

PART II - CONTRACT CLAUSES
SECTION I
CONTRACT CLAUSES

A. FEDERAL ACQUISITION REGULATION CLAUSES

52.252-2	CLAUSES INCORPORATED BY REFERENCE (IAW FAR 52.107(b))	JUN 1988
This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.		
<u>FAR PARA</u>	<u>CLAUSE TITLE</u>	<u>DATE</u>
52.202-1	DEFINITIONS (IAW FAR 2.201)	OCT 1995
52.203-3	GRATUITIES (IAW FAR 3.202)	APR 1984
52.203-5	COVENANT AGAINST CONTINGENT FEES (IAW FAR 3.404)	APR 1984
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT (IAW FAR 3.503-2)	JUL 1995
52.203-7	ANTI-KICKBACK PROCEDURES (IAW FAR 3.502-3)	JUL 1995
52.203-8	CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY (IAW FAR 3.104-9(a))	JAN 1997
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY (IAW FAR 3.104-10(c))	JAN 1997
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (IAW FAR 3.808(b))	JAN 1990
52.204-2	SECURITY REQUIREMENTS (IAW FAR 4.404(a))	AUG 1996
52-204-4	PRINTING/COPYING DOUBLE-SIDED ON RECYCLED PAPER (IAW FAR 4.304)	JUN 1996

52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (IAW FAR 9.409(b))	JUL 1995
52.211-5	NEW MATERIAL (IAW FAR 11.302(a))	OCT 1997
52.211-15	DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (IAW FAR 11.604(b))	SEP 1990
52.215-2	AUDIT AND RECORDS—NEGOTIATION (IAW FAR 15.106-1(b))	AUG 1996
52.215-23	PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA--MODIFICATIONS (IAW FAR 15.804-8(b))	OCT 1995
52.215-25	SUBCONTRACTOR COST OR PRICING DATA-- MODIFICATIONS (IAW FAR 15.804-8(d))	OCT 1995
52.215-26	INTEGRITY OF UNIT PRICES (IAW FAR 15.812-2(a))	JAN 1997
52.215-27	TERMINATION OF DEFINED BENEFIT PENSION PLANS (IAW FAR 15.804-8(e))	MAR 1996
52.215-31	WAIVER OF FACILITIES CAPITAL COST OF MONEY (IAW FAR 15.904(b))	SEP 1987
52.215-33	ORDER OF PRECEDENCE (IAW FAR 15.406-3(b))	JAN 1986
52.215-39	REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (PRB) (IAW FAR 15.804-8(f))	MAR 1996
52.215-40	NOTIFICATION OF OWNERSHIP CHANGES (IAW FAR 15.804-8(g))	FEB 1995
52.215-42	REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS (IAW FAR 15.804-8(i))	JAN 1997

(a) *Exceptions from cost or pricing data.*

(1) In lieu of submitting cost or pricing data for modifications under this contract, for price adjustments expected to exceed the threshold set forth at FAR 15.804-2(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 the following paragraphs. 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 the 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. 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 on Standard Form (SF) 1411, Contract Pricing Proposal Cover Sheet (Cost or Pricing Data Required), with supporting attachments prepared in accordance with Table 15-2 of FAR 15.804-6(b)(2).

(2) As soon as practical 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 15.9804-4.
(End of clause)

52.216-7	ALLOWABLE COST AND PAYMENT (IAW FAR 16.307(a))	MAR 1997
52.217-8	OPTION TO EXTEND SERVICES (IAW FAR 17.208(f))	AUG 1989
52.217-9	OPTION TO EXTEND THE TERM OF THE CONTRACT (IAW FAR 17.208(g))	MAR 1989

For the purposes of this clause the blank(s) are completed as follows:

(a) within 60 days

(c) not to exceed 6 years and 7 months

52.219-8	UTILIZATION OF SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS CONCERNS (IAW FAR 19.708(a))	OCT 1995
52.219-9	SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (IAW FAR 19.708(b)(1))	AUG 1996
52.219-9	ALTERNATE II (IAW FAR 19.708(b)(1))	MAR 1996
52.219-16	LIQUIDATED DAMAGES--SUBCONTRACTING PLAN (IAW FAR 19.708(b)(2))	OCT 1995
52.222-1	NOTICE TO GOVERNMENT OF LABOR DISPUTES (IAW FAR 22.103-5(a))	FEB 1997
52.222-2	PAYMENT FOR OVERTIME PREMIUMS (IAW FAR 22.103-5(b))	JUL 1990

For the purposes of this clause the blank(s) are completed as follows:

(a) does not exceed \$0

52.222-3	CONVICT LABOR (IAW FAR 22.202)	AUG 1996
52.222-4	CONTRACT WORK HOURS AND SAFETY STANDARDS ACT--OVERTIME COMPENSATION (IAW FAR 22.305)	JUL 1995
52.222-6	DAVIS BACON ACT (IAW FAR 22.407(a))	FEB 1995
52.222-7	WITHHOLDING OF FUNDS (IAW FAR 22.407(a))	FEB 1988

