SOLICITATION/C ITRACT

BIDDER/OFFEROR TO COMPLETE BLOCKS 11, 13, 15, 21, 22, & 27.

1. THIS CONTRACT IS ATED ORDER UNDER DPAS (15 CF)

RATING: DO: S1

Page 1

2. CONTRACT NO.: FA8222-05-D-0006

3. AWARD/EFFECTIVE DATE: JUN 30 2005

4. SOLICITATION NUMBER: FA822204R1000

5. SOLICITATION TYPE: [ ] SEALED BID (IFB) [X] NEGOTIATED (RFP)

6. SOLICITATION ISSUE DATE: 7 OCT 2004

7. ISSUED BY CODE FA8222
DEPARTMENT OF THE AIR FORCE, 508 AIRCRAFT SUSTAINMENT WING
508 FSG/PK
6072 FIR AVENUE BLDG 1233
HILL AIR FORCE BASE UT 84056-5820
BUYER: Andrew L. Hatch/508 FSG/PK
andrew.hatch@hill.af.mil
Phone: (801) 775-2281 Fax: (801) 777-6172 No Collect Calls

8. THIS ACQUISITION IS
[X] UNRESTRICTED
[ ] SET ASIDE: % FOR
[ ] SMALL BUSINESS
[ ] LABOR SURPLUS AREA CONCERNS
[ ] COMBINED SMALL BUSINESS & LABOR SURPLUS AREA CONCERNS
[ ]
NAICS CODE: 541710 SIZE STANDARD: 1,500
Exception: Aircraft Research and Development

9.

10. ITEMS TO BE PURCHASED (BRIEF DESCRIPTION)
[ ] SUPPLIES [X] SERVICES

11. IF OFFER IS ACCEPTED BY THE GOVERNMENT WITHIN * ___ CALENDAR DAYS (60 CALENDAR DAYS UNLESS OFFEROR INSERTS A DIFFERENT PERIOD) FROM THE DATE SET FORTH IN BLK 9 ABOVE, THE CONTRACTOR AGREES TO HOLD ITS OFFERED PRICES FIRM FOR THE ITEMS SOLICITED HEREIN AND TO ACCEPT ANY RESULTING CONTRACT SUBJECT TO THE TERMS AND CONDITIONS STATED HEREIN. *234

12. ADMINISTERED BY CODE S4404A
DCMA SAN ANTONIO
815 EAST HOUSTON STREET
PO BOX 1040
SAN ANTONIO TX 78294-1040 UNITED STATES
SCD:C

13. CONTRACTOR OFFEROR CODE 0HXP3 FACILITY CODE
KARTA TECHNOLOGIES, INC
5565 NORTHWEST PKWY
SAN ANTONIO TX 78249-9333
UNITED STATES
(210) 582-3252
Attn: SUSAN WRIGHT
EMail Address: swright@karta.com

[ ] CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER

14. PAYMENT WILL BE MADE BY CODE HQ0339
(SEE ELECTRONIC SUBMISSION OF PAYMENT REQUESTS, CLAUSE 252.232-7003)
DFAS-COLUMBUS CENTER
DFAS-CO/WEST ENTITLEMENT OPERATIONS
PO BOX 182381
COLUMBUS OH 43218-2381 UNITED STATES

SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK: 14 EFT:T

15. PROMPT PAY DISCOUNT
NET 30 DAYS

16. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION
10 USC 2304 [ ] (c)( ) 41 USC 253 [ ] (c)( )

17. ITEM NO.	18. SCHEDULE OF SUPPLIES/SERVICES	19. QUANTITY	20. UNIT	21. UNIT PRICE	22. AMOUNT
	ROUTINE JOB CONTROL NUMBER: To be cited on individual orders SEE LINE ITEM SCHEDULE			Ceiling	

23. ACCOUNTING AND APPROPRIATION DATA
SEE SCHEDULE

24. AWARD AMOUNT (FOR GOVT USE ONLY)
$ SEE CLAUSE 9952.758-H756

25. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 1 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY CONTINUATION SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN. [X]

26. AWARD OF CONTRACT: YOUR OFFER ON SOLICITATION NUMBER SHOWN IN BLOCK 4 INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS. [ ]

27. SIGNATURE OF OFFEROR/CONTRACTOR
K Guest

28. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)
Jerie B. Muir

NAME AND TITLE OF SIGNER (TYPE OR PRINT)
Ken Guest
Chief Operating Officer

DATE SIGNED
6-30-05

NAME OF CONTRACTING OFFICER
Jerie B. Muir
jerie.muir@hill.af.mil

DATE SIGNED
6/30/05

1447-101

STANDARD FORM 1447 (5-84)
Prescribed by GSA FAR (48 CFR 53.215-1(a))

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

First and Second CLIN digits may change to support use of the same pricing arrangement for different efforts (e.g. task order options or phases) within the same task order.

(FFP) Prime Contractor Engineering and Related Services

Item No.
0001

Firm Fixed Price

Quantity	U/I	Unit Price	Amount
	LO		

(FFP) PRIME CONTRACTOR Engineering and related services
Prime contractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated man-hours: to be negotiated on each order issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

(FFP) Subcontracting Engineering and Related Services

Item No.
0002

Firm Fixed Price

Quantity	U/I	Unit Price	Amount
	LO		

(FFP) SUBCONTRACTING Engineering and related services
Subcontractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated man-hours: to be negotiated on each order issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

(CPFF) Prime Contractor Engineering and Related Services

Item No.
0003

Cost Plus Fixed Fee

Quantity	U/I	Total Estimated Cost	Fixed Fee	Total Estimated Cost
	LO			

(CPFF) PRIME CONTRACTOR Engineering and related services
Prime contractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated Number of Man-hours: to be negotiated on each order issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

The estimated cost and fee for this CLIN are shown above. The applicable fixed fee set forth may be increased or decreased only by negotiation and modification of the contract for added or deleted work. As determined by the Contracting Officer, it shall be paid as it accrues in regular installments based upon the percentage of completion of work (or the expiration of the agreed-upon period(s) for term contracts).

(CPFF) Subcontracting Engineering and Related Services

Item No.
0004

Cost Plus Fixed Fee

(CPFF) Subcontracting Engineering and Related Services

Quantity	U/I	Total Estimated Cost	Fixed Fee	Total Estimated Cost
	LO			

(CPFF) SUBCONTRACTING Engineering and related services
Subcontractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated Number of Man-hours: to be negotiated on each order issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

The estimated cost and fee for this CLIN are shown above. The applicable fixed fee set forth may be increased or decreased only by negotiation and modification of the contract for added or deleted work. As determined by the Contracting Officer, it shall be paid as it accrues in regular installments based upon the percentage of completion of work (or the expiration of the agreed-upon period(s) for term contracts).

(T&M) Prime Contractor Engineering and Related Services

Item No.
0005

Time & Material

Est Qty Hours	U/I	Rate	Ceiling
	LO		

(T&M) PRIME CONTRACTOR Engineering and related services
Prime contractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated Number of Man-hours: to be negotiated on each order issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

(T&M) Subcontracting Engineering and Related Services

Item No.
0006

Time & Material

Est Qty Hours	U/I	Rate	Ceiling
	LO		

(T&M) SUBCONTRACTING Engineering and related services
Subcontractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated Number of Man-hours: to be negotiated on each order issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

(CPAF) Prime Contractor Engineering and Related Services

Item No.
0007

Cost Plus Award Fee

Quantity	U/I	Est Unit Cost	Base Fee	Total Estimated Cost
	LO			

(CPAF) PRIME CONTRACTOR Engineering and related services
Prime contractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated Number of Man-hours: to be negotiated on each order issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

(CPAF) Prime Contractor Engineering and Related Services

Item No.
0008

Cost Plus Award Fee

Quantity	U/I	Award Fee	Total Estimated Cost
	LO		

(AWARD FEE) PRIME CONTRACTOR Engineering and related services
Award Fee associated with CLIN 0007 CPAF
Terms and Conditions of Award Fee: to be negotiated on each order issued hereunder.

(CPAF) Subcontracting Engineering and Related Services

Item No.
0009

Cost Plus Award Fee

Quantity	U/I	Est Unit Cost	Base Fee	Total Estimated Cost
	LO			

(CPAF) SUBCONTRACTING Engineering and related services
Prime contractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated Number of Man-hours: to be negotiated on each order issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

(CPAF) Subcontracting Engineering and Related Services

Item No.
0010

Cost Plus Award Fee

Quantity	U/I	Award Fee	Total Estimated Cost
	LO		

(AWARD FEE) SUBCONTRACTING Engineering and related services
Award Fee associated with CLIN 0009 CPAF
Terms and Conditions of Award Fee: to be negotiated on each order issued hereunder.

(FPIF) Prime Contractor Engineering and Related Services

Item No.
0011

Incentive Firm Target

Quantity	U/I	Unit Price	Target Profit	Target Price
	LO			

(FPIF) PRIME CONTRACTOR Engineering and related services
Prime contractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated man-hours: to be negotiated on each order issued hereunder. Incentive Target conditions will be negotiated on task orders issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

Target cost, target profit, and target price will be determined on each applicable task order.

(FPIF) Subcontracting Engineering and Related Services

Item No.
0012

(FPIF) Subcontracting Engineering and Related Services

Incentive Firm Target

Quantity	U/I	Unit Price	Target Profit	Target Price
	LO			

(FPIF) SUBCONTRACTING Engineering and related services
Prime contractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated man-hours: to be negotiated on each order issued hereunder. Incentive Target conditions will be negotiated on task orders issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

Target cost, target profit, and target price will be determined on each applicable task order.

(CPIF) Prime Contractor Engineering and Related Services

Item No.
0013

Cost Plus Incentive Fee

Quantity	U/I	Unit Price	Target Fee	Total Estimated Cost
	LO			

(CPIF) PRIME CONTRACTOR Engineering and related services
Prime contractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated man-hours: to be negotiated on each order issued hereunder. Incentive Fee conditions will be negotiated on task orders issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

Target cost, target fee, and total estimated cost will be determined on each applicable task order.

