242-17	Government Delay Of Work	APR 1984
52.247-29	F.O.B. Origin	FEB 2006
52.247-30	F.O.B. Origin, Contractor's Facility	FEB 2006
52.247-34	F.O.B. Destination	NOV 1991

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F-242-H001 CONTRACTOR NOTICE REGARDING LATE DELIVERY (NAVSEA) (OCT 2018)

In the event the contractor anticipates or encounters difficulty in complying with the contract delivery schedule or date, the contractor shall immediately notify, in writing, the Contracting Officer and the cognizant Contract Administration Services Office, if assigned. The notice shall give the pertinent details; however, such notice shall not constitute a waiver by the Government of any contract delivery schedule, or of any rights or remedies provided by law or under this contract.

(End of text)

F-247-H001 DELIVERY OF DATA (NAVSEA) (OCT 2018)

All data to be furnished under this contract shall be delivered prepaid to the destination(s) and at the time(s) specified on the Contract Data Requirements List(s), DD Form 1423.

(End of Text)

F-247-H003 F.O.B. ORIGIN (NAVSEA) (OCT 2018)

All supplies hereunder shall be delivered free of expense to the Government in accordance with instructions specified in the clause hereof entitled "F.O.B. Origin" (FAR 52.247-29) at or near the Contractor's plant, (Raytheon Technologies Corporation, 1151 E Hermans Road, Tucson, AZ 85756-9367), for shipment at Government expense (normally on Government bill(s) of lading) in accordance with the delivery instructions specified herein. This paragraph is required pursuant to 52.247-29 (a)(1).

The Contractor shall not ship directly to a military air or water port terminal without authorization by the cognizant Contract Administration Office.

If shipping instructions have not been provided within sixty (60) days prior to first scheduled delivery date, the Contractor shall submit a written request for shipping instructions to the Contracting Officer Representative (COR), with a copy to the cognizant Contract Administration Office.

All data to be furnished under this contract shall be delivered prepaid to destination(s) at the time(s) specified on the Contract Data Requirements List(s), DD Form 1423.

FMS item(s), if any, shall be shipped on a separate bill of lading and Interstate Commerce Act Section 10721 rates do not apply.

(End of text)

F-247-N001 METHOD OF SHIPMENT (NAVSEA) (FEB 2019)

The following dimensions are the maximum allowable sizes which will be accepted in an enclosed truck:

Plate/ Sheet stock: 4 FT X 7 FT, Max weight = 3,200 LBS

Pipe/ Tubing, Flat Bar/ Angle Bar, Beam(s) all configurations, and Barstock:

Up to 7 FT long with a max weight = 3,000 LBS

7 FT to 20 FT long with a max weight = 25,000 LBS

Any material in excess of the allowable limits stated above MUST be shipped in open flatbed trailers.

(End of text)

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252.232-7006 WIDE AREA WORKFLOW PAYMENT INSTRUCTIONS (DEC 2018)

(a) Definitions. As used in this clause—

“Department of Defense Activity Address Code (DoDAAC)” is a six position code that uniquely identifies a unit, activity, or organization.

“Document type” means the type of payment request or receiving report available for creation in Wide Area WorkFlow (WAWF).

“Local processing office (LPO)” is the office responsible for payment certification when payment certification is done external to the entitlement system.

“Payment request” and “receiving report” are defined in the clause at 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports.

(b) Electronic invoicing. The WAWF system provides the method to electronically process vendor payment requests and receiving reports, as authorized by Defense Federal Acquisition Regulation Supplement (DFARS) 252.232-7003, Electronic Submission of Payment Requests and Receiving Reports.

(c) WAWF access. To access WAWF, the Contractor shall—

(1) Have a designated electronic business point of contact in the System for Award Management at <https://www.sam.gov>; and

(2) Be registered to use WAWF at <https://wawf.eb.mil/> following the step-by-step procedures for self-registration available at this web site.

(d) WAWF training. The Contractor should follow the training instructions of the WAWF Web-Based Training Course and use the Practice Training Site before submitting payment requests through WAWF. Both can be accessed by selecting the “Web Based Training” link on the WAWF home page at <https://wawf.eb.mil/>.

(e) WAWF methods of document submission. Document submissions may be via web entry, Electronic Data Interchange, or File Transfer Protocol.

(f) WAWF payment instructions. The Contractor shall use the following information when submitting payment requests and receiving reports in WAWF for this contract or task or delivery order:

(1) Document type. The Contractor shall submit payment requests using the following document type(s):

(i) For cost-type line items, including labor-hour or time-and-materials, submit a cost voucher.

(ii) For fixed price line items—

(A) That require shipment of a deliverable, submit the invoice and receiving report specified by the Contracting Officer.

Invoice 2in1

(B) For services that do not require shipment of a deliverable, submit either the Invoice 2in1, which meets the requirements for the invoice and receiving report, or the applicable invoice and receiving report, as specified by the Contracting Officer.

Invoice 2in1

(iii) For customary progress payments based on costs incurred, submit a progress payment request.

(iv) For performance based payments, submit a performance based payment request.

(v) For commercial item financing, submit a commercial item financing request.

(2) Fast Pay requests are only permitted when Federal Acquisition Regulation (FAR) 52.213-1 is included in the contract.

[Note: The Contractor may use a WAWF “combo” document type to create some combinations of invoice and receiving report in one step.]

(3) Document routing. The Contractor shall use the information in the Routing Data Table below only to fill in applicable fields in WAWF when creating payment requests and receiving reports in the system.

Routing Data Table*

<i>Field Name in WAWF</i>	<i>Data to be entered in WAWF</i>
Pay Official DoDAAC	HQ0339
Issue By DoDAAC	N00024
Admin DoDAAC**	<u>S0305A</u>
Inspect By DoDAAC	<u>S0305A</u>
Ship To Code	See Section F
Ship From Code	N/A
Mark For Code	N/A
Service Approver (DoDAAC)	<u>S0305A</u>
Service Acceptor (DoDAAC)	<u>S0305A</u>
Accept at Other DoDAAC	N/A
LPO DoDAAC	HAA034
DCAA Auditor DoDAAC	N/A
Other DoDAAC(s)	N/A

(4) Payment request. The Contractor shall ensure a payment request includes documentation appropriate to the type of payment request in accordance with the payment clause, contract financing clause, or Federal Acquisition Regulation 52.216-7, Allowable Cost and Payment, as applicable.

(5) Receiving report. The Contractor shall ensure a receiving report meets the requirements of DFARS Appendix F.

(g) WAWF point of contact - Raymond.v.Lewis.civ@us.navy.mil

(1) The Contractor may obtain clarification regarding invoicing in WAWF from the following contracting activity's WAWF point of contact.

NAVSEA HQ WAWF Helpdesk: WAWFHQ@navy.mil

(2) Contact the WAWF helpdesk at 866-618-5988, if assistance is needed.

(End of clause)

G-216-H001 FIXED FEE WITHHOLD--FAR 52.216-8 CLARIFICATION (NAVSEA) (OCT 2018)

The Government will withhold 15% of each fixed fee payment starting with the first invoice submitted until a total of \$100,000 of fixed fee has been withheld. Withheld amounts will be released in accordance with FAR 52.216-8, Fixed Fee.

(End of text)

G-232-H001 ALLOTMENT OF FUNDS--BASIC (NAVSEA) (OCT 2018)

(a) This contract is incrementally funded with respect to both cost and fee. The table below sets out:

(1) The CLINs/SLINs covered by the clause of this contract entitled "Limitation of Funds" (FAR 52.232-22);

(2) The amount(s) presently available and allotted to this contract for payment of cost for incrementally funded CLINs/SLINs;

(3) The amount(s) presently available and allotted to this contract for payment of fee for incrementally funded contract line item number/contract subline item number (CLIN/SLIN), subject to the clause entitled "Fixed Fee" (FAR 52.216-8) or "Incentive Fee" (FAR 52.216-10); and;

(4) The period of performance for which it is estimated the allotted amount(s) will cover:

CLINs/ SLINs	ALLOTED TO COST	ALLOTED TO FEE	ALLOTED TOTAL	PERIOD OF PERFORMANCE
201	\$13,803.32	\$0.00	\$13,803.32	10/29/2021 – 12/31/2021
202	\$2,642.47	\$0.00	\$2,642.47	10/29/2021 – 12/31/2021
203	\$37,536.88	\$0.00	\$37,536.88	10/29/2021 – 12/31/2021
401	\$222,107.51	\$21,031.53	\$243,139.04	10/29/2021 – 12/31/2021
0202AB	\$66,200.46	\$6,268.57	\$72,469.03	10/29/2021 – 12/31/2021
0202AC	\$410,503.32	\$38,870.87	\$449,374.19	10/29/2021 – 12/31/2021
20301	\$18,352.21	\$1,737.79	\$20,090.00	10/29/2021 – 12/31/2021
20501	\$18,355.62	\$1,738.11	\$20,093.73	10/29/2021 – 12/31/2021
20601	\$39,446.13	\$3,735.18	\$43,181.31	10/29/2021 – 12/31/2021
20801	\$48,393.93	\$4,582.46	\$52,976.39	10/29/2021 – 12/31/2021
20901	\$7,742.73	\$733.16	\$8,475.89	10/29/2021 – 12/31/2021
100201	\$29,976.39	\$0.00	\$29,724.82	08/01/2022 - 12/31/2022
100202	\$3,017	\$0.00	\$3,017.00	08/01/2022 - 12/31/2022
100401	\$127,480.75	\$12,071.25	\$139,552.00	08/01/2022 - 12/31/2022
100402	\$99,388.80	\$9,411.20	\$108,800.00	08/01/2022 - 12/31/2022
100403	\$26,900.75	\$2,547.25	\$29,448.00	08/01/2022 - 12/31/2022
100404	\$78,977.56	\$7,478.44	\$86,456.00	08/01/2022 - 12/31/2022
100405	\$23,107.90	\$2,188.10	\$25,296.00	08/01/2022 - 12/31/2022
100406	\$39,317.04	\$3,722.96	\$43,040.00	08/01/2022 - 12/31/2022
100407	\$33,105.24	\$3,134.76	\$36,240.00	08/01/2022 - 12/31/2022
100408	\$16,552.62	\$1,567.38	\$18,120.00	08/01/2022 - 12/31/2022
100409	\$37,248.88	\$3,527.12	\$40,776.00	08/01/2022 - 12/31/2022
100501	\$896,329.85	\$84,874.15	\$981,204.00	08/01/2022 - 12/31/2025
100901	\$374,970.74	\$35,506.26	\$410,477.00	08/01/2022 - 12/31/2025
101001	\$618,441.33	\$58,560.67	\$677,002.00	08/01/2022 - 12/31/2025
101301	\$190,010.89	\$17,992.27	\$208,003.16	08/01/2022 - 12/31/2025