52.222-8	PAYROLLS AND BASIC RECORDS (IAW FAR 22.407(a))	FEB 1988
52.222-9	APPRENTICES AND TRAINEES (IAW FAR 22.407(a))	FEB 1988
52.222-10	COMPLIANCE WITH COPELAND ACT REQUIREMENTS (IAW FAR 22.407(a))	FEB 1988
52.222-11	SUBCONTRACTS (LABOR STANDARDS) (IAW FAR 22.407(a))	FEB 1988
52.222-12	CONTRACT TERMINATION -- DEBARMENT (IAW FAR 22.407(a))	FEB 1988
52.222-13	COMPLIANCE WITH DAVIS BACON & RELATED ACT REGULATIONS (IAW FAR 22.407(a))	FEB 1988
52.222-14	DISPUTES CONCERNING LABOR STANDARDS (IAW FAR 22.407(a))	FEB 1988
52.222-15	CERTIFICATION OF ELIGIBILITY (IAW FAR 22.407(a))	FEB 1988
52.222-16	APPROVAL OF WAGE RATES (IAW FAR 22.407(a))	FEB 1988
52.222-20	WALSH-HEALEY PUBLIC CONTRACTS ACT (IAW FAR 22.610(b))	DEC 1996
52.222-21	PROHIBITION OF SEGREGATED FACILITIES (Deviation) (IAW FAR 22.810(e))	APR 1984
52.222-22	PREVIOUS CONTRACTS AND COMPLIANCE REPORTS (Deviation) (IAW FAR 22.810(a)(2))	APR 1984
52.222-25	AFFIRMATIVE ACTION COMPLIANCE (Deviation) (IAW FAR 22.810(d))	APR 1984
52.222-26	EQUAL OPPORTUNITY (Deviation) (IAW FAR 22.810(e))	APR 1984
52.222-35	AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (IAW FAR 22.1308(a)(1), and DFARS 22.1308(a)(1))	APR 1984

52.222-36	AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (IAW FAR 22.1408(a))	APR 1984
52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (IAW FAR 22.1308(b))	JAN 1988
52.222-41	SERVICE CONTRACT ACT OF 1965, AS AMENDED (IAW FAR 22.1006(a))	MAY 1989
52.222-42	STATEMENT OF EQUIVALENT RATES FOR FEDERAL HIRES (IAW FAR 22.1006(b))	MAY 1989

In compliance with the Service Contract Act of 1965, as amended, and the regulations of the Secretary of Labor (29 CFR Part 4), this clause identifies the classes of service employees expected to be employed under the contract and states the wages and fringe benefits payable to each if they were employed by the contracting agency subject to the provisions of 5 U.S.C. 5341 or 5332.

**THIS STATEMENT IS FOR INFORMATION ONLY: IT
IS NOT A WAGE DETERMINATION**

<u>Employee Class</u>	<u>Monetary Wage - Fringe Benefits</u>
Accounting Clerk	\$ 7.76
Administrative Clerk	\$10.78
Administrative Quality Assistant	\$ 8.59
Alarm Monitor	\$10.78
Clerk, Classified Documents	\$ 8.59
Clerk, Data Entry	\$ 7.76
Computer Programmer III	\$16.34
Computer Technician	\$ 8.59
Electronics Technician III	\$17.32
Engineering Technician I	\$ 8.59
Engineering Technician II	\$ 9.64
Engineering Technician III	\$10.78
Engineering Technician IV	\$13.36
Engineering Technician V	\$16.34
Engineering Technician VI	\$19.77
Environmental Control Mechanic	\$13.36
General Clerk IV	\$ 9.64
Heating, Refrigeration and Air Conditioning Mechanic	\$17.32
Heavy Equipment Operator	\$17.32
Instrument Mechanic	\$17.32
Laborer	\$ 7.78
Laborer, Material Handling	\$ 7.78
Lead, Annex Maintenance Mechanic	\$17.32
Lead Environmental Control Mechanic	\$17.32

Lead Maintenance Electrician	\$17.32
Lead Mill Wright Rigger	\$17.32
Lead Pad Mech.-Mechanical	\$17.32
Lead Pad Mechanic, Electrical	\$17.32
Lead Ordnance Mechanic	\$17.32
Machinery Maintenance Mechanic	\$17.32
Machinist, Maintenance	\$17.32
Maintenance Electrician	\$17.32
Maintenance Pipe Fitter/Plumber	\$17.32
Material Expediter	\$12.82
Mill Wright/Rigger	\$17.32
Network Administrator	\$19.77
Ordnance Mechanic	\$17.32
Pad Mechanic, Electrical	\$17.32
Pad Mechanic, Mechanical	\$17.32
Photofinishing Worker	\$ 8.59
Power Generation Equipment Mechanic	\$17.32
Purchasing Assistant	\$10.78
Scheduler	\$10.78
Scheduler, Maintenance	\$12.02
Secretary I	\$ 9.64
Secretary II	\$10.78
Secretary III	\$10.78
Service Order Dispatcher	\$ 9.64
Sr. Human Resources Assistant	\$13.36
Staff Assistant I	\$ 8.59
Staff Assistant II	\$ 9.64
Staff Assistant III	\$10.78
Stock Clerk	\$10.68
Structural Painter	\$16.58

52.222-46	EVALUATION OF COMPENSATION FOR PROFESSIONAL EMPLOYEES (IAW FAR 22.1103)	FEB 1993
52.222-50	NON-DISPLACEMENT OF QUALIFIED WORKERS (IAW FAR 22.1208)	AUG 1997
52.223-2	CLEAN AIR AND WATER (IAW FAR 23.105(b))	APR 1984
52.223-3	HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA (IAW FAR 23.303(a))	JAN 1997

(b) Material Identification No.
(If none, insert None)

52.223-5	POLLUTION PREVENTION AND RIGHT-TO-KNOW INFORMATION (IAW FAR 23.1005)	MAR 1997
52.223-6	DRUG-FREE WORKPLACE (IAW FAR 23.505(b))	JAN 1997
52.223-10	WASTE REDUCTION PROGRAM (IAW FAR 23.706)	MAY 1995
52.223-11	OZONE-DEPLETING SUBSTANCES (IAW FAR 23.804(a))	JUN 1996

(a) Definition. "Ozone-depleting substance", as used in this clause, means any substance designated as Class I by the Environmental Protection Agency (EPA) (40 CFR Part 82), including but not limited to chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or any substance designated as Class II by EPA (40 CFR Part 82), including but not limited to hydrochlorofluorocarbons.