(CPIF) Subcontracting Engineering and Related Services

Item No.
0014

Cost Plus Incentive Fee

Quantity	U/I	Unit Price	Target Fee	Total Estimated Cost
	LO			

(CPIF) SUBCONTRACTING Engineering and related services
Prime contractor-provided engineering and related services IAW the attached Performance Work Specification (PWS). Estimated man-hours: to be negotiated on each order issued hereunder. Incentive Fee conditions will be negotiated on task orders issued hereunder. PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

Target cost, target fee, and total estimated cost will be determined on each applicable task order.

(CR) Other Direct Costs

Item No.
0015

Cost Reimbursement - No Fee

Quantity	U/I	Est Unit Cost	Total Estimated Cost
	LO		

(CR) Other Direct Costs
Other Direct Costs associated with efforts performed under CLINs 0001 through 0014.
Approved use of Ozone Depleting Substances IAW Clause 5352.223-9000 will be cited on individual task orders.

(CR) Material

Item No.
0016

Cost Reimbursement - No Fee

Quantity	U/I	Est Unit Cost	Total Estimated Cost
	LO		

(CR) Material
Material costs associated with efforts performed under CLINs 0001 through 0014.
Approved use of Ozone Depleting Substances IAW Clause 5352.223-9000 will be cited on individual task orders.

(CR) Travel

Item No.
0017

Cost Reimbursement - No Fee

Quantity	U/I	Est Unit Cost	Total Estimated Cost
	LO		

(CR) Travel
Travel costs associated with efforts performed under CLINs 0001 through 0014.

(NSP) Engineering Data Requirements

Item No.
0018

(NSP) Engineering Data Requirements
The applicable DD Form 1423(s) will be attached to the individual Task Orders (See CDRL List in the Performance Work Specification (PWS)).
PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

(TBD) Technical Data Package

Item No.
0019

The contract type of this CLIN will be determined on the task orders issued hereunder.
(Contract Type TBD) Technical Data Package
The applicable DD Form 1423(s) will be attached to the individual Task Order.
PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

(TBD) Technical Manuals

Item No.
0020

(TBD) Technical Manuals

The contract type of this CLIN will be determined on the task orders issued hereunder.
(Contract Type TBD) Technical Manuals
The applicable DD Form 1423(s) will be attached to the individual Task Order.
PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

(TBD) Logistic Support Data

Item No.
0021

The contract type of this CLIN will be determined on the task orders issued hereunder.
(Contract Type TBD) Logistic Support Data
The applicable DD Form 1423(s) will be attached to the individual Task Order.
PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder.

(TBD) Limited Production

Item No.
0022

The contract type of this CLIN will be determined on the task orders issued hereunder.
(Contract Type TBD) Limited Production
Limited production as described in the Performance Work Specification (PWS).
PQA/INSP Site, FOB, & Acceptance Site: to be determined on specific task orders issued hereunder. Approved use of Ozone Depleting Substances IAW Clause 5352.223-9000 will be cited on individual task orders.

9952.216-9001 **PAYMENT OF FEE (JALC)** (MAR 2003)
(IAW JALC 9916.307(b))
The estimated cost and fee for this contract are shown below. The applicable fixed fee or target fee set forth below may be increased or decreased only by negotiation and modification of the contract for added or deleted work. As determined by the Contracting Officer, it shall be paid as it accrues in regular installments based upon the percentage of completion of work (or the expiration of the agree-upon period(s) for term contracts).

TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE.

AWARD FEE WILL BE NEGOTIATED AND ADMINISTERED IAW THE INDIVIDUAL TASK ORDER AWARD FEE PLAN.

(The above Clause/Provision has been modified.)

(Applicable when, Payment of Fee, Fixed Fee, or Incentive Fee, is used. The contracting officer may modify the clause, provided that the modification does not permit payment of the fixed fee or target on the basis of actual expenditure as a percentage of total estimated cost)

PART I - THE SCHEDULE
SECTION C
DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK

The Performance Work Specification for this contract is attached in section J

PART I - THE SCHEDULE
SECTION D
PACKAGING AND MARKING

5352.247-9005 **SHIPPING CONTAINER MARKING (AFMC)** (MAR 2003)
(IAW AFMCFARS 5347.305-10(a)(91), (93), (94), (95))

All shipping containers shall be marked meeting the following criteria:

(a) MIL-STD-129 P, Standard Practice for Military Marking.

(b) Bar code format shall conform to bar code symbology Format 3 of 9, Code 39 as specified in MIL-STD-129 P.

(c) Additional marking and/or bar coding requirements exceeding those of MIL-STD-129 P, e.g., unit serial numbers, original equipment manufacturer's (OEM) name, or OEM model number, as specified on the AFMC Form 158:

PACRN(s) Applicable to 5352.247-9005	Additional Bar Coding or Marking Requirements (if applicable)
To be cited on individual orders	To be cited on individual orders

(The above Clause/Provision has been modified.)

(Applicable when the Government requires marking and/or bar coding in accordance with the requirements of MIL-STD-129, Standard Practice for Military Marking)

5352.247-9007 **SPECIFICATION COMMERCIAL PACKAGING (AFMC)** (JAN 2000)
(IAW AFMCFARS 5347.305-10(a)(93))

(b) The exterior container shall be marked (readable from 24 inches):
"ASTM D3951 - NOT FOR OUTSIDE STORAGE."

PACRN	QUP	SUPPLEMENTAL PACKAGING
		To be cited on individual orders

(Applicable when the Government requires the use of commercial packaging to the American Society for Testing and Materials (ASTM) Specification D3951)

5352.247-9008 **CONTRACTOR COMMERCIAL PACKAGING (AFMC)** (SEP 1998)
(IAW AFMCFARS 5347.305-10(a)(94))

(b) The exterior container shall be marked (readable from 24 inches): **"NOT FOR OUTSIDE STORAGE."**

PACRN	QUP

5352.247-9009 **MILITARY PACKAGING AND MARKING (AFMC)** (AUG 2002)
(IAW AFMCFARS 5347.305-10(a)(95))

Items shall be packaged in accordance with MIL-STD-2073-1 D, Standard Practice for Military Packaging. Shipping and storage markings shall be in accordance with MIL-STD-129 P, Standard Practice for Military Marking.

PART I - THE SCHEDULE
SECTION E
INSPECTION AND ACCEPTANCE

52.246-2 **INSPECTION OF SUPPLIES--FIXED-PRICE** (AUG 1996)
(IAW FAR 46.302)

52.246-3 **INSPECTION OF SUPPLIES--COST-REIMBURSEMENT** (MAY 2001)
(IAW FAR 46.303)

52.246-4 **INSPECTION OF SERVICES--FIXED-PRICE** (AUG 1996)
(IAW FAR 46.304)

52.246-5 **INSPECTION OF SERVICES--COST-REIMBURSEMENT** (APR 1984)
(IAW FAR 46.305)

52.246-6 **INSPECTION--TIME-AND-MATERIAL AND LABOR-HOUR** (MAY 2001)
(IAW FAR 46.306)

52.246-7 **INSPECTION OF RESEARCH AND DEVELOPMENT--FIXED-PRICE** (AUG 1996)
(IAW FAR 46.307(a))

52.246-8 **INSPECTION OF RESEARCH AND DEVELOPMENT--COST-REIMBURSEMENT** (MAY 2001)
(IAW FAR 46.308)

52.246-9 **INSPECTION OF RESEARCH AND DEVELOPMENT (SHORT FORM)** (APR 1984)
(IAW FAR 46.309)

PART I - THE SCHEDULE
SECTION F
DELIVERIES OR PERFORMANCE

52.242-15 **STOP-WORK ORDER** (AUG 1989)
(IAW FAR 42.1305(b)(1))
(Applicable for supplies, services, or research and development)

52.242-15 **STOP-WORK ORDER -- ALTERNATE I** (APR 1984)
(IAW FAR 42.1305(b)(2))
(Applicable for Cost-reimbursement line items)

PART I - THE SCHEDULE
SECTION G
CONTRACT ADMINISTRATION DATA

FUND CITES WILL BE CITED ON INDIVIDUAL TASK ORDERS.

9952.232-9002 **TRANSPORTATION APPROPRIATION CHARGEABLE (JALC)** (MAR 2003)
(IAW JALC 9932.705(90))
The Transportation Allotment Identification (TAI) relates directly to the above ACRN(s). For example the TAI "TAA" is for the same line item(s) as ACRN "AA".

FMS TRANSPORTATION ALLOTMENT SHALL BE USED ONLY WHEN SHIPMENT ON GOVERNMENT BILL OF LADING IS AUTHORIZED

Insert 3 if movement via surface mode or 2 if movement via airlift in place of any "#" shown.

Insert last digit of current fiscal year in place of any asterisk "*" shown when material is shipped.

TAI	ATAC	FMS ALLOTMENT
To be cited on individual orders	To be cited on individual orders	To be cited on individual orders

(The above Clause/Provision has been modified.)

9952.237-9002 **CONTRACT HOLIDAYS (JALC)** (MAR 2003)
(IAW JALC 9937.110-90(b))

(a) The prices/costs in Section B of the contract include holiday observances; accordingly, the Government will not be billed for such holidays, except when services are required by the Government and are actually performed on a holiday. Holidays in addition to those reflected in this contract, which are designated by the Government, will be billable provided the assigned Contractor employee was available for performance and was precluded from such performance.

(b) The following days are contract holidays: New Year's Day; Martin Luther King, Jr. Day; President's Day; Memorial Day; Independence Day; Labor Day; Columbus Day; Veteran's Day; Thanksgiving Day; Christmas Day.

(The above Clause/Provision has been modified.)