101701	\$19,183.50	\$1,816.50	\$21,000.00	08/01/2022 - 12/31/2025
101702	\$1,212.08	\$114.77	\$1,326.85	08/01/2022 - 12/31/2025
101703	\$79,236.99	\$7,503.01	\$86,740.00	08/01/2022 - 12/31/2025
101704	\$956.58	\$90.58	\$1,047.16	08/01/2022 - 12/31/2025
101705	\$54,688.50	\$5,178.50	\$59,867.00	08/01/2022 - 12/31/2025
101706	\$70,786.20	\$6,702.80	\$77,489.00	08/01/2022 - 12/31/2025
101707	\$18,472.84	\$1,749.21	\$20,222.05	08/01/2022 - 12/31/2025
101708	\$4,166.14	\$394.49	\$4,560.63	08/01/2022 - 12/31/2025
102101	\$82,215.00	\$7,785.00	\$90,000.00	08/01/2022 - 12/31/2025
102102	\$49,329.00	\$4,671.00	\$54,000.00	08/01/2022 - 12/31/2025
102103	\$27,516.68	\$2,605.57	\$30,122.25	08/01/2022 - 12/31/2025
102201	\$35,900.23	\$3,099.77	\$39,000.00	DOA - 12/31/2025
102501	\$612,947.51	\$58,040.46	\$670,987.97	08/01/2022 - 12/31/2025
102901	\$320,458.33	\$30,344.44	\$350,802.77	08/01/2022 - 12/31/2025
103301	\$74,647.89	\$6,455.49	\$81,103.38	08/01/2022 - 12/31/2025
103701	\$182,119.79	\$17,245.06	\$199,364.85	08/01/2022 - 12/31/2025
104501	\$15,799.17	\$1,496.04	\$17,295.21	08/01/2022 - 12/31/2022
104502	\$7,038.33	\$666.46	\$7,704.79	08/01/2022 - 12/31/2022
104701	\$6,735.14	\$637.76	\$7,372.90	08/01/2022 - 12/31/2022
104702	\$3,868.60	\$366.32	\$4,234.92	08/01/2022 - 12/31/2022
104703	\$13,280.46	\$1,257.54	\$14,538.00	08/01/2022 - 12/31/2022
104704	\$6,446.57	\$610.43	\$7,057.00	08/01/2022 - 12/31/2022
104705	\$12,894.75	\$1,221.01	\$14,115.76	08/01/2022 - 12/31/2022
104706	\$6,044.47	\$572.35	\$6,616.82	08/01/2022 - 12/31/2022
104707	\$7,252.30	\$686.73	\$7,939.03	08/01/2022 - 12/31/2022
104708	\$1,288.95	\$122.05	\$1,411.00	08/01/2022 - 12/31/2022
104709	\$11,685.14	\$1,106.48	\$12,791.62	08/01/2022 - 12/31/2022
1049AB	\$102,597.06	\$9,714.99	\$112,312.05	08/01/2022 - 12/31/2022
1050AB	\$267,122.40	\$25,294.02	\$292,416.42	08/01/2022 - 12/31/2022
120001	\$4,455.96	\$421.94	\$4,877.90	08/01/2022 - 12/31/2022
120002	\$1,679.01	\$158.99	\$1,838.00	08/01/2022 - 12/31/2022
120003	\$9,858.63	\$933.52	\$10,792.15	08/01/2022 - 12/31/2022
120004	\$2,884.52	\$273.14	\$3,157.66	08/01/2022 - 12/31/2022
120005	\$2,497.77	\$236.52	\$2,734.29	08/01/2022 - 12/31/2022
120201	\$519,091.10	\$49,153.13	\$568,244.23	08/01/2022 - 12/31/2022
120601	\$32,218.45	\$2,781.55	\$35,000.00	DOA - 12/31/2022
120701	\$15,820.91	\$1,498.09	\$17,319.00	08/01/2022 - 12/31/2022
120702	\$11,510.10	\$1,089.90	\$12,600.00	08/01/2022 - 12/31/2022
120703	\$2,449.09	\$231.91	\$2,681.00	08/01/2022 - 12/31/2022
120704	\$9,872.19	\$934.81	\$10,807.00	08/01/2022 - 12/31/2022
120705	\$2,888.49	\$273.51	\$3,162.00	08/01/2022 - 12/31/2022

120706	\$4,914.63	\$465.37	\$5,380.00	08/01/2022 - 12/31/2022
120707	\$4,138.15	\$391.85	\$4,530.00	08/01/2022 - 12/31/2022
120708	\$2,069.08	\$195.92	\$2,265.00	08/01/2022 - 12/31/2022
120709	\$4,656.11	\$440.89	\$5,097.00	08/01/2022 - 12/31/2022
120801	\$26,895.27	\$2,546.73	\$29,442.00	08/01/2022 - 12/31/2022
120802	\$19,567.17	\$1,852.83	\$21,420.00	08/01/2022 - 12/31/2022
120803	\$5,716.68	\$541.32	\$6,258.00	08/01/2022 - 12/31/2022
120804	\$16,782.82	\$1,589.18	\$18,372.00	08/01/2022 - 12/31/2022
120805	\$4,910.06	\$464.94	\$5,375.00	08/01/2022 - 12/31/2022
120806	\$8,354.87	\$791.13	\$9,146.00	08/01/2022 - 12/31/2022
120807	\$7,034.86	\$666.14	\$7,701.00	08/01/2022 - 12/31/2022
120808	\$3,517.89	\$333.11	\$3,851.00	08/01/2022 - 12/31/2022
120809	\$7,915.48	\$749.52	\$8,665.00	08/01/2022 - 12/31/2022
121801	\$26,816.50	\$2,539.27	\$29,355.77	08/01/2022 - 12/31/2022
121901	\$18,180.48	\$1,721.52	\$19,902.00	08/01/2022 - 12/31/2022
121902	\$8,636.02	\$817.75	\$9,453.77	08/01/2022 - 12/31/2022
122101	\$21,335.50	\$2,020.27	\$23,355.77	08/01/2022 - 12/31/2022
122201	\$18,407.92	\$1,592.08	\$20,000.00	DOA-12/31/2022
150001	\$151,053.25	\$14,303.35	\$165,356.60	08/01/2022 - 12/31/2022
150002	\$44,129.13	\$4,178.62	\$48,307.75	08/01/2022 - 12/31/2022
150003	\$129,558.14	\$12,267.96	\$141,826.10	08/01/2022 - 12/31/2022
150004	\$64,497.35	\$6,107.30	\$70,604.65	08/01/2022 - 12/31/2022
150005	\$26,819.88	\$2,539.60	\$29,359.48	08/01/2022 - 12/31/2022
150101	\$27,405.00	\$2,595.00	\$30,000.00	08/01/2022 - 12/31/2022
150201	\$2,345.31	\$222.08	\$2,567.39	08/01/2022 - 12/31/2022
150202	\$323.53	\$30.63	\$354.16	08/01/2022 - 12/31/2022
150203	\$1,388.31	\$131.46	\$1,519.77	08/01/2022 - 12/31/2022
150204	\$673.88	\$63.81	\$737.69	08/01/2022 - 12/31/2022
150205	\$1,078.36	\$102.11	\$1,180.47	08/01/2022 - 12/31/2022
150206	\$505.49	\$47.86	\$553.35	08/01/2022 - 12/31/2022
150207	\$606.49	\$57.43	\$663.92	08/01/2022 - 12/31/2022
150208	\$107.79	\$10.21	\$118.00	08/01/2022 - 12/31/2022
150209	\$977.20	\$92.53	\$1,069.73	08/01/2022 - 12/31/2022
150301	\$25,339.20	\$2,399.39	\$27,738.59	08/01/2022 - 12/31/2022
150302	\$37,907.17	\$3,589.46	\$41,496.63	08/01/2022 - 12/31/2022
150303	\$82.36	\$7.80	\$90.16	08/01/2022 - 12/31/2022
150304	\$61,104.64	\$5,786.04	\$66,890.68	08/01/2022 - 12/31/2022
150305	\$59,344.61	\$5,619.39	\$64,964.00	08/01/2022 - 12/31/2022
TOTAL:	\$7,035,872.15	\$656,687.17	\$7,692,559.32	

(b) The parties contemplate that the Government will allot additional amounts to this contract from time to time for the incrementally funded CLINs/SLINs by unilateral contract modification, and any such modification shall state

separately the amount(s) allotted for cost, the amount(s) allotted for fee, the CLINs/SLINs covered thereby, and the period of performance which the amount(s) are expected to cover.

(c) Performance under CLINs/SLINs **1041**, 1201, 1203, 1205, 1209, 1210, 1214, 1217, and 1223, which are fully funded is subject to the clause of this contract entitled "Limitation of Cost" (FAR 52.232-20).

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

(e) The Fixed Fee on this contract is 8.65% of fee bearing costs unless and until otherwise stated in a modification to this contract. ODC and FCCM are non-fee bearing. The Allotment of Funds Table is a calculation of obligated funds for each SLIN where fee is 8.65%; however, ITEMS X002 is cost only, and X004 has adjusted the Allotted to Cost and Allotted to Fee to removed ODCs from Fee

(End of text)

G-232-H002 PAYMENT INSTRUCTIONS AND CONTRACT TYPE SUMMARY FOR PAYMENT OFFICE (NAVSEA) (JUN 2018)

(a) The following table of payment office allocation methods applies to the extent indicated.

For Government Use Only					
Contract/Order Payment Clause	Type of Payment Request	Supply	Service	Construction	Payment Office Allocation Method
52.212-4 (Alt I), Contract Terms and Conditions—Commercial Items 52.216-7, Allowable Cost and Payment 52.232-7, Payments under Time-and-Materials and Labor-Hour Contracts	Cost Voucher	X	X	N/A	Line item specific proration. If there is more than one ACRN within a deliverable line or deliverable subline item, the funds will be allocated in the same proportion as the amount of funding currently unliquidated for each ACRN on the deliverable line or deliverable subline item for which payment is requested.
52.232-1, Payments	Navy Shipbuilding Invoice (Fixed Price)	X	N/A	N/A	Line Item specific by fiscal year. If there is more than one ACRN within a deliverable line or deliverable subline item, the funds will be allocated using the oldest funds. In the event of a deliverable line or deliverable subline item with two ACRNs with the same fiscal year, those amounts will be prorated to the available unliquidated funds for that year.

Contract/Order Payment Clause	Type of Payment Request	Supply	Service	Construction	Payment Office Allocation Method
52.232-1, Payments; 52.232-2, Payments under Fixed-Price Research and Development Contracts; 52.232-3, Payments under Personal Services Contracts; 52.232-4, Payments under Transportation Contracts and Transportation-Related Services Contracts; and 52.232-6, Payments under Communication Service Contracts with Common Carriers	Invoice	X	X	N/A	Line Item Specific proration. If there is more than one ACRN within a deliverable line or deliverable subline item, the funds will be allocated in the same proportion as the amount of funding currently unliquidated for each ACRN on the deliverable line or deliverable subline item for which payment is requested.
52.232-5, Payments Under Fixed-Price Construction Contracts	Construction Payment Invoice	N/A	N/A	X	Line Item specific by fiscal year. If there is more than one ACRN within a deliverable line or deliverable subline item, the funds will be allocated using the oldest funds. In the event of a deliverable line or deliverable subline item with two ACRNs with the same fiscal year, those amounts will be prorated to the available unliquidated funds for that year.
52.232-16, Progress Payments	Progress Payment*	X	X	N/A	Contract-wide proration. Funds shall be allocated in the same proportion as the amount of funding currently unliquidated for each ACRN. Progress Payments are considered contract level financing, and the "contract price" shall reflect the fixed price portion of the contract per FAR 32.501-3.
52.232-29, Terms for Financing of Purchases of Commercial Items; 52.232-30, Installment Payments for Commercial Items	Commercial Item Financing*	X	X	N/A	Specified in approved payment. The contracting officer shall specify the amount to be paid and the account(s) to be charged for each payment approval in accordance with FAR 32.207(b)(2) and 32.1007(b)(2).
52.232-32, Performance-Based Payments	Performance-Based Payments*	X	X	N/A	Specified in approved payment. The contracting officer shall specify the amount to be paid and the account(s) to be charged for each payment approval in accordance with FAR 32.207(b)(2) and 32.1007(b)(2).
252.232-7002, Progress Payments for Foreign Military Sales Acquisitions	Progress Payment*	X	X	N/A	Allocate costs among line items and countries in a manner acceptable to the Administrative Contracting Officer.

Contract/Order Payment Clause	Type of Payment Request	Supply	Service	Construction	Payment Office Allocation Method
*Liquidation of Financing Payments. Liquidation will be applied by the payment office against those ACRNs which are identified by the payment instructions for the delivery payment and in keeping with the liquidation provision of the applicable contract financing clause (i.e., progress payment, performance-based payment, or commercial item financing).					