(b) The contractor shall label products which contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j(b), (c), and (d) and 40 CFR Part 82, Subpart E, as follows:

WARNING: Contains (or manufactured with, if applicable) _____
the contractor shall insert the name of the substance(s), a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.)

52.223-12	REFRIGERATION EQUIPMENT AND AIR CONDITIONERS (IAW FAR 23.804(b))	MAY 1995
52.223-14	TOXIC CHEMICAL RELEASE REPORTING (IAW FAR 23.907(b))	OCT 1996
52.225-5	BUY AMERICAN ACT – CONSTRUCTION MATERIAL (IAW FAR 25.207(a))	JUN 1997
52.225-10	DUTY-FREE ENTRY (IAW FAR 25.605(a))	APR 1984

For the purposes of this clause the blank(s) are completed as follows:

(f)(3) The notation "UNITED STATES GOVERNMENT, DEPARTMENT OF DEFENSE, Duty-free entry to be claimed pursuant to Schedule 8, Part 3, Item No. 832.00 Tariff Schedules of the United States (19 U.S.C. 1202). Upon arrival of shipment at port of entry, District Director of Customs, please release shipment under 19 CFR 142 and notify the appropriate contract administration office for execution of Customs Forms 7501 and 7501-A and any required duty-free entry certificates."

52.225-11	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (IAW FAR 25.702)	OCT 1996
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52.226-1	UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN- OWNED ECONOMIC ENTERPRISES (IAW FAR 26.104(a))	SEP 1996
52.227-1	AUTHORIZATION AND CONSENT (IAW FAR 27.201-2(a))	JUL 1995
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENTS (IAW FAR 27.202-2)	AUG 1996
52.227-10	FILING OF PATENT APPLICATIONS--CLASSIFIED SUBJECT MATTER (IAW FAR 27.207-2)	APR 1984
52.228-5	INSURANCE--WORK ON A GOVERNMENT INSTALLATION (IAW FAR 28.310)	JAN 1997
52.228-7	INSURANCE--LIABILITY TO THIRD PERSONS (IAW FAR 28.311-1)	MAR 1996
52.229-3	FEDERAL, STATE, AND LOCAL TAXES (IAW FAR 29.401-3)	JAN 1991
52.229-5	TAXES--CONTRACTS PERFORMED IN US POSSESSIONS OR PUERTO RICO (IAW FAR 29.401-5)	APR 1984
52.230-2	COST ACCOUNTING STANDARDS (IAW FAR 30.201-4(a))	APR 1996
52.230-5	ADMINISTRATION OF COST ACCOUNTING STANDARDS (IAW FAR 30.201-4(d))	APR 1996
52.232-17	INTEREST (IAW FAR 32.617(a), and 32.617(b))	JUN 1996
52.232-18	AVAILABILITY OF FUNDS (IAW FAR 32.705-1(a))	APR 1984
52.232-20	LIMITATION OF COST (IAW FAR 32.705-2(a))	APR 1984
52.232-23	ASSIGNMENT OF CLAIMS (IAW FAR 32.806(a)(1))	JAN 1986

52.232-25

PROMPT PAYMENT
(IAW FAR 32.908(c))

MAY 1997

Notwithstanding any other clause in this contract, the government will make invoice payments and contract financing payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or an electronic transfer is made. Definitions of pertinent terms are set forth in FAR 32.902. All days referred to in this clause are calendar days, unless otherwise specified.

(a)(5) An interest penalty shall be paid automatically by the Government, without request from the contractor, if payment is not made by the due date and the conditions listed in subdivisions (a)(5)(i) through (a)(5)(iii) of this clause are met, if applicable.

For the purposes of this clause the blank(s) are completed as follows:

(a)(6)(i) 7

(b)(2) 30th day

52.232-33

MANDATORY INFORMATION FOR
ELECTRONIC FUNDS TRANSFER PAYMENT
(IAW FAR 32.1103(a))

AUG 1996

52.233-1

DISPUTES
(IAW FAR 33.215)

OCT 1995

52.233-3

PROTEST AFTER AWARD
(IAW FAR 33.106(b))

AUG 1996

52.233-3

ALTERNATE I
(IAW FAR 33.106(b))

JUN 1985

52.236-5

MATERIAL AND WORKMANSHIP
(IAW FAR 36.505)

APR 1984

52.236-7

PERMITS AND RESPONSIBILITIES
(IAW FAR 36.507)

NOV 1991

52.236-13

ACCIDENT PREVENTION
(IAW FAR 36.513)

NOV 1991

52.236-13

ALTERNATE I
(IAW FAR 36.505)

NOV 1991

52.236-18

WORK OVERSIGHT IN COST-REIMBURSEMENT
CONSTRUCTION CONTRACTS
(IAW FAR 36.518)

APR 1984

52.236-19

ORGANIZATION AND DIRECTION OF WORK
(IAW FAR 36.519)

APR 1984

52.237-2	PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT, AND VEGETATION (IAW FAR 37.110(b))	APR 1984
52.237-3	CONTINUITY OF SERVICES (IAW FAR 37.110(c))	JAN 1991
52.237-10	IDENTIFICATION OF UNCOMPENSATED OVERTIME (IAW FAR 37.115-3)	OCT 1997
52.242-1	NOTICE OF INTENT TO DISALLOW COSTS (IAW FAR 42.802)	APR 1984
52.242-3	PENALTIES FOR UNALLOWABLE COSTS (IAW FAR 42.709-6)	OCT 1995
52.242-4	CERTIFICATION OF INDIRECT COSTS (IAW FAR 42.703-2(f))	JAN 1997

(c) The certificate of final indirect costs shall read as follows:

CERTIFICATE OF FINAL INDIRECT COSTS

This is to certify that I have reviewed this proposal to establish final indirect cost rates and to the best of my knowledge and belief:

1. All costs included in this proposal _____ (*identify proposal and date*) to establish final indirect cost rates for _____ (*identify period covered by rate*) are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final indirect cost rates will apply; and

2. This proposal does not include any costs which are expressly unallowable under applicable cost principles of the FAR or its supplements.

