

# **Pacific Ship Repair & Fabrication, Inc.**

## **Special Terms and Conditions**

Rev. October 1, 2013\_Puget Sound Operations

(Applicable to Firm Fixed Price Subcontracts)

**PART A. SPECIAL TERMS AND CONDITIONS**

The following provisions supplement the provisions in the parties' contract.

**PART B: PRIME CONTRACT CLAUSES – SUPPLIES OR SERVICES**

The following clauses are flowed down from PACSHIP (“Buyer”) to Seller pursuant to the requirements of Buyer’s Prime Contract with the Government. In interpreting the requirements of these clauses, “Contracting Officer” should be considered to be Buyer’s Purchasing Representative and “Government” should be considered to be PACSHIP. Seller’s strict compliance with these flow-downs is material.

Some are included in full text, and others of the FAR and DFARS are hereby incorporated into this Contract by reference as if given in full text, subject to the following definitions, and subject to the particular limitations and modifications indicated. The full text of FAR and DFARS clauses may be accessed electronically at the following internet websites:

- <https://www.acquisition.gov/far/>
- <http://FARSITE.HILL.AF.MIL/Vfdfar1.htm>

**DEFINITIONS**

The following terms will have the meanings indicated in the clauses and as modified below, unless the context indicates otherwise. While every effort was made to keep the capitalization consistent for the terms, the inconsistent capitalization should not affect the meaning intended for the terms, whether the terms are capitalized or appear in lower case form.

- (a) “Buyer’s Purchasing Representative” means the individual set out on the face of the purchase order as “Buyer”, or if none, Buyer’s Director, Contracts.
- (b) “CLIN” shall mean substitute Contract Work provided by Seller for the CLIN in support of Pacship’s prime contract with the Government.
- (c) “Contract” means this Contract.
- (d) “Contractor” means Seller.
- (e) “Department” means the Department of the Defense.
- (h) “Subcontractor” means Seller’s subcontractors.
- (i) “Supervisor” means Buyer’s Purchasing Representative.

**FLOW-DOWNS FROM PRIME CONTRACT SECTION A – SOLICITATION/CONTRACT FORM**

Prime Contract: DPAS Rating: DO-A3 rating

**FLOW-DOWNS FROM PRIME CONTRACT SECTION B – SUPPLIES OR SERVICES**

**COST OF MONEY FOR FACILITIES CAPITAL**

The Cost of Money for Facilities Capital is not a fee-bearing cost under this Contract.

**TRAVEL COSTS**

Travel costs are not fee-bearing costs under this Contract. The Contractor shall obtain prior written approval by the ACO per trip occurrence. Travel shall be funded under a separate SLIN under each CLIN. All estimated and incurred travel costs shall be in accordance with FAR 31.205-46.

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

The clause entitled “LIMITATION OF COST” (FAR 52.232-20) OR “LIMITATION OF FUNDS” (FAR 52.232-22), as appropriate, shall apply separately and independently to each separately identified estimated cost.

**PROVISIONING TECHNICAL DOCUMENTATION – WITHHOLDING OF PAYMENT (NAVSEA) (SEP 1990)**

- (a) Reserved
- (b) The PTD is considered to be a part of the "Technical Data" specified to be delivered under this contract for the purposes of the "TECHNICAL DATA--WITHHOLDING OF PAYMENT" (DFARS 252.227-7030) clause. The terms and conditions of the clause entitled "LIMITATION ON WITHHOLDING OF PAYMENTS (FAR 52.232-9), if included in this contract, shall not apply to withholding of payment for failure to make timely delivery of the PTD or delivery of deficient PTD.

**REFUNDS (SPARES AND SUPPORT EQUIPMENT) (NAVSEA) (SEP 1990)**

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

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

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

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

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

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

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

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

(g) The Contractor shall not be liable for a refund if the Contractor advised the Contracting Officer in a timely manner that the price it would propose for a spare part or item of support equipment

exceeded its intrinsic value, and with such advice, specified the estimated proposed price, the estimated intrinsic value and known alternative sources or item, if any, that can meet the requirement.

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

**TRAVEL COSTS – (NAVSEA) (MAY 1993)**

**The Contractor shall not charge, and the Government shall not pay, as an allowable cost under this Contract, any man-hour costs (whether straight-time or overtime) for Contractor personnel or subcontractor personnel traveling to work.**

- (a) Workers being paid under this Contract, as prime contractor personnel or subcontractor personnel will complete a full shift at the worksite, and no compensation will be paid for travel time before or after a shift.
- (b) This requirement pertains only to payments for travel time before or after these workers’ regular shifts, and does not apply to legitimate travel costs incurred during normal working hours, provided that those costs are otherwise reasonable, allocable and allowable. This requirement does not apply to manufacturer’s representatives or Original Equipment Manufacturer (OEM) representatives when specifically required by the Government work specifications.
- (c) Additionally, the Contractor shall not charge, and the Government shall not pay, any transportation costs under this Contract associated with transporting Contractor or subcontractor personnel between the Contractor’s facility (or subcontractor’s facility), and any other worksite to perform Phased Maintenance Availabilities (PMAs)/Drydocking Phased Maintenance Availabilities (DPMAs). Transportation costs include, but are not limited to, bus fare, car fare, train fare, or boat fare, paid by the work force, or paid by the Contractor on behalf of the work force.

The Contractor is required to comply with the following documents or their subsequent revisions in effect at the time of contract award and/or option exercise, as well as applicable current instructions, general specifications, type plans, naval ship technical manuals and directives from the Naval Sea Systems Command, which shall be used in the technical requirements of work under the Contract.

**SPECIFICATIONS/ STANDARDS/TECHNICAL REQUIREMENTS**

NAVSEA S9AA0-AB-GOS-010/GSO	General Specification for Overhaul of Surface Ships
NAVSEA A0-AB-GOS-030	General Specification for Overhaul of Surface Ships (GSO) AEGIS Supplement
ASME-Y14.24	Types and Applications Of Engineering Drawings (Chapter 200 of MIL-STD-100) Associated Lists (Chapter 700 of MIL-STD-100)
ASME-Y14.34M	Revision Of Engineering Drawings and Associated Lists (Chapter 600 of MIL-STD-100)
ASME-Y14.35M	
MIL-DTL-31000B	Technical Data Packages, General Specification For
EIA 649 dated 2/1/1999	National Consensus Standard For Configuration Management

ASME-Y14.100M	Engineering Drawing Practices
MIL-HDBK-61A	Configuration Management Guidance
MIL-PRF-49506	Performance Specification Logistics Management Information
MIL-PRF-5480G	Performance Specification Data, Engineering and Technical: Reproduction
MIL-M-9868E (1) [INACTIVE]	Military Specification Microfilming of Engineering Documents, 35mm, Requirements For
MIL-STD-38784	Notice (2) Standard Practice For Manuals, Technical: General Style and Format Requirements
MIL-STD-2042	Fiber Optic Cable Topology Installation Standard Methods For Naval Ships

**NAVAL INSTRUCTIONS**

T0300-AB-GYD-010 Note: in para 2.d.1, this was 0900-LP-079-5010 Ship Repair	Contracting Manual, Appendix 4-E
SL720-AA-MAN-030	Surface Ships and Carriers Entitled Process for Modernization (SSCEPM) Management and Operations Manual Revision 2
NAVSEAINST 4790.1A	Expanded Ship Work Breakdown Structure (ESWBS) for Ships, Ship Systems and Combat Systems
S9040-AC-IDX-010	Ships 3-M Reference Information CD (This CD contains the ESWBS information--Expanded Ship Work Breakdown 5D VOL. 1 Structure for Ships, Ships Systems and Combat Systems VOL. 2 Users Guide for the Expanded Ship)

**Limitation of Obligations with Respect to Orders not Finally Priced**

The Contractor shall commence work upon receipt of any unilateral modification to this contract. If at any time the Contractor has reason to believe that the price (estimated cost and fee) of an order placed hereunder will exceed the dollar limitation (ceiling price) established by the ACO in a unilateral modification, the Contractor shall so notify the ACO in writing and propose an appropriate increase. Within ten (10) days of such notice, the ACO will either:

- (1) Notify the Contractor in writing of such appropriate increase, or
- (2) Instruct the Contractor how, and to what extent, the work shall be continued; provided, however, that in no event shall the Contractor be obligated to proceed with work on a unilateral modification beyond the point where his cost plus a reasonable profit (fee) hereon exceed the dollar limitation, and provided also that in no event shall the Government be obligated to pay the Contractor any amount in excess of the dollar limitation specified in any unilateral modification placed .