(b) This procurement contains the following contract type(s):

<u>Item</u>	<u>Type*</u>
<u>FP</u>	
<u>CR</u>	<u>0002, 0004, 0202-0203, 0205-0206, 0208-0209, 1002, 1004, 1005, 1009, 1010, 1013, 1017, 1021, 1022, 1025, 1027, 1029, 1030, 1031, 1033, 1037, 1039, 1043, 1045, 1047, 1049, 1050, 1053, 1054, 1200-1203, 1205-1210, 1213, 1214, 1217-1219, 1221-1223, 1500-1503, 2002, 2004, 2041, 2043, 2045, 2047, 2201-2203, 2205-2209, 2212, 2217, 2220, 2222, 2223, 2224, 2500-2503, 3002, 3004, 3041, 3043, 3045, 3047, 3201-3209, 3212, 3217, 3220, 3222, 3223, 3500-3503, 4002, 4004, 4041, 4043, 4045, 4047, 4201-4209, 4212, 4215, 4217, 4220, 4222, 4500-4503</u>
<u>NSP</u>	<u>5000</u>

*CR – Cost-Reimbursement

FP – Fixed Price

(End of text)

G-232-H005 SUPPLEMENTAL INSTRUCTIONS REGARDING INVOICING (NAVSEA) (JAN 2019)

(a) For other than firm fixed priced contract line item numbers (CLINs), the Contractor agrees to segregate costs incurred under this contract/task order (TO), as applicable, at the lowest level of performance, either at the sub line item number (SLIN) or CLIN level, rather than at the total contract/TO level, and to submit invoices reflecting costs incurred at that level. Supporting documentation in Wide Area Workflow (WAWF) for invoices shall include summaries of work charged during the period covered as well as overall cumulative summaries by individual labor categories, rates, and hours (both straight time and overtime) invoiced; as well as, a cost breakdown of other direct costs (ODCs), materials, and travel, by technical instruction (TI), SLIN, or CLIN level. For other than firm fixed price subcontracts, subcontractors are also required to provide labor categories, rates, and hours (both straight time

and overtime) invoiced; as well as, a cost breakdown of ODCs, materials, and travel invoiced. Supporting documentation may be encrypted before submission to the prime contractor for WAWF invoice submittal. Subcontractors may email encryption code information directly to the Contracting Officer and Contracting Officer Representative (COR). Should the subcontractor lack encryption capability, the subcontractor may also email detailed supporting cost information directly to the Contracting Officer and COR; or other method as agreed to by the Contracting Officer.

(b) Contractors submitting payment requests and receiving reports to WAWF using either Electronic Data Interchange (EDI) or Secure File Transfer Protocol (SFTP) shall separately send an email notification to the COR and Contracting Officer on the same date they submit the invoice in WAWF. No payments shall be due if the contractor does not provide the COR and Contracting Officer email notification as required herein.

(End of text)

G-232-W001 PROMPT PAYMENT (FAR 52.232-25) REVISED CONSTRUCTIVE ACCEPTANCE PERIOD (NAVSEA) (OCT 2018)

In accordance with FAR 32.904(b)(1)(ii)(B)(4), the Contracting Officer has determined that more than seven days are needed for constructive acceptance. Contractors are hereby advised that the constructive acceptance period established in paragraph (a) (5) (i) of FAR clause 52.232-25, Prompt Payment is revised to 15 days in lieu of 7 working days.

(End of text)

G-242-H001 GOVERNMENT CONTRACT ADMINISTRATION POINTS-OF-CONTACT AND RESPONSIBILITIES (NAVSEA) (OCT 2018)

(a) The Government reserves the right to administratively substitute any of the points of contact listed below at any time.

(b) The contracting officer is the only person authorized to change this contract or orders issued thereunder. The Contractor shall not comply with any order, direction or request of Government personnel - that would constitute a change - unless it is issued in writing and signed by the Contracting Officer or is pursuant to specific authority otherwise included as part of this contract. If, in the opinion of the contractor, an effort outside the existing scope of this contract is requested, the contractor shall promptly comply with the Notification of Changes clause of this contract.

(c) The points of contact are as follows:

- (i) The Procuring Contracting Officer (PCO) is:
 - Name: Mr. Brendan Byrne
 - Address: COMMANDER
 - NAVAL SEA SYSTEMS COMMAND 02541
 - 1333 ISAAC HULL AVENUE SE STOP 2040
 - WASHINGTON NAVY YARD DC 20376 -2040
 - Phone: 202-781-2835;
 - E-mail: brendan.p.byrne4.civ@us.navy.mil

(iii) The Administrative Contracting Officer (ACO) is:

Name: CAPT Rose Bennett

Address: DEFENSE CONTRACT MANAGEMENT ADMINISTRATION (DCMA)

P.O. Box 11337, BLDG 801 M/S J2

Tucson, AZ 85734-1337

Phone: 520-794-5591

E-mail: rose.o.bennett.mil@mail.mil

(d) The Contracting Officer's Representative (COR) is the contracting officer's appointed representative for technical matters. The COR is not a contracting officer and does not have the authority to direct the accomplishment of effort which is beyond the scope of the contract or to otherwise change any contract requirements. An informational copy of the COR appointment letter, which provides a delineation of COR authority and responsibilities, will be provided upon award of this contract.

Name: Raymond V. Lewis

Address: PROGRAM EXECUTIVE OFFICE INTEGRATED WARFARE SYSTEMS

NATO Seasparrow Program Office

2550 South Clark Street, SUITE 700

Arlington, VA 22202-3862

Phone: (Area Code) 703-607-7084

E-mail: raymond.lewis.civ@us.navy.mil

(End of text)

G-242-H002 HOURS OF OPERATION AND HOLIDAY SCHEDULE (NAVSEA) (JUL 2021)

(a) The policy of this activity is to schedule periods of reduced operations or shutdown during holiday periods. Deliveries will not be accepted on Saturdays, Sundays or Holidays except as specifically requested by the [insert activity name]. All goods or services attempted to be delivered on a Saturday, Sunday or Holiday without specific instructions from the Contracting Officer or his duly appointed representative will be returned to the contractor at the contractor's expense with no cost or liability to the U.S. Government.

(b) The federal Government observes public Holidays that have been established under 5 U.S.C. 6103. The actual date of observance for each of the holidays, for a specific calendar year, may be obtained from the OPM website at OPM.GOV or by using the following direct link:

<https://www.opm.gov/policy-data-oversight/pay-leave/federal-holidays/>.

(c) Delayed Opening, Early Dismissal and Closure of Government Facilities. When a Government facility has a delayed opening, is closed or Federal employees are dismissed early (due to severe weather, security threat, security exercise, or a facility related problem) that prevents personnel from working, onsite contractor personnel regularly assigned to work at that facility shall follow the same reporting and/or departure directions given to Government personnel. The contractor shall not direct charge to the contract for such time off, but shall follow parent company policies regarding taking leave (administrative or other). Non-essential contractor personnel, who are not required to remain at or report to the facility, shall follow their parent company policy regarding whether they should go/stay home or report to another company facility. Subsequent to an early dismissal, delayed opening, or during periods of inclement weather, onsite contractors should monitor the OPM website as well as radio and television announcements before departing for work to determine if the facility is closed or operating on a delayed arrival basis.

(d) When Federal employees are excused from work due to a holiday or a special event (that is unrelated to severe weather, a security threat, or a facility related problem), on site contractors shall continue working established work hours or take leave in accordance with parent company policy. Those contractor employees who take leave shall not direct charge the non-working hours to the contract. Contractors are responsible for predetermining and disclosing

their charging practices for early dismissal, delayed openings, or closings in accordance with the FAR, applicable cost accounting standards, and the company's established policy and procedures. Contractors shall follow their disclosed charging practices during the contract period of performance, and shall not follow any verbal directions to the contrary. The Contracting Officer will make the determination of cost allowability for time lost due to facility closure in accordance with FAR, applicable Cost Accounting Standards, and the Contractor's established accounting policy and procedures.

(e) If you intend to visit the Contracts Office, it is advised that you call for an appointment at least 24 hours in advance.

(f) The hours of operation are as follows:

AREA	FROM	TO
NAVAL SEA SYSTEMS COMMAND	0900	1500

(g) All deliveries to the Receiving Officer, 1151 E. HERMANS ROAD TUCSON, AZ 85756-9367, shall be made Monday through Friday from 0900, local time. Deliveries will not be accepted after 1500. No deliveries will be accepted on federal government holidays.

(End of text)

G-242-W001 CONTRACT ADMINISTRATION FUNCTIONS (NAVSEA) (OCT 2018)

(a) In accordance with FAR 42.302(a) all functions listed are delegated to the ACO except the following items to be retained by the PCO:

FAR 42.302(a)(10), (23), (24), (25), (29), (30)(v), (52), (63), (64), (70)

(b) In accordance with FAR 42.302(b), the following additional functions are delegated to the ACO:

FAR 43.302(b)(1) and (6)

(End of text)

Section H - Special Contract Requirements

H-1

GRACE PERIOD IN PURSUIT OF COMPLIANCE TO CLAUSE H-246-H001, CALIBRATION SYSTEM REQUIREMENTS

This clause is to be interpreted as a supplement to clause H-246-H001. During the Government authorized grace period, the contractor's calibration system is considered adequate only for performance of this contract. The contractor's current calibration system is compliant to calibration standard ANSI/NCSL Z540-1, Calibration Laboratories and Measuring Test Equipment – General Requirements.

The Government authorized grace period is for the contractor to become certified to Navy Standard NAVSEA 04-4734B and it will commence at date of contract award and will continue until Raytheon Missile Defense (Raytheon) is certified to Navy Standard NAVSEA 04-4734B. The Government may perform a pre-assessment of the Raytheon calibration system's compliance to Navy Standard NAVSEA 04-4734B 60 days after date of award. Furthermore, the Government may commence the audit/process for certification to Navy Standard NAVSEA 04-4734B 120 days after completion of the pre-assessment.

If findings occur, the contractor shall resolve the findings within a 45 day period. If 45 days is insufficient for one or more findings, then the contractor and the Government will agree upon a schedule for the contractor to resolve the findings. In doing so, the Government authorized grace period will cover the schedule for resolution of findings and the receipt of contractor certification to Navy Standard NAVSEA 04-4734B.

H2 REPRICING CLAUSE**REPRICING CLAUSE – EXTERNAL SEVERANCE RESTRUCTURING COSTS IN FORWARD PRICING RATE AGREEMENT – DOWNWARD ADJUSTING ONLY**

(a) The Government acknowledges that Raytheon Technologies Corporation (hereafter referred to as the “Contractor”) submitted an External Restructuring Proposal for Severance Cost, dated 21 December 2020, in accordance with DFARS PGI 231.205-70. The Government and the Contractor (hereafter referred to as the “parties”) further acknowledge that this contract action is being awarded prior to approval of an advance agreement for external restructuring costs and savings for severance cost. The parties acknowledge that this contract action is being awarded via the utilization of 1 December 2021 Forward Pricing Rate Agreement (FPRA) which includes external restructuring severance cost as identified under Table 1 herein.

Table 1: External Restructuring Severance Cost Included Within 12/1/2021 FPRA		
Calendar Year 2022	\$7,498,799	0.06% for each G&A pool
Calendar Year 2023	\$7,443,508	0.06% for each G&A pool
Calendar Year 2024	\$7,387,985	0.06% for each G&A pool
Calendar Year 2025	\$7,346,417	0.06% for each G&A pool

(b) The parties hereby agree that for any external severance restructuring costs included within the forthcoming approved external restructuring advance agreement which differ from what is identified under Table 1 herein, the price of this contract shall be reduced to reflect removal of the delta costs from all General and Administrative (G&A) expense pool(s) under which these costs were allowed. In no event shall an upward adjustment to the awarded contract price result. In the event that an external restructuring advance agreement for severance cost is not approved, the Contractor agrees to a downward-only adjustment to remove the external restructuring severance cost from all G&A pool(s), as identified in Table 1. To calculate the impact of this inclusion, the parties hereby agree to multiply 0.06% by the applicable G&A base for each G&A pool for each year of contract performance.

(c) In the event DCMA’s approved external restructuring advance agreement for severance cost accepts costs that differ from Table 1, the Contractor shall notify the Procuring Contracting Officer, within 45 days after said approved advance agreement, of the opportunity to adjust contract and option prices to capture the delta impact, regardless of whether option(s) has/have been exercised. Said notification shall clearly articulate and substantiate the basis and derivation of the impact calculation for each G&A pool. The Contractor is not required to submit a FAR/DFARS compliant proposal to support the notification requirement of this paragraph. In the event that DCMA provides an updated calculation that the parties mutually agree accurately reflects the approved DCMA external restructuring advance agreement, the parties agree that the calculation in paragraph (b) shall be used with the updated number substituted for 0.06% where a downward adjustment result.