Firm: _____
Signature: _____
Name of Certifying Official: _____
Title: _____
Date of Execution: _____

(End of clause)

52.242-13	BANKRUPTCY (IAW FAR 42.903)	JUL 1995
52.243-2	CHANGES--COST-REIMBURSEMENT (IAW FAR 43.205(b)(1))	AUG 1987

52.243-2	ALTERNATE II (IAW FAR 43.205(b)(2))	APR 1984
52.244-2	SUBCONTRACTS (COST-REIMBURSEMENT AND LETTER CONTRACTS) (IAW FAR 44.204(b))	FEB 1997
52.244-2	ALTERNATE I (IAW FAR 44.204(b))	AUG 1996
52.244-5	COMPETITION IN SUBCONTRACTING (IAW FAR 44.204(e))	DEC 1996
52.244-6	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (IAW FAR 44.403)	OCT 1995

(a) Definition.

"*Commercial item*", as used in this clause, has the meaning contained in the clause at 52.202-1, Definitions.

"*Subcontract*", as used in this clause, includes a transfer of commercial items between divisions, and subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

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

(c) Notwithstanding any other clause of this contract, the Contractor is not required to include any FAR provision of clause, other than those listed below to the extent they are applicable and as may be required to establish the reasonableness of prices under Part 15, in a subcontract at any tier for commercial items or commercial components:

- (1) 52.222-26, Equal Opportunity (E.O. 11246);
- (2) 52.222-35, Affirmative Action for Special Disabled and Vietnam Era Veterans (38 U.S.C. 4212(a));
- (3) 52.222-36, Affirmative Action for Handicapped Workers (29 U.S.C. 793); and
- (4) 52.247-64, Preference for Privately Owned U.S.-Flagged Commercial Vessels (46 U.S.C. 1241) (flow down not required for subcontracts awarded beginning May 1, 1996).

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

52.245-5	GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS) (DEVIATION) (IAW FAR 45.106(f)(1), and AFAC 92-49 (ITEM D-2))	JUL 1995
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(g) (5) The contractor shall notify the contracting officer or property administrator upon loss or destruction of, or damage to, Government property provided under this contract, with the exception of low value property for which loss, damage, or destruction is reported at contract termination, completion, or when

needed for continued contract performance. The Contractor shall take all reasonable action to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the affected Government property in the best possible order, and furnish to the Contracting Officer a statement of--

- (i) The lost, destroyed, or damaged Government property;
- (ii) The time and origin of the loss, destruction, or damage;
- (iii) All known interests in commingled property of which the Government property is a part; and
- (iv) The insurance, if any, covering any part of or interest in such commingled property.

52.245-19	GOVERNMENT PROPERTY FURNISHED "AS IS" (IAW FAR 45.308-2)	APR 1984
52.246-23	LIMITATION OF LIABILITY (IAW FAR 46.805)	FEB 1997
52.246-25	LIMITATION OF LIABILITY--SERVICES (IAW FAR 46.805)	FEB 1997
52.248-1	VALUE ENGINEERING (IAW FAR 48.201(b))	MAR 1989

(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 scheduled for delivery during the sharing period. If this contract is a multiyear contract, future contract savings include savings on quantities funded after VECP acceptance.

"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.

[Per Class Deviation, through Mar 99, see DAR Tracking Number, 97-O0001 DP(DAR) letter dated 10 Apr 97]

"Sharing period," as used in this clause, means the period beginning with acceptance of the first unit incorporating the VECP and ending at the later of (1) [the end of a sharing period of 3-5 years, set at the

discretion of the Contracting Officer,] after the first unit affected by the VECP is accepted or (2) the last scheduled delivery date of an item affected by the VECP under this contract's delivery schedule in effect at the time the VECP is accepted. [The contracting officer's determination of the sharing period is final and shall not be subject to the Disputes clause or otherwise subject to litigation under 41 U.S.C. 601-613.]

"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 shall 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 shall 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 shall 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 Contracting Officer's decision to accept or reject all or part of any VECP and the decision as to which of the sharing rates applies shall be final and not subject to the Disputes clause or otherwise subject to litigation under the Contract Disputes Act of 1978 (41 U.S.C. 601-613).

(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)

[Per Class Deviation, through Mar 99, see DAR Tracking Number, 97-O0001 DP(DAR) letter dated 10 Apr 97]

	Instant contract rate	Concurrent and future rate
Fixed-price (other than incentive)	+++	+++
Incentive (fixed-price or cost)	+	+++
Cost-reimbursement (other than incentive)++	++++	+++

+ Same sharing arrangement As the contractor's profit or fee adjustment formula.

++ Includes cost-plus-award-fee contracts.

+++ A rate between 50 and 75 percent set by the Contracting Officer for each VECP. This decision is final and shall not be subject to the Disputes clause or otherwise subject to litigation under 41 U.S.C. 601-613.

++++ A rate between 25 and 50 percent set by the Contracting Officer for each VECP. This decision is final and shall not be subject to the Disputes clause or otherwise subject to litigation under 41 U.S.C. 601-613.

(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 subsection 48.104-3 of the Federal Acquisition Regulation, 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.