## Ship Assessments

When tasked by PACSHIP, the contractor shall plan and execute Standard Work Templates (SWTs) for ship assessments during periods that the ship is available. This may be accomplished during or outside of CNO Repair and Alterations, CMs, EMs or WOOs for the purposes of inspecting, assessing and reporting deficient material conditions of the ship.

### CONDITION FOUND REPORT (CFR)

(a) The Contractor will identify needed repairs and recommend corrective action during contract performance for those deficiencies discovered which are not covered by the work specifications. As found conditions, needed repairs and corrective action reports will be submitted to PACSHIP in the form of a Condition Found Report (CFR).

(b) All CFR's, cost estimates and supporting data will be submitted, within three working days of identification of the requirement. At a minimum, the CFR will include the following:

- (1) Identify contract number, ship and hull number
- (2) Serialized by CFR number
- (3) Identification of the applicable Work Item number
- (4) Date requirement was discovered
- (5) Description of the work requirement
- (6) Specific location of the work
- (7) Recommendation for corrective action

The contractor shall develop a cost estimate including:

(1) Class "C" cost estimate (+ - 15%). If the work requirement cannot be estimated within five working days, provide a class "F" estimate (+ - 40%) identifying any potential impact which may affect the current schedule. The class "F" estimate will also contain the date on which a class "C" estimate will be provided.

(2) Estimated Premium/Acceleration Costs, including premium costs for; material, subcontractors, manhours, rework and any additional costs to ongoing work resulting from inclusion of the CFR work requirement.

### ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE (NAVSEA) (JUNE 1994)

(a) Performance under this contract may require that the Contractor have access to technical data, computer software, or other sensitive data of another party who asserts that such data or software is proprietary. If access to such data or software is required or to be provided, the Contractor shall enter into a written agreement with such party prior to gaining access to such data or software. The agreement shall address, at a minimum,

(1) access to, and use of, the proprietary data or software exclusively for the purposes of performance of the work required by this contract, and

(2) safeguards to protect such data or software from unauthorized use or disclosure for so long as the data or software remains proprietary. In addition, the agreement shall not impose any limitation upon the Government or its employees with respect to such data or software. A copy of the executed agreement shall be provided to the Contracting Officer. The Government may unilaterally modify the contract to list those third parties with which the Contractor has agreement(s).

(b) The Contractor agrees to:

(1) indoctrinate its personnel who will have access to the data or software as to the restrictions under which access is granted;

(2) not disclose the data or software to another party or other Contractor personnel except as authorized by the Contracting Officer;

(3) not engage in any other action, venture, or employment wherein this information will be used, other than under this contract, in any manner inconsistent with the spirit and intent of this requirement;

(4) not disclose the data or software to any other party, including, but not limited to, joint venturer, affiliate, successor, or assign of the Contractor; and

(5) reproduce the restrictive stamp, marking, or legend on each use of the data or software whether in whole or in part.

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

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

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

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

#### **ACCESS TO THE VESSEL(S) (AT) (NAVSEA) (JAN 1983)**

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

#### **ACCESS TO VESSELS BY NON U.S. CITIZENS (NAVSEA) (DEC 2005)**

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

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

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

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

Access authorization and limitations for the bearer must be clearly established and in accordance with applicable security regulations and instructions.

A control system, which provides rigid accountability procedures for handling lost, damaged, forgotten or no longer required badges, must be established.

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

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

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

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

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

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

The Contractor shall fully comply with approved ACPs. Noncompliance by the Contractor or subcontractor serves to cancel any authorization previously granted, in which case the Contractor shall be precluded from the continued use of non-U.S. citizens on this contract or agreement until such time as the compliance with an approved ACP is demonstrated and upon a determination by the ACAO that the Government's interests are protected. Further, the Government reserves the right to cancel previously granted authority when such cancellation is determined to be in the Government's best interest. Use of non-U.S. citizens, without an approved ACP or when a previously authorization has been canceled, will be considered a violation of security regulations. Upon confirmation by the CAO of such violation, this contract, agreement or any job order issued under this agreement may be terminated or default in accordance with the clause entitled "DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)" (FAR "TERMINATION (COST REIMBURSEMENT)" (FAR 52.249-6) as applicable.

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

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

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

**ADDITIONAL PROVISIONS RELATING TO GOVERNMENT PROPERTY (NAVSEA) (SEP 2009)**

- (a) For purposes of paragraph (h) of the clause entitled "GOVERNMENT PROPERTY" (FAR 52.245-1) in addition to those items of property defined in that clause as Government Property, the following shall also be included within the definition of Government Property:
  - (1) The vessel;
  - (2) The equipment on the vessel;
  - (3) Movable stores;
  - (4) Cargo; and
  - (5) Other material on the vessel
- (b) For purposes of paragraph (b) of the clause entitled "GOVERNMENT PROPERTY", notwithstanding any other requirements of this contract, the following shall not be considered Government Property:
  - (1) The vessel;
  - (2) The equipment on the vessel;
  - (3) Moveable stores; and
  - (4) Other material on the vessel.

**APPROVAL BY THE GOVERNMENT (AT) (NAVSEA) (JAN 1983)**

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

**ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS (NAVSEA) (MAY 1993)**

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

**COMPUTER SOFTWARE AND/OR COMPUTER DATABASE(S) DELIVERED TO AND/OR RECEIVED FROM THE GOVERNMENT (NAVSEA) (APR 2004)**

- (a) The Contractor agrees to test for viruses all computer software and/or computer databases, as defined in the clause entitled "RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION" (DFARS 252.227-7014), before delivery of that computer software or computer database in whatever media and on whatever system the software is delivered. The Contractor warrants that any such computer software and/or computer database will be free of viruses when delivered.
- (b) The Contractor agrees to test any computer software and/or computer database(s) received from the Government for viruses prior to use under this contract.
- (c) Unless otherwise agreed in writing, any license agreement governing the use of any computer software to be delivered as a result of this contract must be paid-up and perpetual, or so nearly perpetual as to allow the use of the computer software or computer data base with the equipment for which it is

obtained, or any replacement equipment, for so long as such equipment is used. Otherwise the computer software or computer database does not meet the minimum functional requirements of this contract. In the event that there is any routine to disable the computer software or computer database after the software is developed for or delivered to the Government, that routine shall not disable the computer software or computer database until at least twenty-five calendar years after the delivery date of the affected computer software or computer database to the Government.

(d) No copy protection devices or systems shall be used in any computer software or computer database delivered under this contract to restrict or limit the Government from making copies.

This does not prohibit license agreements from specifying the maximum amount of copies that can be made.

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

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

#### **DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING (AT) (NAVSEA) (SEP 1990)**

Attention of the Contractor is directed to the Occupational Safety and Health Act of 1970 (29 USC 651-678), and to the Safety and Health Regulations for Ship Repairing (29 CFR 1915), promulgated under Public Law 85-742, amending Section 41 of the Longshoremen's and Harbor Workers' Compensation Act (33 USC 941), and adopted by the Department of Labor as occupational safety or health standards under Section 6() of the Occupational Safety and Health Act of 1970 (See 29 CFR 1910.13). These regulations apply to all ship repair and related work, as defined in the regulations performed under this contract on the navigable waters of the United States including any dry dock and marine railway. Nothing contained in this contract shall be construed as relieving the Contractor from any obligations which it may have for compliance with the aforesaid regulations.