PART I - THE SCHEDULE
SECTION H
SPECIAL CONTRACT REQUIREMENTS

9952.756-H756 **INDEFINITE QUANTITY** (SEP 2004)

This is an Indefinite Quantity contract as contemplated by FAR 16.504. The total scope of the technical tasks for which orders may be issued is set forth in the attached Performance Work Specification. Because DESP II is a multiple award acquisition, the dollar amount issued under any DESP II contract will count towards the total program ceiling of $1,900,000,000. The sum contract value of all DESP II contracts shall not exceed the total program ceiling. The maximum dollar amount the Government may order under any contract is the total program ceiling of $1,900,000,000; the minimum amount is $5,000.00.

9952.757-H757 **ORDERING PROCEDURES (INSTRUCTIONS TO OFFERORS)** (SEP 2004)

(a) The purpose of this clause is to define the process for competing Task Orders (TOs). Further guidance is found in the DESP II User's Guide. The contractor may accept TOs and modifications to TOs only from the organizations identified as authorized ordering activities in clause 9952.216-9004. Each TO and modification to a TO that will affect TO funding amount shall bear a Job Control Number (JCN) that is specific to that action assigned by OO-ALC. Note: The contractor shall not accept any order from an organization not identified in clause 9952.216-9004 as an authorized ordering agency, and/or an order or modification of an order (other than an administrative modification), regardless of origin, that does not bear a JCN assigned by OO-ALC.

(b) The ordering activity will furnish a Contractual Engineering Task (CET)/Statement of Work (SOW), along with a letter RFP, to contractors in accordance with the procedures outlined in the DESP II User's Guide. Within the time frames specified below in paragraph (d) of this clause (unless otherwise directed by the PCO), the contractor shall furnish to the ordering office a cost proposal, including labor hours, materials, and schedule required for performance of the task, along with a technical proposal, consisting of responses to the Delphi Questions designated in the letter RFP. The modified Delphi Method, which will be used on competitive TOs, is explained in the DESP II User's Guide.

(c) Unless a TO requirement meets one of the exemptions listed in FAR 16.505 (b)(2), it will be considered a competitive requirement. Furthermore, all competitive requirements whose estimated value is less than or equal to $500,000.00 will be set-aside for competition among the small business prime contractors. For competitive requirements whose estimated value is greater than $500,000.00, the TO contracting officer will consider FAR 19.502-2(b)(1) and (2) and FAR 52.219-14 Limitations on Subcontracting as contained in this contract in determining whether or not to set them aside for competition among the small business prime contractors.

(d) Unless noted otherwise in the letter RFP by the PCO, the time frames of receipt of proposals are as follows:
1. Projects estimated at under $500,000 —5 working days
2. Projects estimated at over $500,000—7 working days

(e) The cost of preparing any quotation or proposal in advance of receiving a TO for a CET/SOW is to be considered a bid and proposal (B&P) cost. This cost, therefore, is only chargeable to the appropriate indirect cost account. Under no circumstances are such B&P costs to be considered as direct costs chargeable to or reimbursable under a TO that may be issued.

(f) The Government reserves the right to not award an order after requesting an order proposal. Regardless of whether an order is awarded or not, the Government shall not be responsible for the contractor's B&P costs.

(g) The Government will select one of the following price arrangements for each TO: Firm Fixed Priced (FFP), Fixed Price Incentive Firm (FPIF), Cost Plus Fixed Fee (CPFF), Cost Plus Award Fee (CPAF), Cost Plus Incentive Fee (CPIF), Cost Reimbursement (CR), or Time and Materials (T&M). A DD Form 1155 will be utilized by the Government to issue TOs. A Standard Form 30 will be used to modify the TO(s).

(h) "Contractor-site performance" is defined as work performed at a contractor-owned or operated facility (or facilities).

(i) "Government-site performance" is defined as work performed at a Government operated facility (or facilities).

(j) The ordering office will not issue any TO until the parties have negotiated all direct costs, including subcontract efforts and travel.

(k) Subcontract cost/rates not identified in the rates tables attached to this contract shall be justified with verifiable cost or pricing data or other than cost or pricing data as part of the offeror's proposal. It is not adequate to just provide the cost. In addition to providing these costs, an explanation of the services/items to be procured and how they were procured (competition, negotiated rates, other) must also be addressed.

(l) In any FFP TO, labor identified in the Labor Categories Attachment of this contract shall be priced in accordance with the Not To Exceed (NTE) rates contained in Burden/Rates Tables P-1, P-2 (prime contractor's rates) or SX-1, SX-2 (DESP II Subcontractor's rates, where 'X' represents a different numerical value assigned to each DESP II Subcontractor) to determine the total cost. The FFP rates in Burden/Rates Tables are loaded to the prime contractor's cost line and are broken out separately into contractor-site rates and Government-site rates.. The prime contractor's profit will be negotiated on a TO basis, but shall not exceed the factor in Burden/Rates Table P-11 (prime contractor's profit on prime contractor FFP labor) and/or P-14 (prime contractor's profit on DESP II Subcontractor FFP labor), whichever is applicable.

(m) In any CPFF TO, labor identified in the Labor Categories Attachment of this contract shall be priced in accordance with the NTE rates contained in Burden/Rates Tables P-3, P-4 (prime contractor's rates) or SX-3, SX-4 (DESP II Subcontractor's rates, where 'X' represents a different numerical value assigned to each DESP II Subcontractor). All TOs issued using the CPFF pricing arrangement will be completion type IAW FAR 16.306(d)(1) unless otherwise stated in the individual TO.

(n) The CPFF rates, as identified in paragraph (m) of this clause, are burdened to include all indirect rates except for the fee and shall be used to establish the estimated cost of the order. The total estimated cost shall be used to determine the fixed fee amount (total estimated cost multiplied by the fixed fee percentage = fixed fee amount). The prime contractor's fee will be negotiated for each applicable TO, but shall not exceed the percentage in Burden/Rates Table P-12 (prime contractor's fee on prime contractor CPFF labor) and/or P-15 (prime contractor's fee on DESP II Subcontractor CPFF labor), whichever is applicable. The proposed/negotiated NTE fixed fee percentages (Tables P-12 and P-15) will be applied to prime contractor's cost for (1) the prime's own labor, and/or (2) a DESP II Subcontractor's labor. The fee amount shall be determined on a case by case basis by the PCO and shall not exceed the NTE Fixed Fee Percentages. Each order's fee shall be based on the amount of risk the prime is assuming

and the amount of subcontracting involved. At the time the contractor submits a voucher for the effort expended, payment will be made on the basis of actual costs incurred. IAW clause 9952.216-9001, the fee for each order shall be established as a firm dollar amount, not as a percentage. The contractor will receive this fee amount regardless of actual costs incurred.

(o) In any T&M TO, labor identified in the Labor Categories Attachment of this contract shall be priced in accordance with the NTE rates in Burden/Rates Tables P-5, P-6 (prime contractor's rates) or SX-5, SX-6 (DESP II Subcontractor's rates, where 'X' represents a different numerical value assigned to each DESP II Subcontractor). The T&M rates in Burden/Rates Tables P-5, P-6, SX-5, and SX-6 are loaded to the prime contractor's cost line and are broken out separately into Contractor-site rates and Government-site rates. The prime contractor's profit will be negotiated for each applicable TO, but shall not exceed the factor in Burden/Rates Table P-13 (prime contractor's profit on prime contractor T&M labor) and/or P-16 (prime contractor's profit on DESP II Subcontractor T&M labor), whichever is applicable. At the time the order is placed, the applicable labor rates and prime contractor profit factors will be used to establish a ceiling amount for the order.

(p) In any CPAF TO, labor identified in the Labor Categories Attachment of this contract shall be priced in accordance with the NTE rates in Burden/Rates Tables P-3, P-4 (prime contractor's rates) or SX-3, SX-4 (DESP II Subcontractor's rates, where 'X' represents a different numerical value assigned to each DESP II Subcontractor). At the time the order is placed, the terms and conditions of the award fee will be established.

(q) In any FPIF TO, labor identified in the Labor Categories Attachment of this contract shall be priced in accordance with the NTE rates in Burden/Rates Tables P-3, P-4 (prime contractor's rates) or SX-3, SX-4 (DESP II Subcontractor's rates, where 'X' represents a different numerical value assigned to each DESP II Subcontractor). At the time the order is placed, the terms and conditions of the incentive targets will be established.

(r) In any CPIF TO, labor identified in the Labor Categories Attachment of this contract shall be priced in accordance with the NTE rates in Burden/Rates Tables P-3, P-4 (prime contractor's rates) or SX-3, SX-4 (DESP II Subcontractor's rates, where 'X' represents a different numerical value assigned to each DESP II Subcontractor). At the time the order is placed, the terms and conditions of the incentive fee will be established.

(s) For each non-competitive TO, the contractor shall submit other than certified cost or pricing data (except with respect to the labor rates and burden factors) in support of any proposal up to $550,000, and shall submit certified cost or pricing data (except with respect to proposed labor rates and burden factors) in support of any proposal over $550,000 unless otherwise directed by the PCO.

(t) Each time the contractor submits a proposal for work under this contract, it must certify whether or not it has delivered or is obligated to deliver to the Government under another contract, subcontract, or separate TO against this DESP II contract, the same, or substantially the same technical data requested. If so, the contract, subcontract, or TO, and place of delivery shall be disclosed.

9952.758-H758 USE OF DESP II SUBCONTRACTORS AND VENDORS (SEP 2004)

(a) The following descriptions or definitions apply:

(1) DESP II Subcontractor: A subcontractor whose rates are found in the rate tables attached to the prime contract is considered an approved subcontractor for that prime contractor.
(2) Vendor: Any company or organization that is not a prime contractor or a DESP II Subcontractor on the DESP II contract.

(b) DESP II prime contractors must use their own personnel or those of their DESP II Subcontractors to satisfy any service requirement for any Task Order (TO).

(c) DESP II prime contractors may propose to use a vendor to purchase materials or to perform minor construction (as defined in the Performance Work Specification) or other labor on TOs for which there are no labor categories identified in the Labor Categories Attachment of this contract. The determination as to whether or not the labor identified in the prime contractor's TO proposal is labor that is not identified in the Labor Categories Attachment will be made by the Government technical evaluator for that proposal.