[Per Class Deviation, through Mar 99, see DAR Tracking Number, 97-O0001 DP(DAR) letter dated 10 Apr 97]

(j) Collateral savings. If a VECP is accepted, the instant contract amount shall be increased, as specified in subparagraph (h)(5) above, by [between 20 and 100 percent, as determined by the Contracting Officer,] 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 shall not exceed (1) the contract's firm-fixed-price, target price, target cost, or estimated cost, at the time the VECP is accepted, or (2) \$100,000, whichever is greater. The Contracting Officer shall be the sole determiner of the

amount of collateral savings, and that amount shall not be subject to the Disputes clause or otherwise subject to litigation under 41 U.S.C. 601-613.

(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 of \$100,000 or more 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)

52.249-6	TERMINATION (COST-REIMBURSEMENT) (IAW FAR 49.503(a)(1))	SEP 1996
52.249-6	ALTERNATE I (IAW FAR 49.503(a)(4))	SEP 1996
52.249-14	EXCUSABLE DELAYS (IAW FAR 49.505(d))	APR 1984
52.251-2	INTERAGENCY FLEET MANAGEMENT SYSTEM (IFMS) VEHICLES AND RELATED SERVICES (IAW FAR 51.205)	JAN 1991

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

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

B. DEPARTMENT OF DEFENSE FAR SUPPLEMENT CLAUSES

252.201-7000 CONTRACTING OFFICERS REPRESENTATIVE DEC 1991
(IAW DFARS 201.602-70)

(a) Definition. "Contracting officer's representative" means an individual designated in accordance with subsection 201.602-2 of the Defense Federal Acquisition Regulation Supplement and authorized in writing by the contracting officer to perform specific technical or administrative functions.

(b) If the Contracting Officer designates a contracting officer's representative (COR), the Contractor will receive a copy of the written designation. It will specify the extent of the COR's authority to act on behalf of the contracting officer. The COR is not authorized to make any commitments or changes that will affect price, quality, quantity, delivery or any other term or condition of the contract.

(End of clause)

252.203-7001 SPECIAL PROHIBITION ON EMPLOYMENT JUN 1997
(IAW DFARS 203.570-5)

252.203-7002 DISPLAY OF DOD HOTLINE POSTER DEC 1991
(IAW DFARS 203.7002)

252.204-7000 DISCLOSURE OF INFORMATION DEC 1991
(IAW DFARS 204.404-70(a))

252.204-7003 CONTROL OF GOVERNMENT PERSONNEL APR 1992
WORK PRODUCT
(IAW DFARS 204.404-70(b))

252.205-7000 PROVISION OF INFORMATION TO COOPERATIVE DEC 1991
AGREEMENT HOLDERS.
(IAW DFARS 205.470-2)

252.209-7000 ACQUISITION FROM SUBCONTRACTORS SUBJECT NOV 1995
TO ON-SITE INSPECTION UNDER THE INTERMEDIATE-
RANGE NUCLEAR FORCES (INF) TREATY
(IAW DFARS 209.103-70)

252.209-7003 DISCLOSURE OF COMMERCIAL TRANSACTIONS SEP 1994
WITH THE GOVERNMENT OF A TERRORIST COUNTRY
(IAW DFARS 209.104-70(c))

252.215-7000	PRICING ADJUSTMENTS (IAW DFARS 215.804-8(1))	DEC 1991
252.219-7003	SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS) (IAW DFARS 219.708(b)(1)(a))	APR 1996
252.219-7006	NOTICE OF EVALUATION PREFERENCE FOR SMALL DISADVANTAGED BUSINESS CONCERNS (IAW DFARS 219.7003)	JUN 1997

(a) Definitions.

“Historically black colleges and universities,” as used in this clause, means institutions determined by the Secretary of Education to meet the requirements of 34 CFR Section 608.2. The term also means nonprofit research institution that was in integral part of such a college or university before November 14, 1986.

“Minority institutions,” as used in this clause, means institutions meeting the requirements of paragraph (3), (4), and (5) of Section 1046(3) of the Higher Education Act of 1965 (20 U.S.C. 1135d-5(3)). The term also includes Hispanic-serving institutions as defined in Section 316(b)(1) of such Act (20 U.S.C. 1059c(b)(1)).

“Small disadvantaged business concern,” as used in this clause, means a small business concern, owned and controlled by individuals who are both socially and economically disadvantaged, as defined by the Small Business Administration at 13 CFR Part 124, the majority of earnings which directly accrue to such individuals. This term also means a small business concern owned and controlled by an economically disadvantaged Indian tribe or Native Hawaiian organization which meets the requirements of 13 CFR 124.112 or 13 CFR 124.113, respectively.

“United States,” as used in this clause, means the United States, its territories and possessions, the Commonwealth of Puerto Rico, the U.S. Trust Territory of the Pacific Islands, or the District of Columbia.

(b) Evaluation Preference.

(1) Offers will be evaluated by adding a factor of ten percent to the price of all offers, except -

(i) Offers from small disadvantaged business concerns, which have not waived the preference;

(ii) Offers from historically black colleges and universities or minority institutions, which have not waived the preference.

(iii) Otherwise successful offers of -

(A) Eligible products under the Trade Agreements Act when the dollar threshold for application of the Act is exceeded;

(B) Qualifying country end products (as defined in the Defense Federal Acquisition Regulation Supplement clause 252.225-7001, Buy American Act and Balance of Payments Program); and

(iv) Offers where application of the factor would be inconsistent with the Memorandum of Understanding or other international agreement with a foreign government.

(2) The ten percent factor will be applied on a line item by line item basis or to any group of items on which award may be made. Other evaluation factors described in the solicitation will be applied before application of the ten percent factor. The ten percent factor will not be applied if using the preference would cause the contract award to be made at a price which exceeds the fair market price by more than ten percent.

(c) *Waiver of evaluation preference.*

A small disadvantaged business, historically black college or university, or minority institution offeror may elect to waive the preference, in which case the ten percent factor will be added to its offer for evaluation purposes. The agreements in paragraph (d) do not apply to offers which waive the preference.