(d) If determined necessary by the Procuring Contracting Officer, the Contractor agrees to commence negotiations concerning the adjustment amount within 30 days after receipt of the impact notification by the Government.

CLAUSES INCORPORATED BY FULL TEXT**H-216-H002 LEVEL OF EFFORT--ALTERNATE I (NAVSEA) (OCT 2018)**

(a) The total level of effort for the performance of this contract is specified in Section B and includes prime and subcontractor direct labor (for those subcontractors specifically identified in the Contractor's proposal as having hours included in the proposed level of effort).

(b) Of the total man-hours of direct labor set forth in Section B, it is estimated that _____ (Offeror to fill-in) man-hours are uncompensated effort.

Uncompensated effort is defined as hours provided by personnel in excess of 40 hours per week without additional compensation for such excess work. All other effort is defined as compensated effort. If no effort is indicated in the first sentence of this paragraph, uncompensated effort performed by the Contractor shall not be counted in fulfillment of the level of effort obligations under this contract.

(c) Effort performed in fulfilling the total level of effort obligations specified in Section B shall only include effort performed in direct support of this contract and shall not include time and effort expended on such things as local travel

to and from an employee's usual work location, uncompensated effort while on travel status, truncated lunch periods, work (actual or inferred) at an employee's residence or other non-work locations (except as provided in paragraph (i) below), or other time and effort which does not have a specific and direct contribution to the tasks described in Sections B and C.

(d) The level of effort for this contract shall be expended at an average rate of approximately 19% of the yearly authorized hours per week. It is understood and agreed that the rate of man-hours per week may fluctuate in pursuit of the technical objective, provided such fluctuation does not result in the use of the total man-hours of effort prior to the expiration of the term hereof, except as provided in the following paragraphs.

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

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

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

(h) Within 45 days after completion of the work under each separately identified period of performance hereunder, the Contractor shall submit the following information in writing to the Contracting Officer with copies to the cognizant Contract Administration Office and to the Defense Contract Audit Agency office to which vouchers are submitted: (1) the total number of man-hours of direct labor expended during the applicable period that separately identifies compensated and uncompensated hours; (2) a breakdown of this compensated total showing the number of man-hours expended in each direct labor classification and associated direct and indirect costs; (3) a breakdown of other costs incurred; and (4) the Contractor's estimate of the total allowable cost incurred under the contract for the period. Additionally, in the case of a cost underrun the Contractor shall submit the amount by which the estimated cost of this contract may be reduced to recover excess funds. All submissions shall include subcontractor information.

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

(j) Notwithstanding any of the provisions in the above paragraphs and subject to the Limitation of Funds or Limitation of Cost clauses, as applicable, the period of performance may be extended at the discretion of the Contracting Officer, and the estimated cost may be increased in order to permit the Contractor to provide all of the man-hours listed in Section B. The contractor shall continue to be paid fee for each man-hour performed in accordance with the terms of the contract.

(End of text)

H-246-H001 CALIBRATION SYSTEM REQUIREMENTS (NAVSEA) (DEC 2020)

(a) Definitions:

(1) Test, Measurement, and Diagnostic Equipment (TMDE). Includes all devices used to measure, calibrate, gage, test, inspect, diagnose, or otherwise examine materials, supplies, and equipment to quantitatively or qualitatively determine compliance with specifications and tolerances, engineering drawings, technical orders, technical manuals, or use requirements and instructions.

(2) Calibration Standard. A measuring instrument or artifact used as a reference to establish and maintain the accuracy of other measuring instruments or artifacts. Calibration standards may be used to calibrate other standards of lesser accuracy or to calibrate test and measurement equipment directly.

(3) Calibration. The comparison of a measurement system or device of unverified accuracy with a measurement system of known and greater accuracy to detect deviation of the unverified measurement system from required performance specifications (of the unverified measurement system or device) and to quantify all measured values to applicable units of the international system of units.

(4) Calibration Service Providers. Commercial calibration activities and other government agencies that provide calibration services to the Navy and Marine Corps as a major line of business.

(5) Commercial Service Providers. Suppliers of Navy test, measurement, and diagnostic equipment, including original equipment manufacturers, who may calibrate their own products but are not engaged in calibration as a major line of business, and other commercial laboratories that provide low volume, model specific, or unique parameter calibration services.

(6) Measurement Traceability. The property of a measurement result that can be related to a national or international measurement standard through a documented, unbroken chain of calibrations, each with a stated measurement uncertainty. Individual measurement results must be traced through an unbroken chain of calibrations to accepted references, such as: U.S. national standards such as, the U.S. Naval Observatory, ratio and consensus standards, natural physical constants, or the national standards of other countries correlated with U.S. national standards as held or directed by National Institute of Standards and Technology and Department of Defense (DoD) approved sources.

(7) The End of Period Measurement Reliability. The probability that all the applicable measurement quantities of a test, measurement, and diagnostic equipment are within tolerance at the end of the calibration interval assigned to the given test, measurement, and diagnostic equipment.

(8) Calibration Interval. The periodicity between calibrations that is assigned to achieve Navy end of period measurement reliability objectives for test, measurement, and diagnostic equipment.

(9) The Probability of False Acceptance. The probability that a test used to verify that a measurement quantity is within specified tolerances results in an incorrect acceptance decision.

(10) The Probability of False Rejection. The probability that a test used to verify that a measurement quantity is within specified tolerances results in an incorrect rejection decision.

(11) The Test Uncertainty Ratio (TUR). The ratio of the difference between the upper and lower tolerance limits for a measurement quantity subject to calibration, to the difference between the upper and lower 95 percent uncertainty limits for the measurement process used for calibration.

(b) Test, measurement, and diagnostic equipment and automatic test systems are used to monitor and test systems, equipment, devices, and the environmental conditions under which these systems and personnel operate. The accuracy of Navy and Contractor test, measurement, and diagnostic equipment and automatic test systems used for quantitative and qualitative measurements are ensured through measurement traceability. The Contractor is required to ensure that all test, measurement and diagnostic equipment used for quantitative or qualitative measurements is

maintained and calibrated in accordance with U.S. national standards ANSI/NCSL Z540.3 Requirements for the Calibration of Measuring and Test Equipment, dated 3 Aug 2006 or ISO/IEC 17025 General Requirements for the Competence of Testing and Calibration Laboratories (3rd Edition), dated 29 Nov 2017.

(c) Calibration certification to Navy standard NAVSEA 04-4734B, Navy and Marine Corps Calibration Laboratory Audit/Certification Manual, 1 Dec 2006, is acceptable in place of NCSL Z540.3 and ISO/IEC 17025:2017 accreditations. ANSI/NCSL Z540.3 and ISO/IEC 17025:2017 accreditations must be performed by an U.S. headquartered accreditation body that is a signatory of the Navy Calibration Cooperative Agreement. Calibration accreditation must include the parameters required to execute the calibration at appropriate ranges and tolerances. A calibration certificate meeting the requirements of ISO/IEC 17025:2017 or ANSI/NCSL Z540.3 must be provided with the returned calibrated unit. The calibration certificate must be evaluated to confirm that the calibration was performed within the laboratory's accreditation scope. For activities certificated to NAVSEA 04-4734B, calibrations must be evaluated to confirm that the calibration was performed within the laboratory's NAVSEA certification, and calibration event records shall be provided to the Government upon request. Calibration intervals that deviate from NAVSEA OD 45845, Metrology Requirements List (METRL), shall reflect TMDE end of period reliability greater than 85%. TMDE reliability data shall be provided upon request. TURs shall be greater than 4:1 or ensure a probability of false acceptance of 2% or less and a probability of false rejections of 15% or less. Calibration procedures and methods used by the contractor shall be provided to the Government upon request.

(d) All calibrations supporting this contract shall meet the requirements of OPNAVINST 3960.16. If the Contractor subcontracts or outsources the initial or reoccurring calibration of test, measurement, and diagnostic equipment, the respective calibration laboratory must also meet the requirements of paragraphs (b) and (c).

(e) Calibration service providers and commercial service providers, and all of their employees, who supply or calibrate Navy test, measurement, and diagnostic equipment, shall be certified or accredited to the requirements of the NAVSEA manual or the ISO or ANSI specifications cited in paragraphs (b) and (c).

(End of text)

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52.215-21 REQUIREMENTS FOR CERTIFIED COST OR PRICING DATA AND DATA OTHER THAN CERTIFIED COST OR PRICING DATA -- MODIFICATIONS (JUN 2020)--ALTERNATE III (OCT 1997)

(a) Exceptions from cost or pricing data.

(1) In lieu of submitting certified cost or pricing data for modifications under this contract, for price adjustments expected to exceed the threshold set forth in Federal Acquisition Regulation (FAR) 15.403-4(a)(1) 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 paragraphs (a)(1)(i) and (ii) of this clause. If the threshold for submission of certified cost or pricing data specified in FAR 15.403-4(a)(1) is adjusted for inflation as set forth in FAR 1.109(a), then pursuant to FAR 1.109(d) the changed threshold applies throughout the remaining term of the contract, unless there is a subsequent threshold adjustment. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable--

(i) Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document, unless it was previously submitted to the contracting office.

(ii) Information on modifications of contracts or subcontracts for commercial items. (A) If--

(1) The original contract or subcontract was granted an exception from cost or pricing data requirements because the price agreed upon was based on adequate price competition or prices set by law or regulation, or was a contract or subcontract for the acquisition of a commercial item; and

(2) The modification (to the contract or subcontract) is not exempted based on one of these exceptions, then the Contractor may provide information to establish that the modification would not change the contract or subcontract from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the

acquisition of an item other than a commercial item.

(B) For a commercial item exception, the Contractor shall provide, at a minimum, information on prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the modification. Such information may include--

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

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

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

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

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

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

(c) Submit the cost portion of the proposal via the following electronic media: CD-ROM and Email

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

(End of clause)

52.216-7 ALLOWABLE COST AND PAYMENT (AUG 2018)

(a) Invoicing.

(1) The Government will make payments to the Contractor when requested as work progresses, but (except for small business concerns) not more often than once every 2 weeks, in amounts determined to be allowable by the Contracting Officer in accordance with Federal Acquisition Regulation (FAR) subpart 31.2 in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

(2) Contract financing payments are not subject to the interest penalty provisions of the Prompt Payment Act. Interim payments made prior to the final payment under the contract are contract financing payments, except interim payments if this contract contains Alternate I to the clause at 52.232-25.

(3) The designated payment office will make interim payments for contract financing on the 30th day after the designated billing office receives a proper payment request.

In the event that the Government requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date.

(b) Reimbursing costs. (1) For the purpose of reimbursing allowable costs (except as provided in subparagraph (b)(2) of the clause, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term "costs" includes only--

(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

(ii) When the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for--

(A) Supplies and services purchased directly for the contract and associated financing payments to subcontractors, provided payments determined due will be made--

(1) In accordance with the terms and conditions of a subcontract or invoice; and

(2) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government;

(B) Materials issued from the Contractor's inventory and placed in the production process for use on the contract;

(C) Direct labor;

(D) Direct travel;

(E) Other direct in-house costs; and

(F) Properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and

(iii) The amount of financing payments that have been paid by cash, check, or other forms of payment to subcontractors.

(2) Accrued costs of Contractor contributions under employee pension plans shall be excluded until actually paid unless--

(i) The Contractor's practice is to make contributions to the retirement fund quarterly or more frequently; and

(ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractor's indirect costs for payment purposes).

(3) Notwithstanding the audit and adjustment of invoices or vouchers under paragraph (g) of this clause, allowable indirect costs under this contract shall be obtained by applying indirect cost rates established in accordance with paragraph (d) of this clause.

(4) Any statements in specifications or other documents incorporated in this contract by reference designating performance of services or furnishing of materials at the Contractor's expense or at no cost to the Government shall be disregarded for purposes of cost-reimbursement under this clause.

(c) Small business concerns. A small business concern may receive more frequent payments than every 2 weeks.

(d) Final indirect cost rates. (1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with Subpart 42.7 of the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.