(d) Following contract award, the prime contractor will be given 90 days in which the OO-ALC Primary PCO will accept requests to place additional approved subcontractors on their contract. The request will be subject to OO-ALC Primary PCO approval following technical and cost/price analysis that are commensurate with those that

occurred for DESP II subcontractors prior to contract award. Prime contractors will not be allowed to add additional DESP II subcontractors in any labor category in which the proposed labor rates exceed the maximum DESP II subcontractor labor rate that was incorporated at initial contract award for that particular labor category for that particular prime contractor.

(e) At 30 months following contract award, the prime contractor will also be given another 90-day opportunity to request addition of DESP II subcontractors to their contract. The request will be subject to OO-ALC Primary PCO approval following technical and cost/price analysis that are commensurate with those that occurred for DESP II subcontractors prior to contract award. Prime contractors will not be allowed to add additional DESP II Subcontractors in any labor category in which the proposed labor rates exceed the maximum DESP II subcontractor labor rate that was incorporated at initial contract award for that particular labor category for that particular prime contractor.

(f) The OO-ALC Primary PCO will not consider any prime contractor requests to add DESP II Subcontractors unless it is received during one of the two periods described in paragraphs (d) and (e) of this clause unless:

(1) A full and open, competitive TO RFP has been issued under DESP II and,
(2) No proposals are received which satisfy the minimum requirements of the RFP.

(g) If the conditions of paragraph (f) of this clause apply, all DESP II prime contractors will be given the opportunity to request the addition of DESP II subcontractor(s) to their contract who will be able to satisfy the TO RFP requirements.

(1) The request will be subject to OO-ALC Primary PCO approval following technical and cost/price analysis that are commensurate with those that occurred for DESP II Subcontractors prior to contract award. Prime contractors will not be allowed to add additional DESP II Subcontractors in any labor category in which the proposed labor rates exceed the maximum DESP II Subcontractor labor rate that was incorporated at initial contract award for that particular labor category for that particular prime contractor.

The Task Order Initiator (TOI) will be given the proposals in order to make an award decision based upon the conditions set forth in the task order RFP.

9952.759-H759 **CONTRACTOR UTILIZATION OF PUBLIC-PRIVATE PARTNERING AS GOVERNMENT-FURNISHED SUPPLIES/SERVICES** (SEP 2004)

a) In accordance with 10 USC 2474 and 10 USC 2208(j), it is the intent of the Air Force to permit DESP II contractors to participate in Public-Private Partnering (PPP) to propose utilization of services and/or supplies from any working capital funded organization (e.g., DoD depots) in response to Task Order (TO) solicitations issued hereunder. DESP II prime contractors may contact the designated partnering office (e.g., the Air Logistics Center Plans and Programs Directorates - office symbol XP) for planning purposes to make the necessary arrangements to facilitate potential partnering on individual TOs. The procedures set forth in paragraphs (b) and (c) shall be used by all DESP II prime contractors electing to utilize PPP for accomplishment of TOs issued hereunder.

(b) Procedures: The DESP II prime contractor is solely responsible for determining the availability and appropriateness of using public partner-provided resources, communicating with the public partner and making all arrangements necessary with the public partner to accommodate the use of such resources. If a DESP II prime contractor elects to utilize PPP for a specific TO, the DESP II prime contractor shall negotiate a signed partnering agreement (general terms and conditions) followed by an implementation agreement (specific work focus) with the public partner. At a minimum, this implementation agreement shall contain: (1) a clear technical description of the supplies or services that will be provided by the public partner—to include appropriate line item structure, delivery schedules and accompanying technical descriptions (e.g., Performance Work Specification, Statement of Work, Work Breakdown Structure, etc.); (2) a clear identification of all ascertainable dollars to be charged by the public partner for the services or supplies; (3) the terms and conditions for which the public partner-provided resources are provided; and (4) any other information deemed pertinent for proper execution of the public partner-provided services or supplies.

(c) When proposals for TOs include utilization of public partner-provided resources, a copy of the public partner's price and availability (P&A) shall be provided in the TO proposal. The Government will review the agreement, and if approved, will fund the DoD source directly as a Government-Furnished Supply or Service (GFS/S). Upon award, the implementation agreement between the public partner and the DESP II prime contractor will be incorporated into the TO as the basis for which the Government will provide the GFS/S. However, the dollars for resources provided by a

public partner shall be separately identified within the agreement and will be added to the DESP II prime contractor's proposed price as part of the price evaluation process for the specific TO.

9952.760-H760 ORGANIZATIONAL CONFLICT OF INTEREST --- PUBLIC-PRIVATE PARTNERING (PPP) (SEP 2004)

(a) In the event that a working capital funded organization has a Partnering Agreement (PA) with any DESP II contractor, the following conditions shall apply for the duration of the DESP II contract.

(b) The following definitions apply:

(1) Public Partner: a working capital funded organization that has a PA with any DESP II contractor.
(2) Seller: An employee of the public partner that plays a role in marketing or performing efforts of the public partner for the DESP II contractor partner.
(3) Buyer: An employee of the public partner that plays a role in defining requirements, submitting requests for acquisition under DESP II, and/or evaluating offers received from DESP II prime contractors in order to aid in making an award decision.

(c) Public partners and their DESP II contractor partners are advised that sellers and buyers of the public partner will need to remain separated for the duration of the contract. If a separation of sellers and buyers is not maintained, the public partner may become ineligible for applicable work under DESP II due to a potential or actual conflict of interest.

9952.761-H761 ORGANIZATIONAL CONFLICT OF INTEREST (SEP 2004)

(a) To prevent conflicting roles which may bias the contractor's judgment or objectivity, or to prevent the contractor from obtaining an unfair competitive advantage in concurrent or future acquisitions, the contractor will be restricted as set forth in subparagraph (c).

(b) The following descriptions or definitions apply:

(1) Systems Engineering: Means determining specifications, identifying and resolving interface problems, developing test requirements, evaluating test data, and/or supervising design.
(2) Technical Direction: Means developing work statements, determining parameters, directing other contractors' operations, and/or resolving technical controversies.
(3) Development: Means all efforts towards solution of broadly-defined problems. This may encompass research, evaluating technical feasibility, proof of design and test, or engineering of programs not yet approved for acquisition or operation.
(4) Proprietary Information: Means all information designated as proprietary in accordance with law and regulation, and held in confidence or disclosed under restriction to prevent uncontrolled distribution.

Examples include limited or restricted data, trade secrets, sensitive financial information, and computer software; and may appear in cost and pricing data or involve classified information.
(5) System: Means the system that is the subject of the applicable DESP II Task Order (TO).
(6) System Life: Means all phases of the system's development, production or support.
(7) Contractor: Means the business entity receiving the award of this contract, its parents, affiliates, divisions and subsidiaries.
(8) Design: Is the action of implementing a function concept. Typically, this includes planning, creating, devising, constructing, modifying or developing a new or existing item, component, program or process. The results of the design activity may be represented by a set of drawings, etc., from which an actual item can be produced. Detailed design data describes the physical configuration and performance characteristics of an item, component, program or process in sufficient detail to ensure that the item, component, program or process produced IAW the detailed design data will be essentially identical to the original.

(c) The contractor will be restricted as set forth in FAR Subpart 9.5. The following additional restrictions shall also apply:

(1) Tasks to be performed on this contract may result in the contractor delivering a non-proprietary competitive data package for hardware items and components and software programs to be used by the Government for future competitive production contracts. Therefore, the contractor shall not be allowed to compete for production of any

hardware items and components or software programs either directly or indirectly, as a prime contractor, a subcontractor (regardless of the tier of subcontractor), vendor, or a consultant to another contractor for systems of which they were involved in the designing effort under this program that results in the prime contractor delivering a non-proprietary competitive data package.
(2) The prohibition shall be in effect for the period beginning with the date of this contract through and until:

(i) Five years after completion of any TOs issued hereunder, including option periods; or
(ii) The completion of the first production contract resulting from a competitive data package furnished under said TOs, whichever is longer.

(3) The contractor agrees that it will:

(i) Assure formal company policies and procedures effectively address this exclusion and that all employees associated with this contract are fully aware of those specific policies and procedures;
(ii) Include in any contract with third parties for software or hardware engineering design services, including subcontracts down through any tier, the same contractual obligations imposed by this provision. This subparagraph is intended to impose upon each tier the responsibility for passing the contractual obligations up or down to the next tier. This exclusion does not need to be included in subcontracts issued for purposes of prototype fabrication, limited production/spares, producibility verification, system evaluation or other purposes when the subcontractor does not participate in or contribute to the actual design.

(d) The contractor may be required to prepare and submit complete specifications for non-developmental items to be used in a competitive acquisition. The contractor shall not furnish these items to the government, either as a prime or subcontractor, for the duration of the initial production contract.

(e) The contractor may gain access to proprietary information of other companies during contract performance. The contractor agrees to enter into company-to-company agreements to protect the other company's information from unauthorized use or disclosure for as long as it is considered proprietary by the other company and refrain from using the information purposes, the contractor shall furnish copies of these agreements to the contracting officer. These agreements are not intended to protect information which is available to the Government or to the contractor for other sources and furnished voluntarily without restriction.
(f) Waivers to the Organizational Conflict of Interest Clauses may be considered when in the government's interest or on a case by case basis after award of the basic contract. Waiver requests with supporting rationale will be submitted to the OO-ALC Primary PCO for review and decision coordination.
(g) Before accepting and performing each TO issued under this contract, the contractor shall evaluate the TO for actual and potential organization conflicts of interest and shall provide timely written notice to the contracting officer setting forth the general nature of the actual or potential organizational conflict of interest, or concluding that no significant organizational conflict of interest exists with respect to the TO.
(h) By accepting and performing any TO issued under this contract, the contractor represents that the contractor has identified and evaluated actual and potential organizational conflicts of interest with respect to that TO and has either provided timely written notice to the contracting officer setting forth the general nature of the actual or potential organizational conflict of interest, or concluded that no significant organizational conflict of interest exists with respect to the TO. If no written notice is provided to the contracting officer, the government shall assume that the contractor has concluded that no significant organizational conflict of interest exists with respect to the TO.