_____ Offeror elects to waive the preference

(d) *Agreements.*

(1) A small disadvantaged business concern, historically black college or university, or minority institution offeror, which did not waive the preference, agrees that in performance of the contract, in the case of a contract for -

(i) Services, except construction, at least 50 percent of the cost of personnel for contract performance will be spent for employees of the concern.

(ii) Supplies (other than procurement from a regular dealer in such supplies), at least 50 percent of the cost of manufacturing, excluding the cost of materials, will be performed by the concern.

(iii) General construction, at least 15 percent of the cost for the contract, excluding the cost of materials, will be performed by employees of the concern.

(iv) Construction by special trade contractors, at least 25 percent of the cost of the contract, excluding the cost of materials, will be performed by the employees of the concern.

(2) A small disadvantaged business, historically black college or university, or minority institution regular dealer submitting an offer in its own name agrees to furnish in performing this contract only end items manufactured or produced in the United States by small disadvantaged business concerns, historically black colleges or universities, or minority institutions.

(3) Upon request, a historically black college or university or minority institution offeror will provide the Contracting Officer evidence that it has been determined to be an HBCU or MI by the Secretary of Education.

(End of clause)

252.219-7006

ALTERNATE I

JUN 1997

(d)(2) A small disadvantaged business, historically black college or university, or minority institution regular dealer submitting an offer in its own name agrees to furnish in performing this contract only end items manufactured or produced in the United States by small business concerns, historically black colleges or universities, or minority institutions.

252.223-7001

HAZARD WARNING LABELS
(IAW DFARS 223.303)

DEC 1991

For the purposes of this clause, the Offeror shall complete the following:

Material (If none, insert "None")

Act

252.223-7004

DRUG-FREE WORK FORCE
(IAW DFARS 223.570-4(a))

SEP 1988

252.223-7006

PROHIBITION ON STORAGE AND DISPOSAL
OF TOXIC AND HAZARDOUS MATERIALS
(IAW DFARS 223.7103)

APR 1993

252.225-7001

BUY AMERICAN ACT AND BALANCE OF PAYMENTS
PROGRAM
(IAW DFARS 225.109(d))

JAN 1994

(The "Balance of Payments Program" is not applicable when the estimated cost of the products or service is at or below the Simplified Acquisition Threshold in FAR Part 13)

252.225-7002

QUALIFYING COUNTRY SOURCES AS
SUBCONTRACTORS
(IAW DFARS 225.109-70(a))

DEC 1991

(The balance of Payments Program is not applicable when the estimated cost of the product or service is at or below \$100,000)

252.225-7008

SUPPLIES TO BE ACCORDED DUTY-FREE ENTRY
(IAW DFARS 225.605-70(a))

DEC 1991

Supplies to be accorded duty-free entry:

252.225-7009

DUTY-FREE ENTRY--QUALIFYING COUNTRY END
PRODUCTS AND SUPPLIES
(IAW DFARS 225.605-70(b))

JAN 1997

252.225-7010

DUTY-FREE ENTRY--ADDITIONAL PROVISIONS
(IAW DFARS 225.605-70(d))

JAN 1997

For the purposes of paragraph (d) of this clause, the CAO is listed on the front page of this document and the corresponding Activity Address number is in Appendix G of the Defense FAR Supplement.

252.225-7012

PREFERENCE FOR CERTAIN DOMESTIC
COMMODITIES
(IAW DFARS 225.7002-3(a))

FEB 1997

252.225-7025	RESTRICTION ON ACQUISITION OF FORGINGS (IAW DFARS 225.7105(a))	JUN 1997
252.225-7026	REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (IAW DFARS 225.7203)	NOV 1995
252.225-7031	SECONDARY ARAB BOYCOTT OF ISRAEL (IAW DFARS 225.770-5)	JUN 1992
252.227-7013	RIGHTS IN TECHNICAL DATA-NONCOMMERCIAL ITEMS (IAW DFARS 227.7102-3(b), and 227.7103-6(a))	NOV 1995
252.227-7014	RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION (IAW DFARS 227.7203-6(a)(1))	JUN 1995
252.227-7016	RIGHTS IN BID OR PROPOSAL INFORMATION (IAW DFARS 227.7103-6(e)(1), 227.7104(e)(1), or 227.7203-6(b))	JUN 1995
252.227-7030	TECHNICAL DATA -- WITHHOLDING OF PAYMENT (IAW DFARS 227.7103-6(e)(2) or 227.7104(e)(4))	OCT 1988
252.227-7037	VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (IAW DFARS 227.7102-3(c), 227.7103-6(e)(4), 227.7104(e)(6), or 227.7203-6(f))	NOV 1995
252.231-7000	SUPPLEMENTAL COST PRINCIPLES (IAW DFARS 231.100-70)	DEC 1991
252.232-7006	REDUCTION OR SUSPENSION OF CONTRACT PAYMENTS UPON FINDING OF FRAUD (IAW DFARS 232.111-70)	AUG 1992
252.242-7000	POSTAWARD CONFERENCE (IAW DFARS 242.570)	DEC 1991
252.242-7004	MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM (IAW DFARS 242.7206)	SEP 1996
252.245-7001	NOTICE OF GOVERNMENT PROPERTY (IAW DFARS 245.505-14(a))	MAY 1994

(a) Definitions.

As used in this clause--

(1) "*Components*" means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication, or assembly by the Contractor or any subcontractor.

(2) "*Department of Defense*" (DOD) means the Army, Navy, Air Force, Marine Corps, and defense agencies.

(3) "*Foreign flag vessel*" means any vessel that is not a U.S.-flag vessel.