#### **DISPOSAL OF SCRAP (NAVSEA) (APR 2008)**

All Government scrap resulting from accomplishment of any job order is the property of the Contractor to be disposed of as it sees fit. Scrap is defined as property that has no reasonable prospect of being sold except for recovery value of its basic material content. The determination as to which materials are scrap and which materials are salvage, will be made, or concurred in, by the duly appointed Property Administrator for the cognizant SUPSHIP or RMC Office.

As consideration for retaining the Government's scrap, the Contractor's price for the performance of the work required herein shall be a net price reflecting the value of the Government scrap.

This requirement is not intended to conflict in any way with the clauses of this contract entitled "PERFORMANCE" (DFARS 252.217-7010) or "GOVERNMENT PROPERTY" (FAR 52.245-1) under the Master Contract in effect at the time of the job order award, nor does it relieve the Contractor of any other requirement under such clauses.

**EXCLUSION OF MERCURY (NAVSEA) (MAY 1998)**

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

**GOVERNMENT SURPLUS PROPERTY (NAVSEA) (SEP 1990)**

No former Government surplus property or residual inventory resulting from terminated Government contracts shall be furnished under this contract unless (i) such property is identified in the Special Contracts Requirements or (ii) is approved in writing by the Contracting Officer. Notwithstanding any such identification in the Special Contract Requirements or approval by the Contracting Officer, the Contractor agrees all items or components described in this requirement shall comply in all respects with the specifications contained herein.

**INFORMATION AND DATA FURNISHED BY THE GOVERNMENT (COST TYPE) – ALTERNATE I (NAVSEA) (SEP 2009)**

- (a) Contract Specifications. The Government will furnish, if not included as an attachment to the contract, any unique contract specifications set forth in Section C.
- (b) Contract Drawings and Data. The Government will furnish contract drawings, design agent drawings, ship construction drawings, and/or other design or alteration data cited or referenced in Section C or in the contract specification as mandatory for use or for contract guidance.
- (c) Government Furnished Information (GFI). GFI is defined as that information essential for the installation, test, operation, and interface support of all Government Furnished Material enumerated on NAVSEA Form 4205/19 or Schedule A, as applicable, attached to the contract. The Government shall furnish only the GFI identified on the NAVSEA Form 4340/2 or Schedule C, as applicable attached to the contract. The GFI furnished to the contractor need not be in any particular format. Further, the Government reserves the right to revise the listing of GFI on the NAVSEA Form 4340/2 or Schedule C, as applicable, as follows:
  - (1) The Contracting Officer may at any time by written order:
    - (i) Delete, supersede, or revise, in whole or in part, data listed or specifically referenced in NAVSEA Form 4340/2 or Schedule C, as applicable; or
    - (ii) Add items of data or information to NAVSEA Form 4340/2 or Schedule C, as applicable; or
    - (iii) Establish or revise due dates for items of data or information in NAVSEA Form 4340/2 or Schedule C, as applicable.
  - (2) If any action taken by the Contracting Officer pursuant to subparagraph (1) immediately above causes an increase or decrease in the costs of, or the time required for, performance of any part of the work under this contract, 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 clause of this contract entitled “CHANGES—~~COST-REIMBURSEMENT~~” (FAR 52.243-2) or “CHANGES—TIME-AND MATERIALS OR LABOR-HOURS” (FAR 52.243-3)
- (d) Except for the Government information and data specified by paragraphs (a), (b), and (c) above, the Government will not be obligated to furnish the Contractor with any specification, standard, drawing, technical documentation, or other publication, notwithstanding anything to the contrary in the contract specifications, the GFI listed on the NAVSEA Form 4340/2 or Schedule C, as applicable, the clause of this contract entitled “GOVERNMENT PROPERTY” (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.
- (e) Referenced Documentation. The Government will not be obligated to furnish Government specifications and standards, including Navy standard and type drawings and other technical documentation, which are referenced directly or indirectly in the contract specifications set forth in

Section C and which are applicable to this contract as specifications. Such referenced documentation may be obtained:

- (1) From the ASSIST database via the internet at <http://assist.daps.dla.mil/>; or
- (2) By submitting a request to the Department of Defense Single Stock Point (DoDSSP)  
Building 4, Section D  
700 Robbins Avenue  
Philadelphia, Pennsylvania 19111-5094  
Telephone (215) 697-6396  
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.

#### HQ C-2-0037 ORGANIZATIONAL CONFLICT OF INTEREST (NAVSEA) (JUL 2000)

(a) "Organizational Conflict of Interest" means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. "Person" as used herein includes Corporations, Partnerships, Joint Ventures, and other business enterprises.

(b) The Contractor warrants that to the best of its knowledge and belief, and except as otherwise set forth in the contract, the Contractor does not have any organizational conflict of interest(s) as defined in paragraph (a).

(c) It is recognized that the effort to be performed by the Contractor under this contract may create a potential organizational conflict of interest on the instant contract or on a future acquisition. In order to avoid this potential conflict of interest, and at the same time to avoid prejudicing the best interest of the Government, the right of the Contractor to participate in future procurement of equipment and/or services that are the subject of any work under this contract shall be limited as described below in accordance with the requirements of FAR 9.5.

(d) (1) The Contractor agrees that it shall not release, disclose, or use in any way that would permit or result in disclosure to any party outside the Government any information provided to the Contractor by the Government during or as a result of performance of this contract. Such information includes, but is not limited to, information submitted to the Government on a confidential basis by other persons. Further, the prohibition against release of Government provided information extends to cover such information whether or not in its original form, e.g., where the information has been included in Contractor generated work or where it is discernible from materials incorporating or based upon such information. This prohibition shall not expire after a given period of time.

(2) The Contractor agrees that it shall not release, disclose, or use in any way that would permit or result in disclosure to any party outside the Government any information generated or derived during or as a result of performance of this contract. This prohibition shall expire after a period of three years after completion of performance of this contract.

(3) The prohibitions contained in subparagraphs (d)(1) and (d)(2) shall apply with equal force to any affiliate of the Contractor, any subcontractor, consultant, or employee of the Contractor, any

joint venture involving the Contractor, any entity into or with which it may merge or affiliate, or any successor or assign of the Contractor. The terms of paragraph (f) of this Special Contract Requirement relating to notification shall apply to any release of information in contravention of this paragraph (d).

(e) The Contractor further agrees that, during the performance of this contract and for a period of three years after completion of performance of this contract, the Contractor, any affiliate of the Contractor, any subcontractor, consultant, or employee of the Contractor, any joint venture involving the Contractor, any entity into or with which it may subsequently merge or affiliate, or any other successor or assign of the Contractor, shall not furnish to the United States Government, either as a prime contractor or as a subcontractor, or as a consultant to a prime contractor or subcontractor, any system, component or services which is the subject of the work to be performed under this contract. This exclusion does not apply to any recompetition for those systems, components or services furnished pursuant to this contract. As provided in FAR 9.505-2, if the Government procures the system, component, or services on the basis of work statements growing out of the effort performed under this contract, from a source other than the contractor, subcontractor, affiliate, or assign of either, during the course of performance of this contract or before the three year period following completion of this contract has lapsed, the Contractor may, with the authorization of the cognizant Contracting Officer, participate in a subsequent procurement for the same system, component, or service. In other words, the Contractor may be authorized to compete for procurement(s) for systems, components or services subsequent to an intervening procurement.