(2)(i) The Contractor shall submit an adequate final indirect cost rate proposal to the Contracting Officer (or cognizant Federal agency official) and auditor within the 6-month period following the expiration of each of its fiscal years. Reasonable extensions, for exceptional circumstances only, may be requested in writing by the Contractor and granted in writing by the Contracting Officer. The Contractor shall support its proposal with adequate supporting data.

(ii) The proposed rates shall be based on the Contractor's actual cost experience for that period. The appropriate Government representative and the Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the Contractor's proposal.

(iii) An adequate indirect cost rate proposal shall include the following data unless otherwise specified by the cognizant Federal agency official:

(A) Summary of all claimed indirect expense rates, including pool, base, and calculated indirect rate.

(B) General and Administrative expenses (final indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts).

(C) Overhead expenses (final indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) for each final indirect cost pool.

(D) Occupancy expenses (intermediate indirect cost pool). Schedule of claimed expenses by element of cost as identified in accounting records (Chart of Accounts) and expense reallocation to final indirect cost pools.

(E) Claimed allocation bases, by element of cost, used to distribute indirect costs.

(F) Facilities capital cost of money factors computation.

(G) Reconciliation of books of account (i.e., General Ledger) and claimed direct costs by major cost element.

(H) Schedule of direct costs by contract and subcontract and indirect expense applied at claimed rates, as well as a subsidiary schedule of Government participation percentages in each of the allocation base amounts.

(I) Schedule of cumulative direct and indirect costs claimed and billed by contract and subcontract.

(J) Subcontract information. Listing of subcontracts awarded to companies for which the contractor is the prime or upper-tier contractor (include prime and subcontract numbers; subcontract value and award type; amount claimed during the fiscal year; and the subcontractor name, address, and point of contact information).

(K) Summary of each time-and-materials and labor-hour contract information, including labor categories, labor rates, hours, and amounts; direct materials; other direct costs; and, indirect expense applied at claimed rates.

(L) Reconciliation of total payroll per IRS form 941 to total labor costs distribution.

(M) Listing of decisions/agreements/approvals and description of accounting/organizational changes.

(N) Certificate of final indirect costs (see 52.242-4, Certification of Final Indirect Costs).

(O) Contract closing information for contracts physically completed in this fiscal year (include contract number, period of performance, contract ceiling amounts, contract fee computations, level of effort, and indicate if the contract is ready to close).

(iv) The following supplemental information is not required to determine if a proposal is adequate, but may be required during the audit process:

(A) Comparative analysis of indirect expense pools detailed by account to prior fiscal year and budgetary data.

(B) General organizational information and limitation on allowability of compensation for certain contractor personnel. See 31.205-6(p). Additional salary reference information is available at <https://www.whitehouse.gov/wp-content/uploads/2017/11/ContractorCompensationCapContractsAwardedBeforeJune24.pdf> and <https://www.whitehouse.gov/wp-content/uploads/2017/11/ContractorCompensationCapContractsAwardedafterJune24.pdf>.

(C) Identification of prime contracts under which the contractor performs as a subcontractor.

(D) Description of accounting system (excludes contractors required to submit a CAS Disclosure Statement or contractors where the description of the accounting system has not changed from the previous year's submission).

(E) Procedures for identifying and excluding unallowable costs from the costs claimed and billed (excludes contractors where the procedures have not changed from the previous year's submission).

(F) Certified financial statements and other financial data (e.g., trial balance, compilation, review, etc.).

(G) Management letter from outside CPAs concerning any internal control weaknesses.

(H) Actions that have been and/or will be implemented to correct the weaknesses described in the management letter from subparagraph G) of this section.

(I) List of all internal audit reports issued since the last disclosure of internal audit reports to the Government.

(J) Annual internal audit plan of scheduled audits to be performed in the fiscal year when the final indirect cost rate submission is made.

(K) Federal and State income tax returns.

(L) Securities and Exchange Commission 10-K annual report.

(M) Minutes from board of directors meetings.

(N) Listing of delay claims and termination claims submitted which contain costs relating to the subject fiscal year.

(O) Contract briefings, which generally include a synopsis of all pertinent contract provisions, such as: Contract type, contract amount, product or service(s) to be provided, contract performance period, rate ceilings, advance approval requirements, pre-contract cost allowability limitations, and billing limitations.

(v) The Contractor shall update the billings on all contracts to reflect the final settled rates and update the schedule of cumulative direct and indirect costs claimed and billed, as required in paragraph (d)(2)(iii)(I) of this section, within 60 days after settlement of final indirect cost rates.

(3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify (i) the agreed-upon final annual indirect cost rates, (ii) the bases to which the rates apply, (iii) the periods for which the rates apply, (iv) any specific indirect cost items treated as direct costs in the settlement, and (v) the affected contract and/or subcontract, identifying any with advance agreements or special terms and the applicable rates. The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.

(4) Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes clause.

(5) Within 120 days (or longer period if approved in writing by the Contracting Officer) after settlement of the final annual indirect cost rates for all years of a physically complete contract, the Contractor shall submit a completion invoice or voucher to reflect the settled amounts and rates. The completion invoice or voucher shall include settled subcontract amounts and rates. The prime contractor is responsible for settling subcontractor amounts and rates included in the completion invoice or voucher and providing status of subcontractor audits to the contracting officer upon request.

(6)(i) If the Contractor fails to submit a completion invoice or voucher within the time specified in paragraph (d)(5) of this clause, the Contracting Officer may--

(A) Determine the amounts due to the Contractor under the contract; and

(B) Record this determination in a unilateral modification to the contract.

(ii) This determination constitutes the final decision of the Contracting Officer in accordance with the Disputes

clause.

(e) Billing rates. Until final annual indirect cost rates are established for any period, the Government shall reimburse the Contractor at billing rates established by the Contracting Officer or by an authorized representative (the cognizant auditor), subject to adjustment when the final rates are established. These billing rates--

(1) Shall be the anticipated final rates; and

(2) May be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.

(f) Quick-closeout procedures. Quick-closeout procedures are applicable when the conditions in FAR 42.708(a) are satisfied.

(g) Audit. At any time or times before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of cost audited. Any payment may be (1) Reduced by amounts found by the Contracting Officer not to constitute allowable costs or (2) Adjusted for prior overpayments or underpayments.

(h) Final payment. (1) Upon approval of a completion invoice or voucher submitted by the Contractor in accordance with paragraph (d)(5) of this clause, and upon the Contractor's compliance with all terms of this contract, the Government shall promptly pay any balance of allowable costs and that part of the fee (if any) not previously paid.

(2) The Contractor shall pay to the Government any refunds, rebates, credits, or other amounts (including interest, if any) accruing to or received by the Contractor or any assignee under this contract, to the extent that those amounts are properly allocable to costs for which the Contractor has been reimbursed by the Government. Reasonable expenses incurred by the Contractor for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by the Contracting Officer. Before final payment under this contract, the Contractor and each assignee whose assignment is in effect at the time of final payment shall execute and deliver--

(i) An assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including interest, if any) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

(ii) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, except--

(A) Specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known;

(B) Claims (including reasonable incidental expenses) based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that the claims are not known to the Contractor on the date of the execution of the release, and that the Contractor gives notice of the claims in writing to the Contracting Officer within 6 years following the release date or notice of final payment date, whichever is earlier; and

(C) Claims for reimbursement of costs, including reasonable incidental expenses, incurred by the Contractor under the patent clauses of this contract, excluding, however, any expenses arising from the Contractor's indemnification of the Government against patent liability.

(End of clause)

52.217-8 OPTION TO EXTEND SERVICES (NOV 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the contract. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. The option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor within 1 day prior to the end of the contract period of performance.

(End of clause)

52.219-28 POST-AWARD SMALL BUSINESS PROGRAM REREPRESENTATION (SEP 2021)

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

Long-term contract means a contract of more than five years in duration, including options. However, the term does not include contracts that exceed five years in duration because the period of performance has been extended for a cumulative period not to exceed six months under the clause at 52.217-8, Option to Extend Services, or other appropriate authority.

Small business concern--

(1) Means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and the size standard in paragraph (d) of this clause. Such a concern is "not dominant in its field of operation" when it does not exercise a controlling or major influence on a national basis in a kind of business activity in which a number of business concerns are primarily engaged. In determining whether dominance exists, consideration shall be given to all appropriate factors, including volume of business, number of employees, financial resources, competitive status or position, ownership or control of materials, processes, patents, license agreements, facilities, sales territory, and nature of business activity.

(2) Affiliates, as used in this definition, means business concerns, one of whom directly or indirectly controls or has the power to control the others, or a third party or parties control or have the power to control the others. In determining whether affiliation exists, consideration is given to all appropriate factors including common ownership, common management, and contractual relationships. SBA determines affiliation based on the factors set forth at 13 CFR 121.103.

(b) If the Contractor represented that it was any of the small business concerns identified in 19.000(a)(3) prior to award of this contract, the Contractor shall rerepresent its size and socioeconomic status according to paragraph (f) of this clause or, if applicable, paragraph (h) of this clause, upon occurrence of any of the following:

(1) Within 30 days after execution of a novation agreement or within 30 days after modification of the contract to include this clause, if the novation agreement was executed prior to inclusion of this clause in the contract.

(2) Within 30 days after a merger or acquisition that does not require a novation or within 30 days after modification of the contract to include this clause, if the merger or acquisition occurred prior to inclusion of this clause in the contract.

(3) For long-term contracts--

(i) Within 60 to 120 days prior to the end of the fifth year of the contract; and

(ii) Within 60 to 120 days prior to the date specified in the contract for exercising any option thereafter.

(c) If the Contractor represented that it was any of the small business concerns identified in 19.000(a)(3) prior to award of this contract, the Contractor shall rerepresent its size and socioeconomic status according to paragraph (f) of this clause or, if applicable, paragraph (h) of this clause, when the Contracting Officer explicitly requires it for an order issued under a multiple-award contract.

(d) The Contractor shall rerepresent its size status in accordance with the size standard in effect at the time of this rerepresentation that corresponds to the North American Industry Classification System (NAICS) code(s) assigned to this contract. The small business size standard corresponding to this NAICS code(s) can be found at <https://www.sba.gov/document/support--table-size-standards>.

(e) The small business size standard for a Contractor providing an end item that it does not manufacture, process, or produce itself, for a contract other than a construction or service contract, is 500 employees if the acquisition--

(1) Was set aside for small business and has a value above the simplified acquisition threshold;

(2) Used the HUBZone price evaluation preference regardless of dollar value, unless the Contractor waived the price evaluation preference; or

(3) Was an 8(a), HUBZone, service-disabled veteran-owned, economically disadvantaged women-owned, or women-owned small business set-aside or sole-source award regardless of dollar value.

(f) Except as provided in paragraph (h) of this clause, the Contractor shall make the representation(s) required by paragraph (b) and (c) of this clause by validating or updating all its representations in the Representations and Certifications section of the System for Award Management (SAM) and its other data in SAM, as necessary, to ensure that they reflect the Contractor's current status. The Contractor shall notify the contracting office in writing within the timeframes specified in paragraph (b) of this clause, or with its offer for an order (see paragraph (c) of this clause), that the data have been validated or updated, and provide the date of the validation or update.

(g) If the Contractor represented that it was other than a small business concern prior to award of this contract, the Contractor may, but is not required to, take the actions required by paragraphs (f) or (h) of this clause.

(h) If the Contractor does not have representations and certifications in SAM, or does not have a representation in SAM for the NAICS code applicable to this contract, the Contractor is required to complete the following rerepresentation and submit it to the contracting office, along with the contract number and the date on which the rerepresentation was completed:

(1) The Contractor represents that it [] is, [] is not a small business concern under NAICS Code assigned to contract number .

(2) [Complete only if the Contractor represented itself as a small business concern in paragraph (h)(1) of this clause.] The Contractor represents that it [] is, [] is not, a small disadvantaged business concern as defined in 13 CFR 124.1002.

(3) [Complete only if the Contractor represented itself as a small business concern in paragraph (h)(1) of this clause.] The Contractor represents that it [] is, [] is not a women-owned small business concern.