(4) "*Ocean transportation*" means any transportation aboard a ship, vessel, boat, barge, or ferry through international Waters.

(5) "*Subcontractor*" means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the prime contract and who is performing any part of the work or other requirement of the prime contract. However, effective May 1, 1996, the term does not include a supplier, materialman, distributor, or vendor of commercial items or commercial components.

(6) "*Supplies*" means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DOD at the time of transportation by sea.

(i) An item is clearly identifiable for eventual use by the DOD if, for example, the contract documentation contains a reference to a DOD contract number or a military destination.

(ii) "*Supplies*" includes (but is not limited to) public works; buildings and facilities; ships; floating equipment and vessels of every character, type, and description, with parts, subassemblies, accessories, and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing.

(7) "*U.S.-flag vessel*" means a vessel of the United States or belonging to the United States, including any vessel registered or having national status under the laws of the United States.

(b) The Contractor shall employ U.S.-flag vessels in the transportation by sea of any supplies to be furnished in the performance of this contract. The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that- (1) U.S.-flag vessels are not available for timely shipment; (2) The freight charges are inordinately excessive or unreasonable; or (3) Freight charges are higher than charges to private persons for transportation of like goods.

(c) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain at a minimum--

(1) Type, weight, and cube of cargo;

(2) Required shipping date;

(3) Special handling and discharge requirements;

(4) Loading and discharge points;

(5) Name of shipper and consignee;

(6) Prime contract number; and

(7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and

facsimile message or letters will be sufficient for this purpose.

(d) The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information--

- (1) Prime contract number;
- (2) Name of vessel;
- (3) Vessel flag of registry;
- (4) Date of loading;
- (5) Port of loading;
- (6) Port of final discharge;
- (7) Description of commodity;
- (8) Gross weight in pounds and cubic feet if available;
- (9) Total ocean freight in U.S. dollars; and
- (10) Name of the steamship company.

(e) The Contractor agrees to provide with its final invoice under this contract a representation that to the best of its knowledge and belief--

- (1) No ocean transportation was used in the performance of this contract;
- (2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the contract;
- (3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or
- (4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer.

The Contractor shall describe these shipments in the following format:

<u>ITEM</u> <u>DESCRIPTION</u>	<u>CONTRACT</u> <u>LINE ITEMS</u>	<u>QUANTITY</u>	<u>TOTAL</u>
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(f) If the final invoice does not include the required representation, the Government will reject and return it to the Contractor as an improper invoice for the purposes of the Prompt Payment clause of this contract. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

(g) The Contractor shall include this clause, including this paragraph (g) in all subcontracts under this contract, which exceed the simplified acquisition threshold in Part 13 of the Federal Acquisition Regulation.

NOTIFICATION OF SUBSTANTIAL IMPACT
ON EMPLOYMENT
(IAW DFARS 249.7002(c))

(This clause is applicable to all contracts of \$5 million or more and all contracts with subcontracts of \$500,000 or more.)

C. AIR FORCE FEDERAL ACQUISITION SUPPLEMENT CLAUSES

5352.204-9000

NOTIFICATION OF GOVERNMENT SECURITY ACTIVITY
(IAW AFFARS 5304.404-90)

MAY 1996

Thirty days before the date contractor operations will begin on base, the contractor shall notify the security police activity shown in the distribution block of the DD Form 254, DOD Contract Security Classification Specification, as to:

- (a) The name, address, and telephone number of this contract company's representative and designated alternate in the U.S. or overseas area, as appropriate;
- (b) The contract number and military contracting command;
- (c) The highest classification category of defense information to which contractor employees will have access;
- (d) The Air Force installations in the U.S. (in overseas areas, identify only the APO number(s)) where the contract work will be performed;
- (e) The date contractor operations will begin on base in the U.S. or in the overseas area;
- (f) The estimated completion date of operations on base in the U.S. or in the overseas area; and
- (g) Any changes to information previously provided under this clause.

This requirement is in addition to visit request procedures contained in DOD 5220.22M, National Industrial Security Program Operating Manual.

5352.204-9001

VISITOR GROUP SECURITY AGREEMENTS
(IAW AFFARS 5304.404-90)

MAY 1996

Prior to beginning operations involving classified information on an installation identified on the DD Form 254 where the contractor is not required to have a facility security clearance, the contractor shall enter into a security agreement (or understanding) with the installation commander to ensure that the contractor's security procedures are properly integrated with those of the installation. As a minimum, the agreement shall identify the security actions which will be performed:

- (a) By the installation for the contractor, such as providing storage and classified reproduction facilities, guard services, security forms, security inspections under DOD 5220.22-M, 5ag, classified mail services, security badges, visitor control, and investigating security incidents; and
- (b) Jointly by the contractor and the installation, such as packaging and addressing classified transmittals, security checks, internal security controls, and implementing emergency procedures to protect classified material.

5352.223-9000

ELIMINATION OF USE OF CLASS I OZONE
DEPLETING SUBSTANCES (ODS)
(IAW AFFARS 5323.890-7)

MAY 1996

(a) It is the Air Force policy to preserve mission readiness while minimizing dependency on Class I Ozone Depleting Substances (ODS), and their release into the environment, to help protect the Earth's stratospheric ozone layer.

(b) Unless a specific waiver has been approved, Air Force procurements:

(1) May not include any specification, standard, drawing or other document that requires the use of a Class I ODS in the design, manufacture, test, operation, or maintenance of any system, subsystem, item, component or process; and

(2) May not include any specification, standard, drawing, or other document that establishes a requirement that can only be met by use of a Class I ODS.