(f) The Contractor agrees that, if after award, it discovers an actual or potential organizational conflict of interest, it shall make immediate and full disclosure in writing to the Contracting Officer. The notification shall include a description of the actual or potential organizational conflict of interest, a description of the action which the Contractor has taken or proposes to take to avoid, mitigate, or neutralize the conflict, and any other relevant information that would assist the Contracting Officer in making a determination on this matter. Notwithstanding this notification, the Government may terminate the contract for the convenience of the Government if determined to be in the best interest of the Government.

(g) Notwithstanding paragraph (f) above, if the Contractor was aware, or should have been aware, of an organizational conflict of interest prior to the award of this contract or becomes, or should become, aware of an organizational conflict of interest after award of this contract and does not make an immediate and full disclosure in writing to the Contracting Officer, the Government may terminate this contract for default.

(h) If the Contractor takes any action prohibited by this requirement or fails to take action required by this requirement, the Government may terminate this contract for default.

(i) The Contracting Officer's decision as to the existence or nonexistence of an actual or potential organizational conflict of interest shall be final.

(j) Nothing in this requirement is intended to prohibit or preclude the Contractor from marketing or selling to the United States Government its product lines in existence on the effective date of this contract; nor, shall this requirement preclude the Contractor from participating in any research and development or delivering any design development model or prototype of any such equipment. Additionally, sale of catalog or standard commercial items are exempt from this requirement.

(k) The Contractor shall promptly notify the Contracting Officer, in writing, if it has been tasked to evaluate or advise the Government concerning its own products or activities or those of a competitor in order to ensure proper safeguards exist to guarantee objectivity and to protect the Government's interest.

(l) The Contractor shall include this requirement in subcontracts of any tier which involve access to information or situations/conditions covered by the preceding paragraphs, substituting "subcontractor" for "contractor" where appropriate.

(m) The rights and remedies described herein shall not be exclusive and are in addition to other rights and remedies provided by law or elsewhere included in this contract.

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

**PRINTING OF TECHNICAL MANUALS, PUBLICATIONS, CHANGES, REVISIONS AND AMENDMENTS -  
ALTERNATE I (NAVSEA) (JAN 2008)**

(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, Document Automation & Production Service (DAPS) 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 Defense Automation and Production Service (DAPS) in the Naval District in which the Contractor is located, in accordance with the following general procedures:

(1) Prior to preparation of materials for printing (photolithographic negatives or camera-ready copies) by the Contractor or a subcontractor, the Contractor shall make arrangements with the DAPS 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 DAPS;

(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 DAPS;

(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 DAPS or the GPO are managed in accordance with DODD 5200.32. Contact the appropriate DAPS 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 DAPS. All transportation charges are paid to DAPS or a contract printer designated by DAPS. The DAPS shall sign the acceptance block of the DD Form 250 for reproducible quality only.

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

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

(5) DAPS 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) DAPS will pack and ship the material used for printing to the DAPS, 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 DAPS 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 DAPS to date of shipment of printed material from DAPS.

#### Printing

Minimum number of working

Days required by DAPS

Up to 200 copies per original 30

201 to 400 copies per original 40

401 to 600 copies per original 50

601 copies per original and over 60

(2) If DAPS exceeds the delivery requirements established in accordance with paragraph (c)(1)(iii), for the item(s) specified, the time shall be extended by an equivalent number of working days, provided that the Contractor requests such extensions, in writing, to the Contracting Officer and submits with its request sufficient evidence to enable the Contracting Officer to determine the validity of the

Contractor's request. If performance of all or part of the work under this contract is delayed or interrupted by said late shipment by DAPS, an adjustment shall be made pursuant to the "GOVERNMENT DELAY OF WORK" (FAR 52.242-17) clause of the contract.

(e) The Contractor shall not be responsible for the quality, or quality control, of printing performed by DAPS or a printer under contract to DAPS, and the Government shall reimburse the Contractor for any costs incurred on account of replacement of material lost or damaged by DAPS or a printer under contract to DAPS. If such loss or damage of material causes a delay or interruption of performance of all or any part of the work under this contract, an adjustment shall be made pursuant to the "GOVERNMENT DELAY OF WORK" clause of the contract.

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

#### **PROTECTION OF THE VESSEL (NAVSEA) (SEP 1990)**

(a) The Contractor shall exercise reasonable care, as agreed upon with the Supervisor, to protect the vessel from fire, and shall maintain a system of inspection over the activities of its welders, burners, riveters, painters, pipe fitters, and similar workers, and of its subcontractors, particularly where such activities are undertaken in the vicinity of the vessel's magazines, fuel oil tanks, or store rooms containing inflammable materials. All ammunition, fuel oil, motor fuels, and cleaning fluids shall have been off-loaded and the tanks cleaned, except as may be mutually agreed upon between the Contractor and the Supervisor prior to work on the vessel by the Contractor. Fire hose lines shall be maintained by the Contractor ready for immediate use on the vessel at all times while the vessel is berthed alongside the Contractor's pier or in dry dock. All tanks under alteration or repair shall be cleaned, washed, and steamed out or otherwise made safe to the extent necessary, and the Contractor shall furnish the vessel's Gas Free Officer and the Supervisor with a "Gas Chemists' Certificate" before any hot work is done. The Contractor shall maintain a fire watch aboard the vessel in areas where the Contractor is working. All other fire watches aboard the vessel shall be the responsibility of the Government.

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

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

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

#### **QUALIFICATION OF CONTRACTOR NONDESTRUCTIVE TESTING (NDT) PERSONNEL (NAVSEA) (APR 2004)**

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

Contracting Officer for review upon request.

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

#### **REMOVALS (NAVSEA) (SEP 1990)**

The Contracting Officer may, by written notice to the Contractor, direct removal of any or all of the property from storage. Within the shortest practicable time after receipt of such notice, but in no event more than thirty (30) days thereafter, unless a longer period is agreed to by the parties hereto, the Contractor will dismantle, prepare for shipment and load the item of property affected, on a common carrier at the place of storage in accordance with sound industrial practice and such instructions as the Contracting Officer may issue. The Contracting Officer may, by written notice to the Contractor direct the return of any item of the property removed, and the Contractor shall store the property at the Plant as provided for in Section F. In the event such items are removed and forwarded to a Government depot or to a party other than the Contractor, removal and return to storage of said items shall be at the expense of the Government.

#### **SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)**

(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 below, are mandatory for use. All lower tier references shall be used for guidance only.

#### **STANDARDIZATION - ALTERNATE I (NAVSEA) (MAR 2011)**

*Modified by BUYER*

(a) In order to support commonality and or standardization, variation within systems, sub-systems and components across the fleet must be reduced. When it is necessary for the Contractor to replace equipment (e.g., changes have been made to requirements, systems, sub-systems or components) or where such sub-systems, equipments or components are not available, the Contractor shall select Hull Mechanical and Electrical (HM&E) equipment/components in the following order:

(b) The Virtual Shelf items are to be applied if they meet the contract requirements. The Virtual Shelf is a repository of Total Ownership Cost (TOC) preferred Common designs. NAVSEA Commonality Program identified HM&E equipment/components for the Virtual Shelf that meet cross platform requirements and specifications and provide superior TOC. Information to gain access to the Virtual Shelf is located on the following web site:

<http://acc.dau.mil/commonality>.

Some equipment listed on the Virtual Shelf may have supporting commodity contracts. For the Virtual Shelf Items supported by commodity contracts, a supporting commodity contract will appear in the HM&E corridor of the DoD EMall (<https://dod-email.dla.mil/acct/welcome.action>). These contracts include provisions for direct contractor orders against the contracts. The Contractor will contact the Procuring Contracting Officer (PCO) listed in Section G of this contract and request instructions to register to place orders through the DoD EMall. When Shelf items are available that meet all contract requirements, the Contractor shall design, plan, procure and install according to Shelf guidance. If Shelf items are available and the Contractor intends to use a design other than that on the Shelf, the Contractor shall request a deviation from the Shelf in accordance with CDRL and configuration management procedures specified elsewhere in the contract.