9952.762-H762 USE OF NONDISCLOSURE AGREEMENTS (NDAs) (SEP 2004)

(a) NDAs will be used as appropriate for DESP II Task Orders (TOs). These NDAs serve to protect confidential, proprietary and/or sensitive information to which contractors may be given access as a result of their performance under DESP II TOs. These NDAs provide assurance to the Government that the contractor employees will conform to the conditions and responsibilities in regards to the confidential, proprietary and/or sensitive information to which they are given access.

(b) If it has been determined that an NDA is appropriate for a TO and included in the TO solicitation, Contractor responses to that solicitation will be considered non-responsive if they do not contain signed NDAs for each employee identified in the proposal. Furthermore, the successful offeror for such a TO will be required to have signed NDAs for employees assigned to the effort for the duration of the TO.

(c) An example of an NDA can be found in the DESP II User's Guide. Please note that this example may be tailored and altered by requiring activities as appropriate on a TO basis.

(The above Clause/Provision has been modified.)

9952.763-H763 ENHANCED SMALL BUSINESS PARTICIPATION (SEP 2004)

(a) Other than small business DESP II prime contractors shall manage their subcontracting plan in accordance with FAR 52.244-5, 52.219-8, 52.219-9, 52.219-24 and 52.219-25 to ensure no less than 20% of the total annual contract dollars are subcontracted to small business concerns. "Small business concern," as used in this clause, means small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business, and woman-owned small business. Total small business subcontracting of no less than 20% is a requirement. Furthermore, apportionment of the no less than 20% among the types of small business goals will be monitored to ensure they meet the targets set forth in the contractor's Enhanced Small Business Subcontracting Plan attached to this contract. The contractor shall report actual achievement of subcontracting results on a semi-annual basis using CDRL C001. For this contract, small business subcontracting achievements are measured as a percentage of the annual contract price.

(b) Small business DESP II prime contractors' Small Business Participation will be monitored and tracked on a semi-annual basis, IAW CDRL C001. "Small Business Participation" as used in this clause is defined as the cost of contract performance of the small business prime combined with the dollars subcontracted to small business concerns. DESP II small business prime contractors shall manage their Small Business Participation Strategy to ensure that Small Business Participation, as defined in this paragraph, is no less than 20% of the total annual contract dollars. Total Small Business Participation of 20% is a requirement. Furthermore, apportionment of the 20% among the types of small business goals will be monitored to ensure that they meet the targets set forth in the contractor's Small Business Participation Strategy attached to this contract.

9952.764-H764 TECHNICAL AND MANAGEMENT MEETINGS (SEP 2004)

No information received by the contractor from the government at a technical or management meeting shall have the effect of changing the provisions of the basic contract or any Task Order (TO) issued thereunder. In accordance with the Ordering Procedures Clause, only the OO-ALC Primary Procuring Contracting Officer (PCO) is authorized to change the provisions of the basic contract. Only PCOs of authorized ordering activities are authorized to issue TOs. Only PCOs of authorized ordering activities are authorized to issue modifications to TOs (subject to prior authorization of OO-ALC as evidenced by the issuance of an OO-ALC job control number-in accordance with the Ordering Procedures Clause).

9952.765-H765 APPROVAL OF CONTRACTOR ACQUIRED PROPERTY (SEP 2004)

Contractor purchases of supplies or equipment which meet the definition of contractor-acquired property (see FAR 45.101) in support of any T&M, CPFF, CPAF, & CPIF task orders issued against this contract shall require prior approval by the Administrative Contracting Officer for purchases of items with a unit price of $2,500.00 or more. All purchases shall be subject to the applicable policies and procedures prescribed in FAR PART 45, Government Property.

9952.766-H766 PAYMENT FOR TRAVEL/PER DIEM COSTS (CPFF, CPAF, CPIF, & T&M) (SEP 2004)

(a) Contractor furnished domestic and/or overseas travel during performance of individual CPFF, CPAF, CPIF, and T&M Task Orders (TOs) will be reimbursed only when authorized in advance by the program office (or Contracting Officer's Technical Representative (COTR) if called out in the individual TO). A copy of this approval shall be forwarded to the ordering PCO within 10 working days after completion of the travel. If the travel request exceeds the negotiated amount on the TO's travel CLIN then PCO approval shall be obtained in advance of the travel.

(b) In accordance with FAR 31.205-46(a)(2), costs incurred by the contractor for authorized travel, lodging, and meals for travel in direct support of a specific TO issued under CLIN 0017 shall be reimbursed to the extent that they do not exceed on a daily basis per diem rates set forth in the Joint Travel Regulations.

9952.767-H767 CONTRACTING OFFICER'S REPRESENTATIVE (COR) (SEP 2004)

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

(b) The contractor is advised that only the OO-ALC Primary PCO can change or modify the terms of this basic contract or take any other action which obligates the Government. Such actions must be set forth in a formal modification to the contract. The authority of the COR is strictly limited to the specific duties set forth in his/her letter of appointment, a copy of which will be furnished to the contractor. Contractors who rely on direction from other than the PCO (or a COR acting within the strict limits of his responsibilities as set forth in his/her letter of appointment) do so at their own risk and expense as such actions do not bind the Government contractually. Any questions concerning the authority of a Government employee to direct the contractor contractually should be referred to the Contracting Officer.

(c) The following statement will be included in each COR letter of appointment used for this DESP II contract:

(TBD on individual Task Order) is hereby authorized to act as a Contracting Officer's Representative (COR) in discussions pertaining to statements within the scope, level of effort, terms and conditions, total price and period of performance of the task order, options, and modifications thereto. The COR is not authorized to make any commitments or changes that will affect price, quality, quantity, delivery, or any other term or condition of the contract or task order. You are reminded that the Contracting Officer is the only individual authorized to commit funds or change the contract or task order.

9952.768-H768 IDENTIFICATION OF KEY POSITIONS (SEP 2004)

IAW PWS paragraph 2.2, the positions of Program Manager and Contract Manager have been determined to be key positions for the Design & Engineering Support Program. In the event an incumbent of either of these positions retires, is reassigned, or terminates his or her employment, the contractor shall notify the PCO of such action at least 30 days before the effective date. At the time of notification, the contractor shall provide to the DESP II OO-ALC Primary Program Manager and Primary PCO the name, and the effective date. At the time of notification, the contractor shall provide the name of the individual to be assigned to the key position. The contractor shall ensure the candidates of the positions of Program Manager and Contract Manager meet qualifications, security matters, and any other matters that could affect performance under this contract.

PART II - CONTRACT CLAUSES
SECTION I
CONTRACT CLAUSES

52.202-1 DEFINITIONS (JUL 2004)
(IAW FAR 2.201)
(Applicable when the simplified acquisition threshold is exceeded)

52.203-3 GRATUITIES (APR 1984)
(IAW FAR 3.202)
(Applicable when simplified acquisition threshold is exceeded, except for personal services and those between military departments or defense agencies and foreign governments that do not obligate any funds appropriated to the Department of Defense)

52.203-5 COVENANT AGAINST CONTINGENT FEES (APR 1984)
(IAW FAR 3.404)
(Applicable when simplified acquisition threshold is exceeded other than those for commercial items (see Parts 2 and 12))

52.203-6 **RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT** (JUL 1995)
(IAW FAR 3.503-2)
(Applicable when the simplified acquisition threshold is exceeded)

52.203-7 **ANTI-KICKBACK PROCEDURES** (JUL 1995)
(IAW FAR 3.502-3)
(Applicable when the simplified acquisition threshold is exceeded)

52.203-8 **CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY** (JAN 1997)
(IAW FAR 3.104-9(a))
(Applicable when noncommercial and the simplified acquisition threshold is exceeded)

52.203-10 **PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY** (JAN 1997)
(IAW FAR 3.104-9(b))
(Applicable when the simplified acquisition threshold is exceeded)

52.203-12 **LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS** (JUN 2003)
(IAW FAR 3.808)
(Applicable over $100,000)

252.203-7001 **PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT-RELATED FELONIES** (DEC 2004)
(IAW DFARS 203.570-3)
(Applicable when exceeding the simplified acquisition threshold (except for commercial items))

252.203-7002 **DISPLAY OF DOD HOTLINE POSTER** (DEC 1991)
(IAW DFARS 203.7002)
(Applicable over $5,000,000 except when performed in a foreign country)

52.204-2 **SECURITY REQUIREMENTS** (AUG 1996)
(IAW FAR 4.404(a))

52.204-4 **PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER** (AUG 2000)
(IAW FAR 4.303)
(Applicable when the simplified acquisition threshold is exceeded)

52.204-7 **CENTRAL CONTRACTOR REGISTRATION** (OCT 2003)
(IAW FAR 4.1104)
(Applicable to solicitations and contracts except as provided in 4.1102(a))

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

252.204-7003 **CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT** (APR 1992)
(IAW DFARS 204.404-70(b))
(Applicable to all orders issued hereunder)

252.204-7004 **ALTERNATE A (Alternate A to FAR Clause 52.204-7, Central Contractor Registration)** (NOV 2003)
(IAW DFARS 204.1104)
(Applicable when using the clause at FAR 52.204-7, Central Contractor Registration)

252.204-7005 **ORAL ATTESTATION OF SECURITY RESPONSIBILITIES** (NOV 2001)
(IAW DFARS 204.404-70(c))

5352.204-9000 **NOTIFICATION OF GOVERNMENT SECURITY ACTIVITY AND VISITOR GROUP SECURITY AGREEMENTS** (APR 2003)
(IAW AFFARS 5304.404-90)

252.205-7000 **PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS** (DEC 1991)
(IAW DFARS 205.470)
(Applicable over $500,000)

52.209-1 **QUALIFICATION REQUIREMENTS** (FEB 1995)
(IAW FAR 9.206-2)
(b)

Item No	Agency Name/Address

(c) If an offeror, manufacturer, source, product or service covered by a qualification requirement has already met the standards specified, the relevant information noted below should be provided.