(c) For the purposes of this Air Force policy, the following are Class I ODS:

(1) Halons: 1011, 1202, 1211, 1301, and 2402

(2) Chlorofluorocarbons (CFCs): CFC-11, CFC-12, CFC-13, CFC-111, CFC-112, CFC-113, CFC-114, CFC-115, CFC-211, CFC-212, CFC-213, CFC-214, CFC-215, CFC-216, and CFC-217, and the blends R-500, R-501, R-502, and R-503; and

(3) Other controlled substances: Carbon Tetrachloride, Methyl Chloroform, and Methyl Bromide.

(d) The Air Force has reviewed the requirements specified in this contract to reflect this policy. Where considered essential, specific approval has been obtained to require use of the following substances:

Substance

Application/Use

Quantity (lbs)

(e) To assist the Air Force in implementing this policy, the offeror/contractor is required, to notify the contracting officer if any Class I ODS not specifically listed above is required in the performance of this contract

5352.223-9001 HEALTH AND SAFETY ON GOVERNMENT INSTALLATIONS JUN 1997
(IAW AFFARS 5323.9002)

(a) In performing work under this contract on a Government installation, the Contractor shall:

(1) Conform to the specific safety requirements established by this contract;

(2) Comply with the safety rules of the Government installation that concern related activities not directly addressed in this contract;

(3) Take all reasonable steps and precautions to prevent accidents and preserve the life and health of contractor and Government personnel performing or in any way coming in contact with the performance of this contract; and

(4) Take such additional immediate precautions as the contracting officer may reasonably require for safety and accident prevention purposes.

(b) If this contract is performed on an Air Force installation, the Air Force Occupational Safety and Health Standards (AFOSH) developed in accordance with AFI 91-301, Air Force Occupational Safety, Fire Prevention, and Health Program in effect on the date of this contract, apply. If contract performance is on other than an Air Force installation, the contractor shall comply with the safety rules of that Government installation, in effect on the date of this contract.

(c) The contracting officer may, by written order, direct additional AFOSH and safety and accident standards as may be required in the performance of this contract and any adjustments resulting from such direction will be in accordance with the Changes clause of this contract.

(d) Any violation of these safety rules and requirements, unless promptly corrected as directed by the contracting officer, shall be grounds for termination of this contract in accordance with the Default clause of this contract.

5352.242-9000

CONTRACTOR ACCESS TO AIR FORCE
INSTALLATIONS
(IAW AFFARS 5342.490-1)

MAY 1996

(a) The contractor shall obtain base identification and vehicle passes for all contractor personnel who make frequent visits to or perform work on the Air Force installation(s) cited in the contract. Contractor personnel are required to wear or prominently display installation identification badges or contractor-furnished, contractor identification badges while visiting or performing work on the installation.

(b) The contractor shall submit a written request on company letterhead to the contracting officer listing the following: contract number, location of work site, start and stop dates, and names of employees and subcontractor employees needing access to the base. The letter will also specify the individual(s) authorized to sign for a request for base identification credentials or vehicle passes. The contracting officer will endorse the request and forward it to the issuing base pass and registration office or security police for processing. When reporting to the registration office, the authorized contractor individual(s) should provide a valid driver's license, current vehicle registration, valid vehicle insurance certificate, and to obtain a vehicle pass.

(c) During performance of the contract, the contractor shall be responsible for obtaining required identification for newly assigned personnel and for prompt return of credentials and vehicle passes for any employee who no longer requires access to the work site.

(d) When work under this contract requires unescorted entry to controlled or restricted areas, the contractor shall comply with AFI 31-209, the Air Force Resource Protection Program, and AFI 31-501, Personnel Security Program Management, as applicable.

(e) Upon completion or termination of the contract or expiration of the identification passes, the prime contractor shall ensure that all base identification passes issued to employees and subcontractor employees are returned to the issuing office.

(f) Prior to submitting an invoice for final payment, the prime contractor shall obtain a clearance certification from the issuing office which states all base identification passes have been turned in, accounted for, or transferred to a follow-on contract. This certification shall be submitted to the contracting officer prior to submission of the final invoice for payment.

(g) Failure to comply with these requirements may result in withholding of final payment.

D. AIR FORCE SPACE COMMAND FEDERAL ACQUISITION REGULATION SUPPLEMENT

5352.228-9502

INSURANCE REQUIREMENTS
(IAW FAR 52.228-5)

MAR 1993

In accordance with the requirements of FAR 52.228-5 "Insurance Work on a Government Installation", the kinds and amounts of insurance contemplated under this contract are set forth as follows:

(a) WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE.

The contractor shall comply with applicable Federal and State worker's compensation and occupational disease statutes. If occupational diseases are not compensable under those statutes, they shall be covered under the employer's liability section of the insurance policy, except when contract operations are so commingled with contractor's commercial operations that it would not be practical to require this coverage. Employer's liability coverage of at least \$100,000 is required except in stated with exclusive or monopolistic funds that do not permit worker's compensation to be written by private carries.

(b) GENERAL LIABILITY INSURANCE. Bodily injury liability insurance coverage written on the comprehensive form of policy of at least \$500,000 per occurrence is required.

(c) AUTOMOBILE LIABILITY INSURANCE. Automobile liability insurance written on the comprehensive form of policy is required. The policy shall provide for bodily injury and property damage liability covering the operation of all automobiles used in connection with performing this contract. Policies covering automobiles operated in the United States shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

(End of clause)

5352.243-9500

ADVANCE CHANGE ADJUSTMENT AGREEMENT
(IAW AFSPCFARS 5343.205(b)(7))

APR 1993

All proposed changes pursuant to the "Changes" clause which do not exceed an estimated adjustment amount of \$5000 (absolute value) and which also do not affect the contract delivery or performance schedules, shall be deemed to be changes having no effect on the contract estimated cost and award fee. Consideration for such changes is the elimination of the administrative cost of negotiating an adjustment to the award fee pool.