(c) For Contractor Furnished HM&E equipment that meet the contract requirements, have an APL assigned and meet at least one of the following requirements, only a Statement of Prior Submission (SPS) is required. The SPS will be prepared in accordance with NAVSEA Standard Items 009-19.

(1) Are in use on current ships of the DDG 51 and FFG 7 Ship classes and are listed in HM&E Equipment Data Research System (HEDRS) with an Engineering Support Code (ESC) of either A, \*, G, S, X, Z, P.

(2) Are listed in HM&E Equipment Data Research System (HEDRS) with an Engineering Support Code (ESC) of either A, \*, G, S, X, Z, P.

(3) Have the same form, fit, function of the equipments and components on current ships of the DDG 51 and FFG 7 Ship class.

(d) For HM&E equipment that meet the contract requirements and have no assigned APL (non-standard equipment), or for non-standard HM&E equipment, Provisioning Technical Documentation (PTD) shall be submitted in accordance NAVSEA Standard Item 009-19, Provisioning Technical Documentation, and the requirements of the CDRL, Exhibit(s) A, B, & C.

(e) For non-standard HM&E equipment that does not meet the requirements of paragraph (b) above, new/revised technical manuals shall be developed in accordance with NAVSEA Standard Items 009-39, Technical Manual Contract Requirement (TMCR) for New Technical Manuals for Commercial Equipment/Component, 009-41, Technical Manual Contract Requirement (TMCR) for a Topically Structured Technical Manual, and 009-42, Technical Manual Contract Requirement (TMCR) for Updating Technical Manuals. Technical manual management data shall include those deliverable data items required for Government monitoring/tracking/approval of Contractor's technical manual efforts and the requirements of CDRL Exhibit(s) A, B, & C.

#### **TESTS AND TRIALS (NAVSEA) (OCT 1990)**

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

#### **UPDATING SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)**

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

#### **USE OF NAVY SUPPORT CONTRACTORS FOR OFFICIAL CONTRACT FILES (NAVSEA) (APR 2004)**

(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 any 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 by 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 are free to enter into separate non-disclosure agreements with the file room contractors. (Please contact Director, E. Business Division 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.

#### **RMC C-2-0016 USE OF BLACK OXIDE COATED THREADED FASTENERS (BOCTFs)**

Due to safety concerns, use of BOCTFs is not authorized when installing or replacing threaded fasteners in the accomplishment of any work required by any Work Item in this Contract.

#### **RMC C-2-0018 COSAL CONFIGURATION CHANGE DOCUMENTATION (NAVSEA) (JUN 1992)**

The Contractor shall document all changes to the ship's configuration and prepare all documentation required to bring the ship's COSAL and SPCC Weapons Systems Files (WSF) into agreement with the actual end of availability configuration. Perform COSAL/WSF maintenance action on all planned and actual equipments/components/equipage, whether furnished by the Government or the Contractor.

#### **RMC C-2-0023 POST-AWARD SUBMISSION**

*Modified by BUYER*

After receipt of award and prior to starting work aboard the vessel, the Contractor must submit a list of employees who will work aboard ship to the Contracting Officer of the ship VIA the Project Manager. The list should be on company letterhead, include each employee's name, NASSCO badge number, and security clearance when required, and bear the signature of a company official.

#### **RMC C-2-0027 USE/POSSESSION OF PERSONAL ELECTRONIC DEVICES (PEDs)**

The possession and use of portable electronic devices (PEDs) within the confines of any naval vessel, or in the Contractor's facility where equipment remove from the vessel is being worked, is strictly controlled. PEDs include: (1) mobile computing devices such as personal digital assistances (PDAs); (2) hand-held or laptop computers; (3) mobile telephone devices such as data-enabled cellular telephones; (4) two-way pagers, including those with e-mail capability; (5) analog and digital sound recorders; and (6) digital cameras, including cellular phones with digital imaging capabilities. Cellular phones with digital imaging

capabilities are strictly prohibited. PEDs may not be connected to any Navy-owned or controlled network. PEDs may not be used or process any digital information associated with the conduct of the Contract without written authorization from the Naval Supervising Activity (NSA).

#### **ASBESTOS, POLYCHLORINATED BIPHENYLS (PCBs) AND OTHER REGULATED SUBSTANCES**

A. For the purpose of this Contract, regulated substances are those substances (excluding radioactive material) for which: 1. Applicable federal, state or local regulations, or the safety and health standards cited in Section C – General Requirement “Department of Labor Occupational Safety and Health Standards for Ship Repair” may require special exposure control measures to protect worker health and safety, or 2. In the absence of the specific regulations and standards, the Contractor shall utilize Occupational Safety and Health Act (OSHA) recognized standards for identifying and controlling substances, and requiring special exposure control measures to protect workers in accordance with Section 5(a)(1) of Public Law 91-596 OSHA. Such measures include, but are not limited to, respiratory protection, protective clothing, industrial hygiene surveys and workplace controls such as containment and ventilation.

B. The Government will remediate or reduce the amount of any identified substance determined to be in such concentrations as to require worker protection measures in the workplace environment as required by paragraph A to the extent such remediation or removal is feasible.

C. Despite the best efforts of the Contractor and Government personnel to anticipate and remediate any conditions where the workplace environment is affected by asbestos, PCBs or other regulated substances, the Contractor may nevertheless encounter unanticipated situations where worker protection measures are required. In this case: 1. The Contractor shall not be relieved of his duty to continue to perform the requirements of this Contract, including taking any actions necessary to comply with Section C – General Requirement “Department of Labor Occupational Safety and Health Standards for Ship Repair.” 2. Any Contractor effort, except for that specified in paragraph C.3 below, resulting from the actions of paragraph C.1 above shall be an allowable cost under this Contract but shall not be the subject of equitable adjustment under the “Changes” clause of this Contract. 3. Cost and/or schedule impact resulting from remediation measures (i.e., clean up) required by paragraph A. above and worker protection measures in a level greater than the worker protection measures the Contractor must employ to comply with paragraph C.1 above, shall be the subject of equitable adjustment under the “Changes” clause of this Contract.

#### **FLOW-DOWNS FROM PRIME CONTRACT SECTION D – PACKAGING AND MARKING**

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.

#### **IDENTIFICATION MARKING OF PARTS – ALTERNATE I (NAVSEA) (SEP 2009)**

(a) Identification marking of individual parts within the systems, equipments, assemblies, subassemblies, components, groups, sets or kits, and of spare and repair parts shall be done in accordance with applicable specifications and drawings. To the extent identification marking of such parts is not specified in applicable specifications or drawings, such marking shall be accomplished in accordance with the following: (1) Parts 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 equipments 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 dated 7 September 2004, or, where MIL-STD-1285D does not cover such a part, in accordance with MIL-STD-130N

dated 17 December 2007. 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 equipments 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-454A dated 3 November 2000. 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.

(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.

**MARKING AND PACKING LIST(S) - ALTERNATE I (NAVSEA) (DEC 2005)**

(a) Marking. Shipments, shipping containers and palletized unit loads shall be marked in accordance with MIL-STD-129P with change 3 dated 29 October 2004.

(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.

**SECTION E – INSPECTION AND ACCEPTANCE**

**CLAUSES INCORPORATED BY REFERENCE**

52.246-2	Inspection of Supplies Fixed Price	AUG 1996
52.246-5	Inspection of Services Fixed Price	AUG 1996

E-2 Failure of any contractually required document to conform to any of the applicable requirements of this Contract will result in the rejection of the non-conforming document. Non-conforming engineering drawing documents shall be re-examined after correction of all discrepancies. The Contractor shall identify the deficiencies corrected and the action taken to prevent recurrence.