Offeror's Name _____

Manufacturer's Name _____

Source's Name _____

Item Name _____

Service Identification _____

Test Number _____ (to the extent known)

52.209-6 **PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT** (JAN 2005)
(IAW FAR 9.409(b))
(Applicable when exceeding $25,000)

252.209-7004 **SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY** (MAR 1998)
(IAW DFARS 209.409)
(Applicable at $100,000 or more)

52.211-5 **MATERIAL REQUIREMENTS** (AUG 2000)
(IAW FAR 11.304)

52.211-15 **DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS** (SEP 1990)
(IAW FAR 11.604(b))

This is a rated order certified for national defense use, and the Contractor shall follow all the requirements of the Defense Priorities and Allocations System regulation (15 CFR 700).

(Applicable to all rated orders)

252.211-7003 ITEM IDENTIFICATION AND VALUATION (APR 2005)
(IAW DFARS 211.274-4, DFARS 212.301(f)(vi))

(a) *Definitions*. As used in this clause—
"Automatic identification device" means a device, such as a reader or interrogator, used to retrieve data encoded on machine-readable media.
"Concatenated unique item identifier" means—

(1) For items that are serialized within the enterprise identifier, the linking together of the unique identifier data elements in order of the issuing agency code, enterprise identifier, and unique serial number within the enterprise identifier; or

(2) For items that are serialized within the original part, lot, or batch number, the linking together of the unique identifier data elements in order of the issuing agency code; enterprise identifier; original part, lot, or batch; and serial number within the original part, lot, or batch number.

"Data qualifier" means a specified character (or string of characters) that immediately precedes a data field that defines the general category or intended use of the data that follows.
"DoD recognized unique identification equivalent" means a unique identification method that is in commercial use and has been recognized by DoD. All DoD recognized unique identification equivalents are listed at http://www.acq.osd.mil/dpap/UID/equivalents.html .
"DoD unique item identification" means a system of marking items delivered to DoD with unique item identifiers that have machine-readable data elements to distinguish an item from all other like and unlike items. For items that are serialized within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier and a unique serial number. For items that are serialized within the part, lot, or batch number within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier; the original part, lot, or batch number; and the serial number.
"Enterprise" means the entity (*e.g.*, a manufacturer or vendor) responsible for assigning unique item identifiers to items.
"Enterprise identifier" means a code that is uniquely assigned to an enterprise by an issuing agency.
"Government's unit acquisition cost" means—

(1) For fixed-price type line, subline, or exhibit line items, the unit price identified in the contract at the time of delivery;

(2) For cost-type or undefinitized line, subline, or exhibit line items, the Contractor's estimated fully burdened unit cost to the Government at the time of delivery; and

(3) For items produced under a time-and-materials contract, the Contractor's estimated fully burdened unit cost to the Government at the time of delivery.

"Issuing agency" means an organization responsible for assigning a non-repeatable identifier to an enterprise (*i.e.*, Dun & Bradstreet's Data Universal Numbering System (DUNS) Number, Uniform Code Council (UCC)/EAN International (EAN) Company Prefix, or Defense Logistics Information System (DLIS) Commercial and Government Entity (CAGE) Code).
"Issuing agency code" means a code that designates the registration (or controlling) authority for the enterprise identifier.
"Item" means a single hardware article or a single unit formed by a grouping of subassemblies, components, or constituent parts.
"Lot or batch number" means an identifying number assigned by the enterprise to a designated group of items, usually referred to as either a lot or a batch, all of which were manufactured under identical conditions.
"Machine-readable" means an automatic identification technology media, such as bar codes, contact memory buttons, radio frequency identification, or optical memory cards.
"Original part number" means a combination of numbers or letters assigned by the enterprise at item creation to a class of items with the same form, fit, function, and interface.
"Parent item" means the item assembly, intermediate component, or subassembly that has an embedded item with a unique item identifier or DoD recognized unique identification equivalent.
"Serial number within the enterprise identifier" means a combination of numbers, letters, or symbols assigned by the enterprise to an item that provides for the differentiation of that item from any other like and unlike item and is never used again within the enterprise.
"Serial number within the part, lot, or batch number" means a combination of numbers or letters assigned by the enterprise to an item that provides for the differentiation of that item from any other like item within a part, lot, or batch number assignment.

"Serialization within the enterprise identifier" means each item produced is assigned a serial number that is unique among all the tangible items produced by the enterprise and is never used again. The enterprise is responsible for ensuring unique serialization within the enterprise identifier.
"Serialization within the part, lot, or batch number" means each item of a particular part, lot, or batch number is assigned a unique serial number within that part, lot, or batch number assignment. The enterprise is responsible for ensuring unique serialization within the part, lot, or batch number within the enterprise identifier.
"Unique item identifier" means a set of data marked on items that is globally unique, unambiguous.
"Unique item identifier type" means a designator to indicate which method of uniquely identifying a part has been used. The current list of accepted unique item identifier types is maintained at http://www.acq.osd.mil/dpap/UID/uid_types.html .

(b) The Contractor shall deliver all items under a contract line, subline, or exhibit line item.

(c) *DoD unique item identification or DoD recognized unique identification equivalents.*

(1) The Contractor shall provide DoD unique item identification, or a DoD recognized unique identification equivalent, for—

(i) All delivered items for which the Government's unit acquisition cost is $5,000 or more; and

(ii) The following items for which the Government's unit acquisition cost is less than $5,000:

Contract Line, Subline, or Exhibit Line Item Number	Item Description
*Items less than $5000, which require UID, will be specifically identified in the schedule.	See Schedule as Applicable

(iii) Subassemblies, components, and parts embedded within delivered items as specified in Attachment Number (See Schedule as Applicable).

(2) The concatenated unique item identifier and the component data elements of the DoD unique item identification or DoD recognized unique identification equivalent shall not change over the life of the item.

(3) *Data syntax and semantics of DoD unique item identification and DoD recognized unique identification equivalents.* The Contractor shall ensure that—

(i) The encoded data elements (except issuing agency code) of the unique item identifier are marked on the item using one of the following three types of data qualifiers, as determined by the Contractor:

(A) Data Identifiers (DIs) (Format 06) in accordance with ISO/IEC International Standard 15418, Information Technology EAN/UCC Application Identifiers and ANSI MH 10 Data Identifiers and ANSI MH 10 Data Identifiers and Maintenance.

(B) Application Identifiers (AIs) (Format 05), in accordance with ISO/IEC International Standard 15418, Information Technology EAN/UCC Application Identifiers and ANSI MH 10 Data Identifiers and ANSI MH 10 Data Identifiers and Maintenance.

(C) Text Element Identifiers (TEIs), in accordance with the DoD collaborative solution "DD" format for use until the final solution is approved by ISO/IEC JTC1 SC 31. The "DD" format is described in Appendix D of the DoD Guide to Uniquely Identifying Items, available at http://www.acq.osd.mil/dpap/UID/guides.html ; and

(ii) The encoded data elements of the unique item identifier conform to ISO/IEC International Standard 15434, Information Technology–Syntax for High Capacity Automatic Data Capture Media.

(4) DoD unique item identification and DoD recognized unique identification equivalents.

(i) The Contractor shall—

(A) Determine whether to serialize within the enterprise identifier or serialize within the part, lot, or batch number; and

(B) Place the data elements of the unique item identifier (enterprise identifier; serial number; and for serialization within the part, lot, or batch number only; original part, lot, or batch number) on items requiring marking by paragraph (c)(1) of this clause, based on the criteria provided in the version of MIL-STD-130, Identification Marking of U.S. Military Property, cited in the contract Schedule.

(ii) The issuing agency code—

(A) Shall not be placed on the item; and

(B) Shall be derived from the data qualifier for the enterprise identifier.

(d) For each item that requires unique item identification under paragraph (c) of this clause, in addition to the information provided as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the Contractor shall report at the time of delivery, either as part of, or associated with, the Material Inspection and Receiving Report, the following information:

(1) Concatenated unique item identifier; or DoD recognized unique identification equivalent.
(2) Unique item identifier type.
(3) Issuing agency code (if concatenated unique item identifier is used).
(4) Enterprise identifier (if concatenated unique item identifier is used).
(5) Original part number.
(6) Lot or batch number.
(7) Current part number (if not the same as the original part number).
(8) Current part number effective date.
(9) Serial number.
(10) Government's unit acquisition cost.

(e) *Embedded DoD serially managed subassemblies, components, and parts.* The Contractor shall report at the time of delivery, either as part of, or associated with the Material Inspection and Receiving Report specified elsewhere in this contract, the following information:

(1) Concatenated unique item identifier or DoD recognized unique identification equivalent of the parent item delivered under a contract line, subline, or exhibit line item that contains the embedded subassembly, component, or part.
(2) Concatenated unique item identifier or DoD recognized unique identification equivalent of the embedded subassembly, component, or part.
(3) Unique item identifier type.**
(4) Issuing agency code (if concatenated unique item identifier is used).**
(5) Enterprise identifier (if concatenated unique item identifier is used).**
(6) Original part number.**
(7) Lot or batch number.**
(8) Current part number (if not the same as the original part number).**
(9) Current part number effective date.**
(10) Serial number.**
(11) Unit of measure.
(12) Description.
** Once per item.

(f) The Contractor shall submit the information required by paragraphs (d) and (e) of this clause in accordance with the data submission procedures at http://www.acq.osd.mil/dpap/UID/DataSubmission.htm .

(g) *Subcontracts.* If paragraph (c)(1) of this clause applies, the Contractor shall include this clause, including this paragraph (g), in all subcontracts issued under this contract.