(4) Women-owned small business (WOSB) concern eligible under the WOSB Program. [Complete only if the Contractor represented itself as a women-owned small business concern in paragraph (h)(3) of this clause.] The Contractor represents that--

(i) It [] is, [] is not a WOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It [] is, [] is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (h)(4)(i) of this clause is accurate for each WOSB concern eligible under the WOSB Program participating in the joint venture.

[The Contractor shall enter the name or names of the WOSB concern eligible under the WOSB Program and other small businesses that are participating in the joint venture: .] Each WOSB concern eligible under the WOSB Program participating in the joint venture shall submit a separate signed copy of the WOSB representation.

(5) Economically disadvantaged women-owned small business (EDWOSB) concern. [Complete only if the Contractor represented itself as a women-owned small business concern eligible under the WOSB Program in (h)(4) of this clause.] The Contractor represents that--

(i) It [] is, [] is not an EDWOSB concern eligible under the WOSB Program, has provided all the required documents to the WOSB Repository, and no change in circumstances or adverse decisions have been issued that affects its eligibility; and

(ii) It [] is, [] is not a joint venture that complies with the requirements of 13 CFR part 127, and the representation in paragraph (h)(5)(i) of this clause is accurate for each EDWOSB concern participating in the joint venture. [The Contractor shall enter the name or names of the EDWOSB concern and other small businesses that are participating in the joint venture: .] Each EDWOSB concern participating in the joint venture shall submit a separate signed copy of the EDWOSB representation.

(6) [Complete only if the Contractor represented itself as a small business concern in paragraph (h)(1) of this clause.] The Contractor represents that it [] is, [] is not a veteran-owned small business concern.

(7) [Complete only if the Contractor represented itself as a veteran-owned small business concern in paragraph (h)(6) of this clause.] The Contractor represents that it [] is, [] is not a service-disabled veteran-owned small business concern.

(8) [Complete only if the Contractor represented itself as a small business concern in paragraph (h)(1) of this clause.] The Contractor represents that--

(i) It [] is, [] is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material changes in ownership and control, principal office, or HUBZone employee percentage have occurred since it was certified in accordance with 13 CFR part 126; and

(ii) It [] is, [] is not a HUBZone joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (h)(8)(i) of this clause is accurate for each HUBZone small business concern participating in the HUBZone joint venture. [The Contractor shall enter the names of each of the HUBZone small business concerns participating in the HUBZone joint venture: .] Each HUBZone small business concern participating in the HUBZone joint venture shall submit a separate signed copy of the HUBZone representation.

[Contractor to sign and date and insert authorized signer's name and title.]

(End of clause)

52.222-2 PAYMENT FOR OVERTIME PREMIUMS (JUL 1990)

(a) The use of overtime is authorized under this contract if the overtime premium cost does not exceed \$0 or the overtime premium is paid for work --

(1) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;

(2) By indirect-labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;

(3) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or

(4) That will result in lower overall costs to the Government.

(b) Any request for estimated overtime premiums that exceeds the amount specified above shall include all estimated overtime for contract completion and shall--

- (1) Identify the work unit; e.g., department or section in which the requested overtime will be used, together with present workload, staffing, and other data of the affected unit sufficient to permit the Contracting Officer to evaluate the necessity for the overtime;
- (2) Demonstrate the effect that denial of the request will have on the contract delivery or performance schedule;
- (3) Identify the extent to which approval of overtime would affect the performance or payments in connection with other Government contracts, together with identification of each affected contract; and
- (4) Provide reasons why the required work cannot be performed by using multishift operations or by employing additional personnel.

(End of clause)

52.223-3 HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (FEB 2021)

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

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

Material (if none, insert None)	Identification No.
_____	_____
_____	_____
_____	_____

(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.

(End of clause)

52.229-8 TAXES--FOREIGN COST-REIMBURSEMENT CONTRACTS (MAR 1990)

(a) Any tax or duty from which the United States Government is exempt by agreement with the Government of Thailand & United Arab Emirates, or from which the Contractor or any subcontractor under this contract is exempt under the laws of Thailand & United Arab Emirates, shall not constitute an allowable cost under this contract.

(b) If the Contractor or subcontractor under this contract obtains a foreign tax credit that reduces its Federal income tax liability under the United States Internal Revenue Code (Title 26, U.S. Code) because of the payment of any tax or duty that was reimbursed under this contract, the amount of the reduction shall be paid or credited at the time of such offset to the Government of the United States as the Contracting Officer directs.

(End of clause)

52.232-16 Progress Payments (APR 2012) (NAVSEA VARIATION I) (MAR 2020)

The Government will make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts of \$2,500 or more approved by the Contracting Officer, under the following conditions:

(a) Computation of amounts. (1) Unless the Contractor requests a smaller amount, the Government will compute each progress payment as 90 percent of the Contractor's total costs incurred under this contract whether or not actually paid, plus financing payments to subcontractors (see paragraph (j) of this clause), less the sum of all previous progress payments made by the Government under this contract. The Contracting Officer will consider cost of money that would be allowable under FAR 31.205-10 as an incurred cost for progress payment purposes.

(2) The amount of financing and other payments for supplies and services purchased directly for the contract are limited to the amounts that have been paid by cash, check, or other forms of payment, or that are determined due and will be paid to subcontractors--

- (i) In accordance with the terms and conditions of a subcontract or invoice; and
 - (ii) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government.
- (3) The Government will exclude accrued costs of Contractor contributions under employee pension plans until actually paid unless--
- (i) The Contractor's practice is to make contributions to the retirement fund quarterly or more frequently; and
 - (ii) The contribution does not remain unpaid 30 days after the end of the applicable quarter or shorter payment period (any contribution remaining unpaid shall be excluded from the Contractor's total costs for progress payments until paid).
- (4) The Contractor shall not include the following in total costs for progress payment purposes in paragraph (a)(1) of this clause:
- (i) Costs that are not reasonable, allocable to this contract, and consistent with sound and generally accepted accounting principles and practices.
 - (ii) Costs incurred by subcontractors or suppliers.
 - (iii) Costs ordinarily capitalized and subject to depreciation or amortization except for the properly depreciated or amortized portion of such costs.
 - (iv) Payments made or amounts payable to subcontractors or suppliers, except for --
- (A) Completed work, including partial deliveries, to which the Contractor has acquired title; and
 - (B) Work under cost-reimbursement or time-and-material subcontracts to which the Contractor has acquired title.
- (5) The amount of unliquidated progress payments may exceed neither (i) the progress payments made against incomplete work (including allowable unliquidated progress payments to subcontractors) nor
- (ii) the value, for progress payment purposes, of the incomplete work. Incomplete work shall be considered to be the supplies and services required by this contract, for which delivery and invoicing by the Contractor and acceptance by the Government are incomplete.
- (6) The total amount of progress payments shall not exceed 90 percent of the total contract price.
- (7) If a progress payment or the unliquidated progress payments exceed the amounts permitted by subparagraphs (a)(4) or (a)(5) of this clause, the Contractor shall repay the amount of such excess to the Government on demand.
- (8) Notwithstanding any other terms of the contract, the Contractor agrees not to request progress payments in dollar amounts of less than \$2,500. The Contracting Officer may make exceptions.
- (9) The costs applicable to items delivered, invoiced, and accepted shall not include costs in excess of the contract price of the items.
- (b) Liquidation. Except as provided in the Termination for Convenience of the Government clause, all progress payments shall be liquidated by deducting from any payment under this contract, other than advance or progress payments, the unliquidated progress payments, or 90 percent of the amount invoiced, whichever is less. The Contractor shall repay to the Government any amounts required by a retroactive price reduction, after computing liquidations and payments on past invoices at the reduced prices and adjusting the unliquidated progress payments accordingly. The Government reserves the right to unilaterally change from the ordinary liquidation rate to an alternate rate when deemed appropriate for proper contract financing.

(c) Reduction or suspension. The Contracting Officer may reduce or suspend progress payments, increase the rate of liquidation, or take a combination of these actions, after finding on substantial evidence any of the following conditions:

(1) The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (f) and (g) 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) Inventory allocated to this contract substantially exceeds reasonable requirements.

(4) The Contractor is delinquent in payment of the costs of performing this contract in the ordinary course of business.

(5) The fair value of the undelivered work is less than the amount of unliquidated progress payments for that work.

(6) The Contractor is realizing less profit than that reflected in the establishment of any alternate liquidation rate in paragraph (b) of this clause, and that rate is less than the progress payment rate stated in subparagraph (a)(1) of this clause.

(d) Title.

(1) Title to the property described in this paragraph (d) shall vest in the Government. Vestiture shall be immediately upon the date of this contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract.

(2) "Property," as used in this clause, includes all of the below-described items acquired or produced by the Contractor that are or should be allocable or properly chargeable to this contract under sound and generally accepted accounting principles and practices.

(i) Parts, materials, inventories, and work in process;

(ii) Special tooling and special test equipment to which the Government is to acquire title;

(iii) Nondurable (i.e., noncapital) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment, and other similar manufacturing aids, title to which would not be obtained as special tooling under paragraph (d) (2)(ii) of this clause; and

(iv) Drawings and technical data, to the extent the Contractor or subcontractors are required to deliver them to the Government by other clauses of this contract.

(3) Although title to property is in the Government under this clause, other applicable clauses of this contract; e.g., the termination clauses, shall determine the handling and disposition of the property.

(4) The Contractor may sell any scrap resulting from production under this contract without requesting the Contracting Officer's approval, but the proceeds shall be credited against the costs of performance.

(5) To acquire for its own use or dispose of property to which title is vested in the Government under this clause, the Contractor must obtain the Contracting Officer's advance approval of the action and the terms. The Contractor shall

(i) exclude the allocable costs of the property from the costs of contract performance, and (ii) repay to the

Government any amount of unliquidated progress payments allocable to the property. Repayment may be by cash or credit memorandum.

(6) When the Contractor completes all of the obligations under this contract, including liquidation of all progress payments, title shall vest in the Contractor for all property (or the proceeds thereof) not--

(i) Delivered to, and accepted by, the Government under this contract; or

(ii) Incorporated in supplies delivered to, and accepted by, the Government under this contract and to which title is vested in the Government under this clause.

(7) The terms of this contract concerning liability for Government-furnished property shall not apply to property to which the Government acquired title solely under this clause.

(e) Risk of loss. Before delivery to and acceptance by the Government, the Contractor shall bear the risk of loss for property, the title to which vests in the Government under this clause, except to the extent the Government expressly assumes the risk. The Contractor shall repay the Government an amount equal to the unliquidated progress payments that are based on costs allocable to property that is lost (see 45.101).

(f) Control of costs and property. The Contractor shall maintain an accounting system and controls adequate for the proper administration of this clause.

(g) Reports, forms, and access to records. (1) The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information (including estimates to complete) reasonably requested by the Contracting Officer for the administration of this clause. Also, the Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's books, records, and accounts.

(2) The Contractor shall furnish estimates to complete that have been developed or updated within six months of the date of the progress payment request. The estimates to complete shall represent the Contractor's best estimate of total costs to complete all remaining contract work required under the contract. The estimates shall include sufficient detail to permit Government verification.

(3) Each Contractor request for progress payment shall:

(i) Be submitted on Standard Form 1443, Contractor's Request for Progress Payment, or the electronic equivalent as required by agency regulations, in accordance with the form instructions and the contract terms; and

(ii) Include any additional supporting documentation requested by the Contracting Officer.

(h) Special terms regarding default. If this contract is terminated under the Default clause, (i) the Contractor shall, on demand, repay to the Government the amount of unliquidated progress payments and (ii) title shall vest in the Contractor, on full liquidation of progress payments, for all property for which the Government elects not to require delivery under the Default clause. The Government shall be liable for no payment except as provided by the Default clause.

(i) Reservations of rights.

(1) No payment or vesting of title under this clause shall --

(i) Excuse the Contractor from performance of obligations under this contract or

(ii) Constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The Government's rights and remedies under this clause

(i) Shall not be exclusive but rather shall be in addition to any other rights and remedies provided by law or this contract and

(ii) Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Government.

(j) Financing payments to subcontractors. The financing payments to subcontractors mentioned in paragraphs (a)(1) and (a)(2) of this clause shall be all financing payments to subcontractors or divisions, if the following conditions are met:

(1) The amounts included are limited to--

(i) The unliquidated remainder of financing payments made; plus

(ii) Any unpaid subcontractor requests for financing payments.