E-3 The Inspection System which the Contractor is required to maintain, as provided in paragraph (b) of the clause entitled “Inspection of Supplies— Fixed Price” (FAR 52.246-2), shall be in accordance with ISO 9001 in effect on the date of this Contract and NAVSEA Standard Item 009 in effect on the date of this Contract unless otherwise specified.

E-4 In accordance with paragraph (b) of the clause entitled “Inspection of Supplies— Fixed Price” (FAR 52.246-4), the Contractor shall make his records of all inspection work available to the Government for a period of six (6) months after completion of all work called for in this Contract.

**ADDITIONAL PROVISIONS RELATING TO CORRECTION OF DEFECTS (NAVSEA) (OCT 1990) Modified by BUYER**

In case any work done or materials or supplies furnished by the Contractor under this contract for any vessel, or the equipment thereof, shall within ninety, (90) days of delivery of the vessel to the Government, or the date of final acceptance, whichever occurs first, prove defective or deficient, such defects or deficiencies shall, as required by the Government be corrected or repaired by the Contractor to the satisfaction of the Contracting Officer; provided, however, that with respect to any individual work item which is incomplete or deficient at the time of delivery or acceptance, the Contractor's obligation under this requirement to correct or repair such deficiency shall extend ninety (90) days from the date of such correction or repair, whichever occurs first. The Contractor shall be entitled to allowable costs for corrections or repairs performed in accordance with the requirement but shall not be entitled to any additional fee for such work.

**FLOW-DOWNS FROM PRIME CONTRACT SECTION F – DELIVERIES OR PERFORMANCE**

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

**FLOW-DOWNS FROM PRIME CONTRACT SECTION H – SPECIAL CONTRACT REQUIREMENTS**

CLAUSES INCORPORATED BY FULL TEXT

**5252.202-9101 ADDITIONAL DEFINITIONS (MAY 1993)**

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

- (a) DEPARTMENT means the Department of the Navy
- (b) REFERENCES TO THE FEDERAL ACQUISITION REGULATION (FAR). All references to the FAR in this Contract shall be deemed to also reference the appropriate sections of the Defense FAR Supplement (DFARS), unless clearly indicated otherwise.
- (c) REFERENCES TO ARMED SERVICES PROCUREMENT REGULATION OR DEFENSE ACQUISITION REGULATION. All references in this document to either the Armed Services Procurement Regulation (ASPR) or the Defense Acquisition Regulation (DAR) shall be deemed to be references to the appropriate sections of the FAR/DFARS.
- (d) NATIONAL STOCK NUMBERS. Whenever the term Federal Item Identification Number and its acronym FIIN or the term Federal Stock Number or 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.

**5252.217-9107 GROWTH AND NEW WORK (SEP 1990)**

- (a) It is the Government's intention to ensure that, where it is determined that the work will be performed by the private sector, any growth or new work identified during the overhaul will be awarded to the initial prime Contractor only if a faire and reasonable price can be negotiated for such work. If a

fair and reasonable price cannot be negotiated for the above actions, the Government may, at its election, pursue any or all of the following courses of action: (1) defer the work to a repair period after completion of the instant contract; (2) accomplish the work using Government employees during the original overhaul period. (Government employees may engage in and complete the assigned work while the ship is undergoing overhaul in the initial prime Contractor's facility pursuant to the "ACCESS TO VESSEL" clause (DFARS 252.217-7011)); and/or (3) conduct a separate, competitive procurement for growth or new work. Performance will be during the original overhaul period. The initial prime Contractor and other Master Ship Repair Agreement (MSRA) holders may enter this competition. IF other than the initial prime Contractor is successful, the successful Contractor may engage in and complete the work while the ship is undergoing overhaul in the initial prime Contractor's facility pursuant to the "ACCESS to VESSEL" clause.

(b) The offeror shall include in its proposed price the cost of supporting one or more third parties (including Government employees and/or other Contractors' workers) at the overhaul site in performance of growth and/or new work, should the Government elect to pursue such a course. Increased costs that may result from third party presence as described above, may include, but are not limited to: insurance, physical plant security; reasonable access for third party workers who must transit the Contractor's facility or any other work site provided by the Contractor at which the ship may be berthed; utilities used aboard the ship or in proximity of the ship in support of the overhaul; and similar requirements. Third party presence will occur only if the prime ship repair Contractor proposes other than a fair and reasonable price. The Contractor shall price anticipated added expenses associated with third party presence as a contingency into the fixed price offered for performance of the specified work package. The Contractor shall be guided in arriving at this contingency price based on a risk assessment relative to the probability of proposing fair and reasonable prices versus reaching a potential impasse with the Government which would precipitate third party presence.

(c) This requirement does not preclude the Government from using Government employees to perform new or growth work at any time during the availability provided the use of Government employees is in the best interests of the Government.

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

Notwithstanding any provision in the "ACCESS TO VESSEL" clause (DFARS 252.217-7011), or any other clause of the contract, the Contractor agrees to allow officers, employees, and associates of the Government, or other prime contractors with the Government and their subcontractors, and officers, employees, and associates of offerors on other contemplated work, admission to the Contractor's facilities and access to the vessel without any further request for indemnification from any party, which has not been previously included in the Contract price.

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

(a) GENERAL.

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

(2) Nothing contained in this special contract requirement shall relieve the Contractor from complying with applicable Federal, State, and local Laws, codes, ordinances, and regulations, including obtaining licenses and permits, giving notices and submitting reports, in connection with hazardous waste management and disposal in the performance of this contract. Nothing contained herein shall serve to alter either party's liability or responsibility under CERCLA.

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

(b) IDENTIFICATION OF HAZARDOUS WASTES N/A of this contract identifies the types and amounts of hazardous wastes that are required to be removed by the Contractor, or that are expected to be

generated, during the performance of work under this contract.

(c) GENERATOR IDENTIFICATION NUMBERS

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

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

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

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

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

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

(7) For purposes of paragraphs (c)(2) and (3) herein, if the Contractor, while performing work at a Government facility, cannot obtain a separate generator identification number from the State in which the availability will be performed, the Contractor shall notify the ACO within 3 business days of receipt of written notification by the State. After obtaining ACO approval, the Contractor shall use the Navy site generator identification number and insert in the remarks block the contractor generator identification number issued for the site where his main facilities are located. For purposes of paragraph (c)(1) herein, if the work is being performed at a contractor facility and the Government cannot obtain a separate generator identification number for the State, the Government shall use the Contractor site generator identification number and shall cite in the remarks block a Navy generator identification number. In both instances described above, the Contractor shall prepare the Uniform Hazardous Waste Manifest described in paragraph (c)(6) above and present it to the ACO for completion.

**5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (OCT 2006)**

(a) The Contractor shall participate in the appropriate interchange of the Government-Industry Data Exchange Program (GIDEP) in accordance with NAVSEA S0300-BU-GYD-010 dated November 1994. Data

entered is retained by the program and provided to qualified participants. Compliance with this requirement shall not relieve the Contractor from complying with any other requirement of the contract.

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

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

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

#### **5252.233-9103 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (APR 1999)**

(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 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 of (i) 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 interface 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 man-hours 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.

**5252.233.9107 EQUITABLE ADJUSTMENTS; WAIVER AND RELEASE OF CLAIMS (AT) (JAN 1983)**

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

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

**5252.243-9105 NOTIFICATION OF CHANGES (CT) (JAN 1983) *modified by Buyer to omit text only relevant to Buyer***

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

(b) Notice. The primary purpose of this requirement is to obtain prompt reporting of any conduct which the Contractor considers would constitute or would require a change to this Contract. The parties acknowledge that proper administration of this Contract requires that potential changes be identified and resolved as they arise. Therefore, except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Contracting Officer of any conduct which the Contractor considers would constitute or would require a change to this Contract. Such notice shall be provided promptly, and in any event within thirty (30) calendar days from the date the Contractor identifies any such conduct. The Notice shall be written and shall state, on the basis of the most accurate information available to the Contractor: (i) The date, nature, and circumstances of the conduct regarded as a change; (ii) The name, function, and activity of the individuals directly involved in or knowledgeable about such conduct; (iii) The identification of any documents and the substance of any oral

communication involved in such conduct; (iv) The particular elements of contract performance for which the Contractor might seek an equitable adjustment under this requirement, including: (1) What ship(s) have been or might have been affected by the potential change; (2) To the extent practicable, labor or materials or both which have been or might be added, deleted, or wasted by the potential change; (3) To the extent practicable, the Contractor's preliminary order of magnitude estimate of cost and schedule effect of the potential change; and (4) What and in what manner are the particular technical requirements or contract requirements regarded as changed.