52.215-2 **AUDIT AND RECORDS--NEGOTIATION** (JUN 1999)
(IAW FAR 15.209(b)(1))
(Applicable if negotiated and above the simplified acquisition threshold, except commercial items and utility services at public prices plus reasonable connection charge)

52.215-8 **ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT** (OCT 1997)
(IAW FAR 15.209(h))
(Applicable to all orders issued hereunder)

52.215-10 **PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA** (OCT 1997)
(IAW FAR 15.408(b))

52.215-11 **PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA--MODIFICATIONS** (OCT 1997)
(IAW FAR 15.408(c))

52.215-12 **SUBCONTRACTOR COST OR PRICING DATA** (OCT 1997)
(IAW FAR 15.408(d))

52.215-13 **SUBCONTRACTOR COST OR PRICING DATA--MODIFICATIONS** (OCT 1997)
(IAW FAR 15.408(e))

52.215-14 **INTEGRITY OF UNIT PRICES** (OCT 1997)
(IAW FAR 15.408(f)(1))

52.215-14 **INTEGRITY OF UNIT PRICES -- ALTERNATE I** (OCT 1997)
(IAW FAR 15.408(f)(2))

52.215-15 **PENSION ADJUSTMENTS AND ASSET REVERSIONS** (OCT 2004)
(IAW FAR 15.408(g))

52.215-18 **REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS** (OCT 1997)
(IAW FAR 15.408(j))

52.215-19 **NOTIFICATION OF OWNERSHIP CHANGES** (OCT 1997)
(IAW FAR 15.408(k))

52.215-21 **REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS** (OCT 1997)
(IAW FAR 15.408(m))

252.215-7000 **PRICING ADJUSTMENTS** (DEC 1991)
(IAW DFARS 215.408(1))

52.216-7 **ALLOWABLE COST AND PAYMENT** (DEC 2002)
(IAW FAR 16.307(a))

(a) *Invoicing.*

(1) The Government shall make payments to the Contractor when requested as work progresses, but (except for small business concerns) not more often than once every 2 weeks, in amounts determined to be allowable by the Contracting Officer in accordance with Federal Acquisition Regulation (FAR) Subpart 31.7 in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.

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

(3) The designated payments office will make interim payments for contract financing on the **30th** day after the designated billing office receives a proper payment request. In the event that the Government requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date.

(b) *Reimbursing costs.*

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

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

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

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

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

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

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

(C) Direct labor;

(D) Direct travel;

(E) Other direct in-house costs; and

(F) Properly allocable and allowable indirect costs, as shown in the records maintained by

the Contractor for purposes of obtaining reimbursement under Government contracts; and

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

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

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

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

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

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

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

(d) *Final indirect cost rates.*

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

(2) The Contractor shall submit an adequate final indirect cost rate proposal to the Contracting Officer (or cognizant Federal agency official) and auditor within the 6-month period following the expiration of each of its fiscal years. The proposed rates shall be based on the Contractor's actual cost experience for that period. The appropriate Government representative and Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the Contractor's proposal.

(3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify

(i) the agreed-upon final annual indirect cost rates,

(ii) the bases to which the rates apply,

(iii) the periods for which the rates apply,

(iv) any specific indirect cost items treated as direct costs in the settlement, and

(v) the affected contract and/or subcontract, identifying any with advance agreements or special terms and the applicable rates. The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.

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

(5) Within 120 days (or longer period if approved in writing by the Contracting Officer) after settlement of the final annual indirect cost rates for all years of a physically complete contract, the Contractor shall submit a completion invoice or voucher to reflect the settled amounts and rates.

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

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

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

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

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

(1) Shall be the anticipated final rates; and

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

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

(g) *Audit*. At any time or times before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of cost audited. Any payment may be (1) reduced by amounts found by the Contracting

Officer not to constitute allowable costs or (2) adjusted for prior overpayments or underpayments.

(h) *Final payment.*

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

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

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

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

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

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

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

(The above Clause/Provision has been modified.)

(Applicable when specifying cost-reimbursement pricing arrangement)

52.216-8 **FIXED FEE** (MAR 1997)
(IAW FAR 16.307(b))

(Applicable when specifying cost-plus-fixed-fee pricing arrangement)

52.216-10 **INCENTIVE FEE** (MAR 1997)
(IAW FAR 16.307(d))

(e) *Fee payable.*

(1) The fee payable under this contract shall be the target fee increased by _____*_____ cents for every dollar that the total allowable cost is less than the target cost or decreased by _____**_____ cents for every dollar that the total allowable cost exceeds the target cost. In no event shall the fee be greater than _____***_____ percent or less than _____****_____ percent of the target cost.

	*Target Fee Increase	**Target Fee Decrease	***Greater Than %	****Less Than %

(Applicable when specifying cost-plus-incentive-fee pricing arrangement)

52.216-11 **COST CONTRACT--NO FEE** (APR 1984)
(IAW FAR 16.307(e)(1))

(a) The Government shall not pay the Contractor a fee for performing this contract.

(b) After payment of 80 percent of the total estimated cost shown in the Schedule, the Contracting Officer may withhold further payment of allowable cost until a reserve is set aside in an amount that the Contracting Officer

considers necessary to protect the Government's interest. This reserve shall not exceed one percent of the total estimated cost shown in the Schedule or $100,000, whichever is less.

(The above Clause/Provision has been modified.)

(Applicable when specifying cost reimbursement providing no fee and not a cost-sharing contract)

52.216-16 **INCENTIVE PRICE REVISION--FIRM TARGET** (OCT 1997)
(IAW FAR 16.406(a))

(a) Schedule as Items SEE SCHEDULE; price of _____**_____dollars ($ _____***_____).

	**Ceiling Price (words)	***Ceiling Price (dollars)

(c) *Data submission.*

(1) Within ____*____ days after the end of the month

	*Data Submission (days)

(d) *Price revision.*

(2)(ii) If the total final negotiated cost is greater than the total target cost, the adjustment is the total target profit, less ____*____ percent of the amount by which the total final negotiated cost exceeds the total target cost.

(iii) If the final negotiated cost is less than the total target cost, the adjustment is the total target profit plus ____**____ percent of the amount by which the total final negotiated cost is less than the total target cost.

	*Target Profit (less) %	**Target Profit (plus) %

(Applicable when a fixed-price incentive (firm target) pricing arrangement is specified)

52.216-18 **ORDERING** (OCT 1995)
(IAW FAR 16.506(a))

(a) Such orders may be issued from **the date of basic contract award through five years after basic contract award**.

(Applicable to all orders issued hereunder)

52.216-19 **ORDER LIMITATIONS** (OCT 1995)
(IAW FAR 16.506(b))

(a) *Minimum order.* When the Government requires supplies or services covered by this contract in an amount of less than **$ 5,000.00**,

(b) *Maximum order.* The contractor is not obligated to honor--

(1) Any order for a single item in excess of **$ 200,000,000.00**;
(2) Any order for a combination of items in excess of **$ 200,000,000.00**; or
(3) A series of orders from the same ordering office within **30** days

(d) Notwithstanding paragraphs (b) and (c) of this section, the Contractor shall honor any order exceeding the maximum order limitations in paragraph (b), unless that order (or orders) is returned to the ordering office within **7** days after issuance,

(Applicable to all orders issued hereunder)

52.216-22 **INDEFINITE QUANTITY** (OCT 1995)
(IAW FAR 16.506(e))

(d) Contractor shall not be required to make any deliveries under this contract after **Seven years following basic contract award**.

(Applicable to all orders issued hereunder)

5352.216-9000 **AWARDING ORDERS UNDER MULTIPLE AWARD CONTRACTS** (JUN 2002)
(IAW AFFARS 5316.506)

(a) All multiple award contractors shall be provided a fair opportunity to be considered for each order in excess of $2,500 pursuant to the procedures established in this clause, unless the contracting officer determines that:

(1) The agency's need for the services or supplies is of such urgency that providing such opportunity to all such contractors would result in unacceptable delays:

(2) Only one such contractor is capable of providing the services or supplies at the level of quality required because their services or supplies ordered are unique or highly specialized;

(3) The task or delivery order should be issued on a sole source basis in the interest of economy or efficiency because it is a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity pursuant to the procedures in this clause to be considered for the original order, or

(4) It is necessary to place an order to satisfy a minimum guarantee.

(b) Unless the procedures in paragraph (a) are used for awarding individual orders, multiple award contractors will be provided a fair opportunity to be considered for each order using the following procedures: (see Alternate I or Alternate II as applicable).

(c) Under the provisions of the Federal Acquisition Streamlining Act of 1994, 10 U.S.C. 2304 (c) (Public Law 103-355), a protest is not authorized in connection with the issuance or proposed issuance of an individual task and delivery order except for a protest on the grounds that the order increases the scope, period, or maximum value of the contract under which the order is issued.

(d) For this contract, the designated task or delivery order ombudsman is **OO-ALC Competition Advocate, Ms. Kathy R. Anderson, (801) 777-0768**. The task or delivery order ombudsman is responsible for reviewing complaints from multiple award contractors and ensuring that all of the contractors are afforded a fair opportunity to be considered for task and delivery orders in excess of $2,500, consistent with procedures in the contract. However, it is not within the designated task or delivery order contract ombudsman's authority to prevent the issuance of an order or disturb an existing order.

(e) This clause does not guarantee the contractor issuance of any task order or delivery order above the minimum guarantee(s) stated in the INDEFINITE QUANTITY clause in section H of this contract.

(The above Clause/Provision has been modified.)

(Applicable to multiple award task and delivery orders)

5352.216-9000 **AWARDING ORDERS UNDER MULTIPLE AWARD CONTRACTS -- ALTERNATE II** (JUN 2002)
(IAW AFFARS 5316.506)

When the task or delivery order contract is for services or supplies where the basic contract statement of work is broad and the pricing is less precise, e.g., a list of labor rates, some contact with multiple awardees will be required to ensure fair opportunity and achieve a clear meeting of the minds as to the price and scope of the order. In this case, insert the following paragraph (b), substantially as written, into paragraph (b) of the basic clause:

(1) The Government will request that each multiple award contractor submit their technical and/or managerial approach, if necessary, and cost/price estimate in response to the Government's work statement.