(2) The subcontract or interdivisional order is expected to involve a minimum of approximately 6 months between the beginning of work and the first delivery; or, if the subcontractor is a small business concern, 4 months.

(3) If the financing payments are in the form of progress payments, the terms of the subcontract or interdivisional order concerning progress payments--

(i) Are substantially similar to the terms of this clause for any subcontractor that is a large business concern, or this clause with its Alternate I for any subcontractor that is a small business concern;

(ii) Are at least as favorable to the Government as the terms of this clause;

(iii) Are not more favorable to the subcontractor or division than the terms of this clause are to the Contractor;

(iv) Are in conformance with the requirements of FAR 32.504(e); and

(v) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if--

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(4) If the financing payments are in the form of performance-based payments, the terms of the subcontract or interdivisional order concerning payments--

(i) Are substantially similar to the Performance-Based Payments clause at FAR 52.232-32 and meet the criteria for, and definition of, performance-based payments in FAR Part 32;

(ii) Are in conformance with the requirements of FAR 32.504(f); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if--

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(5) If the financing payments are in the form of commercial item financing payments, the terms of the subcontract or interdivisional order concerning payments--

(i) Are constructed in accordance with FAR 32.206(c) and included in a subcontract for a commercial item purchase that meets the definition and standards for acquisition of commercial items in FAR Parts 2 and 12;

(ii) Are in conformance with the requirements of FAR 32.504(g); and

(iii) Subordinate all subcontractor rights concerning property to which the Government has title under the subcontract to the Government's right to require delivery of the property to the Government if--

(A) The Contractor defaults; or

(B) The subcontractor becomes bankrupt or insolvent.

(6) If financing is in the form of progress payments, the progress payment rate in the subcontract is the customary rate used by the contracting agency, depending on whether the subcontractor is or is not a small business concern.

(7) Concerning any proceeds received by the Government for property to which title has vested in the Government under the subcontract terms, the parties agree that the proceeds shall be applied to reducing any unliquidated financing payments by the Government to the Contractor under this contract.

(8) If no unliquidated financing payments to the Contractor remain, but there are unliquidated financing payments that the Contractor has made to any subcontractor, the Contractor shall be subrogated to all the rights the Government obtained through the terms required by this clause to be in any subcontract, as if all such rights had been assigned and transferred to the Contractor.

(9) To facilitate small business participation in subcontracting under this contract, the Contractor shall provide financing payments to small business concerns, in conformity with the standards for customary contract financing payments stated in Subpart 32.113. The Contractor shall not consider the need for such financing payments as a handicap or adverse factor in the award of subcontracts.

(k) Limitations on undefinitized contract actions. Notwithstanding any other progress payment provisions in this contract, progress payments may not exceed 80 percent of costs incurred on work accomplished under undefinitized contract actions. A "contract action" is any action resulting in a contract, as defined in Subpart 2.1, including contract modifications for additional supplies or services, but not including contract modifications that are within the scope and under the terms of the contract, such as contract modifications issued pursuant to the Changes clause, or funding and other administrative changes. This limitation shall apply to the costs incurred, as computed in accordance with paragraph (a) of this clause, and shall remain in effect until the contract action is definitized. Costs incurred which are subject to this limitation shall be segregated on Contractor progress payment requests and invoices from those costs eligible for higher progress payment rates. For purposes of progress payment liquidation, as described in paragraph (b) of this clause, progress payments for undefinitized contract actions shall be liquidated at 80 percent of the amount invoiced for work performed under the undefinitized contract action as long as the contract action remains undefinitized. The amount of unliquidated progress payments for undefinitized contract actions shall not exceed 80 percent of the maximum liability of the Government under the undefinitized contract action or such lower limit specified elsewhere in the contract. Separate limits may be specified for separate actions.

(l) Due date. The designated payment office will make progress payments on the 30th day after the designated billing office receives a proper progress payment request. In the event that the Government requires an audit or other review of a specific progress payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date. Progress payments are considered contract financing and are not subject to the interest penalty provisions of the Prompt Payment Act.

(m) Progress payments under indefinite--delivery contracts. The Contractor shall account for and submit progress payment requests under individual orders as if the order constituted a separate contract, unless otherwise specified in this contract.

(End of clause)

52.243-2 CHANGES--COST-REIMBURSEMENT (AUG 1987) - ALTERNATE I (APR 1984)

(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

(1) Description of services to be performed.

(2) Time of performance (i.e., hours of the day, days of the week, etc.).

(3) Place of performance of the services.

(b) If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this contract, the Contracting Officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the contract accordingly.

(c) The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

(d) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

(e) Notwithstanding the terms and conditions of paragraphs (a) and (b) above, the estimated cost of this contract and, if this contract is incrementally funded, the funds allotted for the performance of this contract, shall not be increased or considered to be increased except by specific written modification of the contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract. Until this modification is made, the Contractor shall not be obligated to continue performance or incur costs beyond the point established in the Limitation of Cost or Limitation of Funds clause of this contract.

(End of clause)

52.243-2 CHANGES--COST-REIMBURSEMENT (AUG 1987) - ALTERNATE II (APR 1984)

(a) The Contracting Officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:

(1) Description of services to be performed.

(2) Time of performance (i.e., hours of the day, days of the week, etc.).

(3) Place of performance of the services.

(4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the

Government in accordance with the drawings, designs, or specifications.

(5) Method of shipment or packing of supplies.

(6) Place of delivery.

(b) If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects any other terms and conditions of this contract, the Contracting Officer shall make an equitable adjustment in the (1) estimated cost, delivery or completion schedule, or both; (2) amount of any fixed fee; and (3) other affected terms and shall modify the contract accordingly.

(c) The Contractor must assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if the Contracting Officer decides that the facts justify it, the Contracting Officer may receive and act upon a proposal submitted before final payment of the contract.

(d) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

(e) Notwithstanding the terms and conditions of paragraphs (a) and (b) above, the estimated cost of this contract and, if this contract is incrementally funded, the funds allotted for the performance of this contract, shall not be increased or considered to be increased except by specific written modification of the contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract. Until this modification is made, the Contractor shall not be obligated to continue performance or incur costs beyond the point established in the Limitation of Cost or Limitation of Funds clause of this contract.

(End of clause)

52.243-7 NOTIFICATION OF CHANGES (JAN 2017)

(a) Definitions.

"Contracting Officer," as used in this clause, does not include any representative of the Contracting Officer.

"Specifically authorized representative (SAR)," as used in this clause, means any person the Contracting Officer has so designated by written notice (a copy of which shall be provided to the Contractor) which shall refer to this subparagraph and shall be issued to the designated representative before the SAR exercises such authority.

(b) Notice. The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Administrative Contracting Officer in writing, within 15 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 line items have been or may be affected by the alleged change;
- (ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;
- (iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;
- (iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and

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

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

(d) Government response. The Contracting Officer shall promptly, within 45 calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either--

- (1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;
- (2) Countermand any communication regarded as a change;
- (3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or
- (4) In the event the Contractor's notice information is inadequate to make a decision under (1), (2), or (3) above, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.

(e) Equitable adjustments.

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

- (i) In the contract price or delivery schedule or both; and
- (ii) In such other provisions of the contract as may be affected.

(2) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time

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

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

(End of clause)

52.244-2 SUBCONTRACTS (JUN 2020)

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

Approved purchasing system means a Contractor's purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR).

Consent to subcontract means the Contracting Officer's written consent for the Contractor to enter into a particular subcontract.

Subcontract means any contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(b) When this clause is included in a fixed-price type contract, consent to subcontract is required only on unpriced contract actions (including unpriced modifications or unpriced delivery orders), and only if required in accordance with paragraph (c) or (d) of this clause.

(c) If the Contractor does not have an approved purchasing system, consent to subcontract is required for any subcontract that—

(1) Is of the cost-reimbursement, time-and-materials, or labor-hour type; or

(2) Is fixed-price and exceeds—

(i) For a contract awarded by the Department of Defense, the Coast Guard, or the National Aeronautics and Space Administration, the greater of the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award, or 5 percent of the total estimated cost of the contract; or

(ii) For a contract awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award, or 5 percent of the total estimated cost of the contract.

(d) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts:

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(e)(1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (b), (c), or (d) of this clause, including the following information:

(i) A description of the supplies or services to be subcontracted.

(ii) Identification of the type of subcontract to be used.

(iii) Identification of the proposed subcontractor.

(iv) The proposed subcontract price.

(v) The subcontractor's current, complete, and accurate certified cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.

(vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.

(vii) A negotiation memorandum reflecting—

(A) The principal elements of the subcontract price negotiations;

(B) The most significant considerations controlling establishment of initial or revised prices;

(C) The reason certified cost or pricing data were or were not required;

(D) The extent, if any, to which the Contractor did not rely on the subcontractor's certified cost or pricing data in determining the price objective and in negotiating the final price;

(E) The extent to which it was recognized in the negotiation that the subcontractor's certified cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and the subcontractor; and the effect of any such defective data on the total price negotiated;

(F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and

(G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and a summary of all trade-off possibilities considered.

(2) The Contractor is not required to notify the Contracting Officer in advance of entering into any subcontract for which consent is not required under paragraph (c), (d), or (e) of this clause.

(f) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination—

(1) Of the acceptability of any subcontract terms or conditions;

(2) Of the allowability of any cost under this contract; or

(3) To relieve the Contractor of any responsibility for performing this contract.

(g) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.404-4(c)(4)(i).

(h) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(i) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.

(j) Paragraphs (c) and (e) of this clause do not apply to the following subcontracts, which were evaluated during negotiations:

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(End of clause)

52.248-1 VALUE ENGINEERING (JUN 2020)

(a) General. The Contractor is encouraged to develop, prepare, and submit value engineering change proposals (VECP's) voluntarily. The Contractor shall share in any net acquisition savings realized from accepted VECP's, in accordance with the incentive sharing rates in paragraph (f) below.

(b) Definitions. "Acquisition savings," as used in this clause, means savings resulting from the application of a VECP to contracts awarded by the same contracting office or its successor for essentially the same unit. Acquisition savings include--

(1) Instant contract savings, which are the net cost reductions on this, the instant contract, and which are equal to the instant unit cost reduction multiplied by the number of instant contract units affected by the VECP, less the Contractor's allowable development and implementation costs;

(2) Concurrent contract savings, which are net reductions in the prices of other contracts that are definitized and ongoing at the time the VECP is accepted; and

(3) Future contract savings, which are the product of the future unit cost reduction multiplied by the number of future contract units in the sharing base. On an instant contract, future contract savings include savings on increases in quantities after VECP acceptance that are due to contract modifications, exercise of options, additional orders, and funding of subsequent year requirements on a multiyear contract.

"Collateral costs," as used in this clause, means agency cost of operation, maintenance, logistic support, or Government-furnished property.

"Collateral savings," as used in this clause, means those measurable net reductions resulting from a VECP in the agency's overall projected collateral costs, exclusive of acquisition savings, whether or not the acquisition cost changes.

"Contracting office" includes any contracting office that the acquisition is transferred to, such as another branch of the agency or another agency's office that is performing a joint acquisition action.

"Contractor's development and implementation costs," as used in this clause, means those costs the Contractor incurs on a VECP specifically in developing, testing, preparing, and submitting the VECP, as well as those costs the Contractor incurs to make the contractual changes required by Government acceptance of a VECP.

"Future unit cost reduction," as used in this clause, means the instant unit cost reduction adjusted as the Contracting Officer considers necessary for projected learning or changes in quantity during the sharing period. It is calculated at the time the VECP is accepted and applies either (1) throughout the sharing period, unless the Contracting Officer decides that recalculation is necessary because conditions are significantly different from those previously anticipated or (2) to the calculation of a lump-sum payment, which cannot later be revised.

"Government costs," as used in this clause, means those agency costs that result directly from developing and implementing the VECP, such as any net increases in the cost of testing, operations, maintenance, and logistics support. The term does not include the normal administrative costs of processing the VECP or any increase in this contract's cost or price resulting from negative instant contract savings.