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

(d) Government Response. The Contracting Officer shall promptly, and in any event within twenty one (21) calendar days after receipt of Notice, respond thereto in writing. In such response, the Contracting Officer shall either: (i) Confirm that the conduct of which the Contractor gave notice would constitute a change, and when necessary, direct the mode of further performance, or; (ii) Countermand any conduct regarded by the Contractor as a change, or; (iii) Deny that the conduct of which the Contractor gave notice would constitute a change and, when necessary, direct the mode of further performance, or; (iv) In the event the Contractor's notice information is inadequate to make a decision under (i), (ii) or (iii) above, advise the Contractor what additional information is required. Failure of the Government to respond within the time required above shall be deemed a countermand under (d)(ii).

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

(f) Special Procedures. Paragraph (c) provides that the Contractor is to take no action to implement a potential change pending the Contracting Officer's response to the Contractor's notice of the potential change, except where specifically directed by the Contracting Officer. In special situations, however, where (1) The circumstances do not allow sufficient time to notify the Contracting Officer of the facts prior to the need to proceed with the work, and; (2) The work must proceed to avoid hazards to personnel or property or to avoid additional cost to the Government, the Contractor may proceed with work in accordance with the potential change. In such special situations, the Contractor shall advise the Contracting Officer in writing within ten (10) days of the conduct giving rise to the potential change that the Contractor has proceeded and shall describe the nature of the special situation which required proceeding prior to notification. Within thirty (30) calendar days of the conduct giving rise to the potential change, the Contractor shall provide notice as required in (b) above. The Contracting Officer shall respond as set forth in (d) above. If the Contracting Officer determines that the conduct constitutes a change and countermands it, the Contractor shall be entitled to an equitable adjustment for performance in accordance with that change prior to the countermand including performance resulting from the countermand.

(g) When the Contractor identifies any conduct which may result in delay to delivery of the ship(s), the Contractor shall promptly so inform the Contracting Officer thereof prior to providing the notice required by paragraph (b) above.

(h) *Intentionally omitted text because it applies to Buyer only.*

(i) *Intentionally omitted text because it applies to Buyer only.*

**5252.243-9113 OTHER CHANGE PROPOSALS (CT) (JAN 1990)**

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

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

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

**FLOW-DOWNS FROM PRIME CONTRACT SECTION I – CONTRACT CLAUSES**

CLAUSES INCORPORATED BY REFERENCE

52.202-1	Definitions	JUL 2004
52.203-3	Gratuities	APR 1984
52.203-5	Covenant Against Contingent Fees	APR 1984
52.203-6	Restrictions On Subcontractor Sales To The Government	SEP 2006
52.203-7	Anti-Kickback Procedures	OCT 2010
52.203-12	Limitation On Payments To Influence Certain Federal Transactions	OCT 2010
52.203-13	Contractor Code of Business Ethics and Conduct	APR 2010
52.204-2	Security Requirements	AUG 1996
52.204-4	Printed or Copied Double-Sided on Recycled Paper	MAY 2011
52.204-7	Central Contractor Registration	APR 2008
52.204-9	Personal Identity Verification of Contractor Personnel	JAN 2011
52.204-10	Reporting Executive Compensation and First Tier Subcontract Awards	JUL 2010
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	DEC 2010
52.211-15	Defense Priority And Allocation Requirements	APR 2008

52.215-2	Audit and Records—Negotiation	OCT 2010
52.215-8	Order of Precedence—Uniform Contract Format	OCT 1997
52.215-11	Price Reduction for Defective Certified Cost or Pricing Data--Modifications	AUG 2011
52.215-12	Subcontractor Certified Cost or Pricing Data	OCT 2010
52.215-13	Subcontractor Certified Cost or Pricing Data--Modifications	OCT 2010
52.215-15	Pension Adjustments and Asset Reversions	OCT 2010
52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other than Pensions	JUL 2005
52.215-19	Notification of Ownership Changes	OCT 1997
52.215-21	Requirements for Certified Cost or Pricing Data or Information Other Than Certified Cost or Pricing Data--Modifications	OCT 2010
52.215-21 Alt II	Requirements for Cost of Pricing Data or Information Other Than Cost or Pricing Data—Modifications (OCT 2010) – Alternate II	OCT 1997
52.216-7	Allowable Cost and Payment	JUN 2011
52.216-10	Incentive Fee	JUN 2011
52.219-6	Notice of Total Small Business Set-Aside	JUN 2003
52.219-8	Utilization of Small Business Concerns	JAN 2011
52.219-14	Limitations on Subcontracting	DEC 1996
52.219-16	Liquidated Damages—Subcontracting Plan	JAN 1999
52.222-1	Notice To The Government Of Labor Disputes	FEB 1997
52.222-2	Payment For Overtime Premiums	JUL 1990
52.223-3	Convict Labor	JUN 2003
52.222-4	Contract Work Hours and Safety Standards Act - Overtime Compensation	JUL 2005
52.222-19	Child Labor – Cooperation with Authorities and Remedies	JUL 2010
52.222-20	Walsh-Healey Public Contracts Act	OCT 2010
52.222-21	Prohibition Of Segregated Facilities	FEB 1999
52.222-26	Equal Opportunity	MAR 2007
52.222-35	Equal Opportunity Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	SEP 2010
52.222-36	Affirmative Action For Workers With Disabilities	OCT 2010
52.222-37	Employment Reports on Veterans	SEP 2010
52.222-40	Notification of Employee Rights Under the National Labor Relations Act	DEC 2010
52.222-50	Combating Trafficking in Persons	FEB 2009
52.222-54	Employment Eligibility Verification	JAN 2009
52.223-3	Hazardous Material Identification And Material Safety Data	JAN 1997
52.223-5	Pollution Prevention and Right-to-Know Information	MAY 2011
52.223-6	Drug-Free Workplace	MAY 2001
52.223-11	Ozone-Depleting Substances	MAY 2001
52.223-12	Refrigeration Equipment and Air Conditioners	MAY 1995
52.223-18	Encouraging Contractor Polices to Ban Text Messaging While Driving	AUG 2011