"Instant contract," as used in this clause, means this contract, under which the VECP is submitted. It does not include increases in quantities after acceptance of the VECP that are due to contract modifications, exercise of options, or additional orders. If this is a multiyear contract, the term does not include quantities funded after VECP acceptance. If this contract is a fixed-price contract with prospective price redetermination, the term refers to the period for which firm prices have been established.

"Instant unit cost reduction" means the amount of the decrease in unit cost of performance (without deducting any Contractor's development or implementation costs) resulting from using the VECP on this, the instant contract. If this is a service contract, the instant unit cost reduction is normally equal to the number of hours per line-item task saved by using the VECP on this contract, multiplied by the appropriate contract labor rate.

"Negative instant contract savings" means the increase in the cost or price of this contract when the acceptance of a VECP results in an excess of the Contractor's allowable development and implementation costs over the product of the instant unit cost reduction multiplied by the number of instant contract units affected.

"Net acquisition savings" means total acquisition savings, including instant, concurrent, and future contract savings, less Government costs.

"Sharing base," as used in this clause, means the number of affected end items on contracts of the contracting office accepting the VECP.

Sharing period, as used in this clause, means the period beginning with acceptance of the first unit incorporating the VECP and ending at a calendar date or event determined by the contracting officer for each VECP.

"Unit," as used in this clause, means the item or task to which the Contracting Officer and the Contractor agree the VECP applies.

"Value engineering change proposal (VECP)" means a proposal that--

(1) Requires a change to this, the instant contract, to implement; and

(2) Results in reducing the overall projected cost to the agency without impairing essential functions or characteristics; provided, that it does not involve a change--

(i) In deliverable end item quantities only;

(ii) In research and development (R&D) end items or R&D test quantities that is due solely to results of previous testing under this contract; or

(iii) To the contract type only.

(c) VECP preparation. As a minimum, the Contractor shall include in each VECP the information described in subparagraphs (1) through (8) below. If the proposed change is affected by contractually required configuration

management or similar procedures, the instructions in those procedures relating to format, identification, and priority assignment shall govern VECP preparation. The VECP shall include the following:

- (1) A description of the difference between the existing contract requirement and the proposed requirement, the comparative advantages and disadvantages of each, a justification when an item's function or characteristics are being altered, the effect of the change on the end item's performance, and any pertinent objective test data.
 - (2) A list and analysis of the contract requirements that must be changed if the VECP is accepted, including any suggested specification revisions.
 - (3) Identification of the unit to which the VECP applies.
 - (4) A separate, detailed cost estimate for (i) the affected portions of the existing contract requirement and (ii) the VECP. The cost reduction associated with the VECP shall take into account the Contractor's allowable development and implementation costs, including any amount attributable to subcontracts under the Subcontracts paragraph of this clause, below.
 - (5) A description and estimate of costs the Government may incur in implementing the VECP, such as test and evaluation and operating and support costs.
 - (6) A prediction of any effects the proposed change would have on collateral costs to the agency.
 - (7) A statement of the time by which a contract modification accepting the VECP must be issued in order to achieve the maximum cost reduction, noting any effect on the contract completion time or delivery schedule.
 - (8) Identification of any previous submissions of the VECP, including the dates submitted, the agencies and contract numbers involved, and previous Government actions, if known.
- (d) Submission. The Contractor shall submit VECP's to the Contracting Officer, unless this contract states otherwise. If this contract is administered by other than the contracting office, the Contractor shall submit a copy of the VECP simultaneously to the Contracting Officer and to the Administrative Contracting Officer.
- (e) Government action. (1) The Contracting Officer will notify the Contractor of the status of the VECP within 45 calendar days after the contracting office receives it. If additional time is required, the Contracting Officer will notify the Contractor within the 45-day period and provide the reason for the delay and the expected date of the decision. The Government will process VECP's expeditiously; however, it shall not be liable for any delay in acting upon a VECP.
- (2) If the VECP is not accepted, the Contracting Officer will notify the Contractor in writing, explaining the reasons for rejection. The Contractor may withdraw any VECP, in whole or in part, at any time before it is accepted by the Government. The Contracting Officer may require that the Contractor provide written notification before undertaking significant expenditures for VECP effort.
- (3) Any VECP may be accepted, in whole or in part, by the Contracting Officer's award of a modification to this contract citing this clause and made either before or within a reasonable time after contract performance is completed. Until such a contract modification applies a VECP to this contract, the Contractor shall perform in accordance with the existing contract. The decision to accept or reject all or part of any VECP is a unilateral decision made solely at the discretion of the Contracting Officer.
- (f) Sharing rates. If a VECP is accepted, the Contractor shall share in net acquisition savings according to the percentages shown in the table below. The percentage paid the Contractor depends upon (1) this contract's type (fixed-price, incentive, or cost-reimbursement), (2) the sharing arrangement specified in paragraph (a) above (incentive, program requirement, or a combination as delineated in the Schedule), and (3) the source of the savings (the instant contract, or concurrent and future contracts), as follows:

CONTRACTOR'S SHARE OF NET ACQUISITION SAVINGS

(Figures in percent)

Contract Type	Incentive (Voluntary)		Program Requirement (Mandatory)	
	Instant Contract Rate	Concurrent and Future Contract Rate	Instant Contract Rate	Concurrent and Future Contract Rate
Fixed-price (includes fixed-price-award-fee; excludes other fixed-price incentive contracts)	(1) 50	(1) 50	(1) 25	25
Incentive (fixed-price or cost) (other than award fee)	(2)	(1) 50	(2)	25
Cost-reimbursement (includes cost-plus-award-fee; excludes other cost-type incentive Contracts)	(3) 25	(3) 25	15	15

* The Contracting Officer may increase the Contractor's sharing rate to as high as 75 percent for each VECP.

* Same sharing arrangement as the contract's profit or fee adjustment formula.

* The Contracting Officer may increase the Contractor's sharing rate to as high as 50 percent for each VECP.

(g) Calculating net acquisition savings.

(1) Acquisition savings are realized when (i) the cost or price is reduced on the instant contract, (ii) reductions are negotiated in concurrent contracts, (iii) future contracts are awarded, or (iv) agreement is reached on a lump-sum payment for future contract savings (see subparagraph (i)(4) below). Net acquisition savings are first realized, and the Contractor shall be paid a share, when Government costs and any negative instant contract savings have been fully offset against acquisition savings.

(2) Except in incentive contracts, Government costs and any price or cost increases resulting from negative instant contract savings shall be offset against acquisition savings each time such savings are realized until they are fully offset. Then, the Contractor's share is calculated by multiplying net acquisition savings by the appropriate Contractor's percentage sharing rate (see paragraph (f) above). Additional Contractor shares of net acquisition savings shall be paid to the Contractor at the time realized.

(3) If this is an incentive contract, recovery of Government costs on the instant contract shall be deferred and offset against concurrent and future contract savings. The Contractor shall share through the contract incentive structure in savings on the instant contract items affected. Any negative instant contract savings shall be added to the target cost or to the target price and ceiling price, and the amount shall be offset against concurrent and future contract savings.

(4) If the Government does not receive and accept all items on which it paid the Contractor's share, the Contractor shall reimburse the Government for the proportionate share of these payments.

(h) Contract adjustment. The modification accepting the VECP (or a subsequent modification issued as soon as possible after any negotiations are completed) shall--

(1) Reduce the contract price or estimated cost by the amount of instant contract savings, unless this is an incentive contract;

(2) When the amount of instant contract savings is negative, increase the contract price, target price and ceiling price, target cost, or estimated cost by that amount;

(3) Specify the Contractor's dollar share per unit on future contracts, or provide the lump-sum payment;

(4) Specify the amount of any Government costs or negative instant contract savings to be offset in determining net acquisition savings realized from concurrent or future contract savings; and

(5) Provide the Contractor's share of any net acquisition savings under the instant contract in accordance with the following:

(i) Fixed-price contracts--add to contract price.

(ii) Cost-reimbursement contracts--add to contract fee.

(i) Concurrent and future contract savings.

(1) Payments of the Contractor's share of concurrent and future contract savings shall be made by a modification to the instant contract in accordance with subparagraph (h)(5) above. For incentive contracts, shares shall be added as a separate firm-fixed-price line item on the instant contract. The Contractor shall maintain records adequate to identify the first delivered unit for 3 years after final payment under this contract.

(2) The Contracting Officer shall calculate the Contractor's share of concurrent contract savings by (i) subtracting from the reduction in price negotiated on the concurrent contract any Government costs or negative instant contract savings not yet offset and (ii) multiplying the result by the Contractor's sharing rate.

(3) The Contracting Officer shall calculate the Contractor's share of future contract savings by (i) multiplying the future unit cost reduction by the number of future contract units scheduled for delivery during the sharing period, (ii) subtracting any Government costs or negative instant contract savings not yet offset, and (iii) multiplying the result by the Contractor's sharing rate.

(4) When the Government wishes and the Contractor agrees, the Contractor's share of future contract savings may be paid in a single lump sum rather than in a series of payments over time as future contracts are awarded. Under this alternate procedure, the future contract savings may be calculated when the VECP is accepted, on the basis of the Contracting Officer's forecast of the number of units that will be delivered during the sharing period. The Contractor's share shall be included in a modification to this contract (see subparagraph (h)(3) above) and shall not be subject to subsequent adjustment.

(5) Alternate no-cost settlement method. When, in accordance with section 48.104-4 of the Federal Acquisition Regulation (FAR), the Government and the Contractor mutually agree to use the no-cost settlement method, the following applies:

(i) The Contractor will keep all the savings on the instant contract and on its concurrent contracts only.

(ii) The Government will keep all the savings resulting from concurrent contracts placed on other sources, savings from all future contracts, and all collateral savings.

(j) Collateral savings. If a VECP is accepted, the Contracting Officer will increase the instant contract amount, as specified in paragraph (h)(5) of this clause, by a rate from 20 to 100 percent, as determined by the Contracting Officer, of any projected collateral savings determined to be realized in a typical year of use after subtracting any Government costs not previously offset. However, the Contractor's share of collateral savings will not exceed the

contract's firm-fixed-price, target price, target cost, or estimated cost, at the time the VECP is accepted, or \$100,000, whichever is greater. The Contracting Officer will be the sole determiner of the amount of collateral savings.

(k) Relationship to other incentives. Only those benefits of an accepted VECP not rewardable under performance, design-to-cost (production unit cost, operating and support costs, reliability and maintainability), or similar incentives shall be rewarded under this clause. However, the targets of such incentives affected by the VECP shall not be adjusted because of VECP acceptance. If this contract specifies targets but provides no incentive to surpass them, the value engineering sharing shall apply only to the amount of achievement better than target.

(l) Subcontracts. The Contractor shall include an appropriate value engineering clause in any subcontract-valued at or above the simplified acquisition threshold, as defined in FAR 2.101 on the date of subcontract award, and may include one in subcontracts of lesser value. In calculating any adjustment in this contract's price for instant contract savings (or negative instant contract savings), the Contractor's allowable development and implementation costs shall include any subcontractor's allowable development and implementation costs, and any value engineering incentive payments to a subcontractor, clearly resulting from a VECP accepted by the Government under this contract. The Contractor may choose any arrangement for subcontractor value engineering incentive payments; provided, that the payments shall not reduce the Government's share of concurrent or future contract savings or collateral savings.

(m) Data. The Contractor may restrict the Government's right to use any part of a VECP or the supporting data by marking the following legend on the affected parts:

"These data, furnished under the Value Engineering clause of contract....., shall not be disclosed outside the Government or duplicated, used, or disclosed, in whole or in part, for any purpose other than to evaluate a value engineering change proposal submitted under the clause. This restriction does not limit the Government's right to use information contained in these data if it has been obtained or is otherwise available from the Contractor or from another source without limitations."

If a VECP is accepted, the Contractor hereby grants the Government unlimited rights in the VECP and supporting data, except that, with respect to data qualifying and submitted as limited rights technical data, the Government shall have the rights specified in the contract modification implementing the VECP and shall appropriately mark the data. (The terms "unlimited rights" and "limited rights" are defined in Part 27 of the Federal Acquisition Regulation.)

(End of clause)