52.225-13	Restrictions on Certain Foreign Purchases	JUN 2008
52.227-1	Authorization and Consent	DEC 2007
52.227-2	Notice And Assistance Regarding Patent And Copyright Infringement	DEC 2007
52.227-10	Filing Of Patent Applications--Classified Subject Matter	DEC 2007
52.227-11	Patent Rights—Ownership by the Contractor	DEC 2007
52.227-13	Patent Rights –Ownership by the Government	DEC 2007
52.228-7	Insurance—Liability to Third Persons	MAR 1996
52.232-17	Interest	OCT 2010
52.232-20	Limitation of Cost	APR 1984
52.232-22	Limitation of Funds	APR 1984
52.232-23	Assignment of Claims	JAN 1986
52.232-23 Alt I	Assignment of Claims (JAN 1986) – Alternate I	APR1984
52.233-1	Disputes	JUL 2002
52.233-1 Alt I	Disputes (Jul 2002) – Alternate I	DEC 1991
52.233-3	Protest After Award	AUG 1996
52.233-3 Alt I	Protest After Award (Aug 1996) – Alternate I	JUN 1985
52.233-4	Applicable Law for Breach of Contract Claim	OCT 2004
52.237-2	Protection Of Government Buildings, Equipment, and Vegetation	APR 1984
52.237-3	Continuity of Services	JAN 1991
52.242-1	Notice of intent to Disallow Costs	APR 1984
52.242-3	Penalties for Unallowable Costs	MAY 2001
52.242-4	Certification of Final Indirect Costs	JAN 1997
52.242-14	Bankruptcy	JUL 1995
52.243-2	Changes—Cost Reimbursement	AUG 1987
52.243-6	Change Order Accounting	APR 1984
52.243-7	Notification of Changes	APR 1984
52.244-2	Subcontracts	OCT 2010
52.244-5	Competition in Subcontracting	DEC 1996
52.244-6	Subcontracts for Commercial Items	DEC 2010
52.245-1	Government Property	AUG 2010
52,245-2	Government Property Installation Operation Services	AUG 2010
52.245-9	Use and Charges	AUG 2010
52.246-24	Limitation of Liability—High Value Items	FEB 1997
52.246-25	Limitation of Liability—Services	FEB 1997
52.247-1	Commercial Bill of Lading Notations	FEB 2006
52.248-1	Value Engineering	OCT2010
52.249-6	Termination (Cost Reimbursement)	MAY 2004
52.249-14	Excusable Delays	APR 1984
52.251-1	Government Supply Sources	AUG 2010

52.253-1	Computer Generated Forms	JAN 1991
252.201-7000	Contracting Officer's Representative	DEC 1991
252.203-7000	Requirements Relating to Compensation of Form DoD Officials	SEP 2011
252.203-7001	Prohibition On Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	DEC 2008
252.203-7002	Requirement to Inform Employees of Whistleblower Rights	JAN 2009
252.203-7004	Display of fraud hotline poster	SEP 2011
252.204-7000	Disclosure of Information	DEC 1991
252.204-7003	Control of Government Personnel Work Product	APR 1992
252.204-7000 Alt A	Central Contractor Registration (52.204-7) Alternate A	SEP 2007
252.204-7005	Oral Attestation of Security Responsibilities	NOV 2001
252.204-7008	Export-Controlled Items	APR 2010
252.205-7000	Provision of Information to Cooperative Agreement Holders	DEC 1991
252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Government of a Terrorist Country	DEC 2006
252.211-7003	Item Identification and Valuation	JUN 2011
252.211-7005	Substitutions for Military or Federal Specifications and Standards	NOV 2005
252.211-7007	Reporting of Government-Furnished Equipment in the DoD Item Unique Identification (IUID) Registry	NOV 2008
252.215-7000	Pricing Adjustments	DEC 1991
252.215-7002	Cost Estimating System Requirements	MAY 2011
252.216-7004	Award Fee Reduction or Denial for Jeopardizing the Health or Safety of Government Personnel	SEP 2011
252.217-7028	Over And Above Work	DEC 1991
252,219-7003	Small Business Subcontracting Plan (DOD Contracts)	SEP 2011
252.223-7004	Drug Free Work Force	SEP 1988
252.223-7008	Prohibition of Hexavalent Chromium	MAY 2011
252.225-7001	Buy American Act and Balance of Payments Program	OCT 2011
252.225-7002	Qualifying Country Sources as Subcontractors	APR 2003
252.225-7004	Report of Intended Performance Outside the United States and Canada--Submission after Award	OCT 2010
252.225-7007	Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies	SEP 2006
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	JAN 2011
252.225-7012	Preference for Certain Domestic Commodities	JUN 2010
252.225-7013	Duty-Free Entry	DEC 2009
252.225-7015	Restriction on Acquisition of Hand Or Measuring Tools	JUN 2005
252.225-7016	Restriction On Acquisition Of Ball and Roller Bearings	JUN 2011
252.225-7025	Restriction on Acquisition of Forgings	DEC 2009

252.225-7030	Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate	DEC 2006
252.226-7001	Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns	SEP 2004
252.227-7013	Rights in Technical Data--Noncommercial Items	SEP 2011
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation	MAR 2011
252.227-7016	Rights in Bid or Proposal Information	JAN 2011
252.227-7019	Validation of Asserted Restrictions—Computer Software	SEP 2011
252.227-7027	Deferred Ordering of Technical Data or Computer Software	APR 1988
252.227-7030	Technical Data –Withholding of Payment	MAR 2000
252.227-7037	Validation of Restrictive Markings on Technical Data	SEP 2011
252.231-7000	Supplemental Cost Principles	DEC 1991
252.232-7010	Levies on Contract Payments	DEC 2006
252.234-7002	Earned Value Management System	MAY 2011
252.242-7003	Application for U.S. Government Shipping Documentation/Instructions	DEC 1991
252.242-7004	Material Management And Accounting System	MAY 2011
252.242-7006	Accounting System Administration	MAY 2011
252.243-7002	Requests for Equitable Adjustment	MAR 1998
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DoD Contracts)	SEP 2011
252.245-7001	Tagging, Labeling, and Marking of Government-Furnished Property	FEB 2011
252.245-7002	Reporting Loss of Government Property	FEB 2011
252.245-7004	Reporting, Reutilization, and Disposal	AUG 2011
252.246-7001	Warranty Of Data	DEC 1991
252.246-7003	Notification of Potential Safety Issues	JAN 2007
252.247-7023	Transportation of Supplies by Sea	MAY 2002
252.249-7002	Notification of Anticipated Contract Termination or Reduction	OCT 2010
252.251-7000	Ordering From Government Supply Sources	NOV 2004

CLAUSES INCORPORATED BY FULL TEXT

52.223-7 NOTICE OF RADIOACTIVE MATERIALS (JAN 1997)

(a) The Contractor shall notify the Contracting Officer or designee, in writing, 30\* days prior to the delivery of, or prior to completion of any servicing required by this Contract of, items containing either (1) radioactive material requiring specific licensing under the regulations issued pursuant to the Atomic Energy Act of 1954, as amended, as set forth in Title 10 of the Code of Federal Regulations, in effect on the date of this Contract, or (2) other radioactive material not requiring specific licensing in which the specific activity is greater than 0.002 microcuries per gram or the activity per item equals or exceeds 0.01 microcuries. Such notice shall specify the part or parts of the items which contain radioactive materials, a description of the materials, the name and activity of the isotope, the manufacturer of the materials, and any other information known to the Contractor which will put users of the items on notice as to the hazards involved (OMB No. 9000-0107).

\*The Contracting Officer shall insert the number of days required in advance of delivery of the item or completion of the servicing to assure that required licenses are obtained and appropriate personnel are

notified to institute any necessary safety and health precautions. See FAR 23.601(d).

(b) If there has been no change affecting the quantity of activity, or the characteristics and composition of the radioactive material from deliveries under this Contract or prior contracts, the Contractor may request that the Contracting Officer or designee waive the notice requirement in paragraph (a) of this clause. Any such request shall-(1) Be submitted in writing; (2) State the quantity of activity, characteristics, and composition of the radioactive material have not changed; and (3) Cite the contract number on which the prior notification was submitted and the contracting officer to which it was submitted.

(c) All items, parts, or subassemblies which contain radioactive materials in which the specific activity is greater than 0.002 microcuries per gram or activity per item equals or exceeds 0.01 microcuries, and all containers in which such items, parts or subassemblies are delivered to the Government shall be clearly marked and labeled as required by the latest revision of MIL-STD 129 in effect on the date of the Contract.

(d) This clause, including this paragraph (d), shall be inserted in all subcontracts for radioactive materials meeting the criteria in paragraph (a) of this clause.

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

(a) Definitions.

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

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

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

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

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

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

**52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998) *modified by Buyer***

This Contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text.