(2) The response may be presented to the Government either orally or in writing.

(3) The Government will issue orders based on an assessment of the technical approach, estimated total cost/price, past performance, and other factors cited in the task order solicitation in making awards under this paragraph.

(The above Clause/Provision has been modified.)

(Applicable to multiple award task and delivery orders when the task delivery order contract is for services or supplies where the basic contract statement of work is broad and the pricing is less precise, e.g., a list of labor rates)

9952.216-9004 **AUTHORITY TO ISSUE ORDERS (JALC)** (MAR 2003)
(IAW JALC 9916.506(90))

Only Contracting Officers within OO-ALC, OC-ALC, WR-ALC, and ASC are authorized to issue orders hereunder.

Additional ordering activities may be approved following contract award and added via unilateral contract modification

(The above Clause/Provision has been modified.)

52.217-8 **OPTION TO EXTEND SERVICES** (NOV 1999)
(IAW FAR 17.208(f))

The Contracting Officer may exercise the option by written notice to the Contractor within _.

52.217-9 **OPTION TO EXTEND THE TERM OF THE CONTRACT** (MAR 2000)
(IAW FAR 17.208(g))

(a) The Government may extend the term of this contract by written notice to the Contractor within ___*___; provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least ___*___ days before the contract expires. The preliminary notice does not commit the Government to an extension.

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

(c) The total duration of this contract, including the exercise of any options under this clause, shall not exceed ___*___.

* TBD on individual task orders as applicable
This clause will be applicable at the task order level, upon PCO determination

(The above Clause/Provision has been modified.)

52.219-4 **NOTICE OF PRICE EVALUATION PREFERENCE FOR HUBZone SMALL BUSINESS CONCERNS** (OCT 2004)
(IAW FAR 19.1308(b))

(c) *Waiver of evaluation preference.*

__ Offeror elects to waive the evaluation preference.

(Applicable when exceeding the simplified acquisition threshold)

52.219-8 **UTILIZATION OF SMALL BUSINESS CONCERNS** (MAY 2004)
(IAW FAR 19.708(a))

(Applicable when exceeding the simplified acquisition threshold, except for personal service contracts or when performance is entirely outside of the United States and its outlying areas)

52.219-14 **LIMITATIONS ON SUBCONTRACTING** (DEC 1996)
(IAW FAR 19.508(e), FAR 19.811-3(e), FAR 19.1006(c(3))

DEVIATION

(a) This clause only applies to:

(1) The initial order(s) that are placed to satisfy a minimum guarantee under contracts set aside for small business concerns; and,

(2) Subsequent orders that are set aside for small business concerns in accordance with the Ordering Procedures Clause found in Section H of this contract.

(b) By submission of an order proposal, the Offeror/Contractor agrees that in performance of the order in the case of an order for --

(1) *Services (except construction).* At least 50 percent of the cost of contract performance incurred for personnel shall be expended for employees of the concern.

(2) *Supplies (other than procurement from a nonmanufacturer of such supplies).* The concern shall perform work for at least 50 percent of the cost of manufacturing the supplies, not including the cost of materials.

(End of Clause)

(The above Clause/Provision has been modified.)

52.222-1 **NOTICE TO THE GOVERNMENT OF LABOR DISPUTES** (FEB 1997)
(IAW FAR 22.103-5(a))
(IAW AFMCFARS 5322.101-1(e), applicable in excess of $1,000,000; when overseas contractor; major modification/programmed depot maintenance and engine overhaul; Criticality Designator A; services; or for essential DOD Contractor Services During Crises (See DODI 3020.37))

52.222-2 **PAYMENT FOR OVERTIME PREMIUMS** (JUL 1990)
(IAW FAR 22.103-5(b))
(a) overtime premium does not exceed ___*___

	*Overtime Premium $

(Applicable to orders over $100,000 unless for operation of vessels - Blank shall be completed on the individual order)

52.222-3 **CONVICT LABOR** (JUN 2003)
(IAW FAR 22.202)

52.222-6 **DAVIS-BACON ACT** (FEB 1995)
(IAW FAR 22.407(a)(1))
(Applicable in excess of $2,000 for construction within the United States)

52.222-7 **WITHHOLDING OF FUNDS** (FEB 1988)
(IAW FAR 22.407(a)(2))
(Applicable in excess of $2,000 for construction within the United States)

52.222-8 **PAYROLLS AND BASIC RECORDS** (FEB 1988)
(IAW FAR 22.407(a)(3))
(Applicable in excess of $2,000 for construction within the United States)

52.222-9 **APPRENTICES AND TRAINEES** (FEB 1988)
(IAW FAR 22.407(a)(4))
(Applicable in excess of $2,000 for construction within the United States)

52.222-10 **COMPLIANCE WITH COPELAND ACT REQUIREMENTS** (FEB 1988)
(IAW FAR 22.407(a)(5))

(Applicable in excess of $2,000 for construction within the United States)

52.222-11 **SUBCONTRACTS (LABOR STANDARDS)** (FEB 1988)
(IAW FAR 22.407(a)(6))
(Applicable in excess of $2,000 for construction within the United States)

52.222-12 **CONTRACT TERMINATION--DEBARMENT** (FEB 1988)
(IAW FAR 22.407(a)(7))
(Applicable in excess of $2,000 for construction within the United States)

52.222-13 **COMPLIANCE WITH DAVIS-BACON AND RELATED ACT REGULATIONS** (FEB 1988)
(IAW FAR 22.407(a)(8))
(Applicable in excess of $2,000 for construction within the United States)

52.222-14 **DISPUTES CONCERNING LABOR STANDARDS** (FEB 1988)
(IAW FAR 22.407(a)(9))
(Applicable in excess of $2,000 for construction within the United States)

52.222-15 **CERTIFICATION OF ELIGIBILITY** (FEB 1988)
(IAW FAR 22.407(a)(10))
(Applicable in excess of $2,000 for construction within the United States)

52.222-20 **WALSH-HEALEY PUBLIC CONTRACTS ACT** (DEC 1996)
(IAW FAR 22.610)
(Applicable to all orders issued hereunder)

52.222-21 **PROHIBITION OF SEGREGATED FACILITIES** (FEB 1999)
(IAW FAR 22.810(a)(1))
(Applicable when exceeding $10,000, except those exempted by FAR 22.807 (b) which includes those for work to be performed outside the U.S. by employees who were not recruited within the U.S.)

52.222-26 **EQUAL OPPORTUNITY** (APR 2002)
(IAW FAR 22.810(e))
(Applicable to all orders issued hereunder)

52.222-27 **AFFIRMATIVE ACTION COMPLIANCE REQUIREMENTS FOR CONSTRUCTION** (FEB 1999)
(IAW FAR 22.810(f))

52.222-29 **NOTIFICATION OF VISA DENIAL** (JUN 2003)
(IAW FAR 22.810(g))

52.222-35 **EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS** (DEC 2001)
(IAW FAR 22.1310(a)(1), DFARS 222.1308(a)(1))
(Applicable when the expected value is $25,000 or more except when work is performed outside the United States by employees recruited outside the United States or the Deputy Assistant Secretary of Labor has waived, in accordance with 22.1305(a) or the head of the agency has waived, in accordance with 22.1305(b) all of the terms of the clause)

52.222-36 **AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES** (JUN 1998)
(IAW FAR 22.1408(a))

(Applicable over $10,000 except when performance of work and recruitment of workers will occur outside the United States, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island, or the agency head has waived, in accordance with 22.1403(a) or 22.1403(b) all the terms of the clause)

52.222-37 **EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS** (DEC 2001)
(IAW FAR 22.1310(b))
(Applicable when the expected value is $25,000 or more and workers were recruited within the United States)

52.222-39 **NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES** (DEC 2004)
(IAW FAR 22.1605)
(Applicable to solicitations and contracts except those that do not exceed the simplified acquisition threshold or are covered by an exemption granted by the Secretary of Labor)

252.222-7002 **COMPLIANCE WITH LOCAL LABOR LAWS (OVERSEAS)** (JUN 1997)
(IAW DFARS 222.7201(a))

52.223-5 **POLLUTION PREVENTION AND RIGHT-TO-KNOW INFORMATION** (AUG 2003)
(IAW FAR 23.1005(a))

52.223-6 **DRUG-FREE WORKPLACE** (MAY 2001)
(IAW FAR 23.505)
(Applicable when the simplified acquisition threshold is exceeded except if performance is entirely outside the U.S. and its outlying areas)

52.223-14 **TOXIC CHEMICAL RELEASE REPORTING** (AUG 2003)
(IAW FAR 23.906(b))
(Applicable over $100,000)

252.223-7004 **DRUG-FREE WORK FORCE** (SEP 1988)
(IAW DFARS 223.570-4(a))

252.223-7006 **PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS** (APR 1993)
(IAW DFARS 223.7103(a))

5352.223-9000 **ELIMINATION OF USE OF CLASS I OZONE DEPLETING SUBSTANCES (ODSs)** (APR 2003)
(IAW AFFARS 5323.804(c))
(c) The requiring activity has obtained SAO approval to permit the contractor to use the following Class I ODS(s).

[List each Class I ODS, its applications or use and the approved quantities for use throughout the length of the contract. If "None," so state.]

Item No	Class I ODS	Application or Use	Quantity (lbs) per contract period performance
SEE LINE ITEM SCHEDULE			

5352.223-9001 **HEALTH AND SAFETY ON GOVERNMENT INSTALLATIONS** (JUN 1997)
(IAW AFFARS 5323.9001)

52.225-8 **DUTY-FREE ENTRY** (FEB 2000)
(IAW FAR 25.1101(e))

52.225-13 **RESTRICTIONS ON CERTAIN FOREIGN PURCHASES** (MAR 2005)
(IAW FAR 25.1103(a))
(Applicable to supplies or services involving the furnishing of supplies over $2,500, $15,000 for acquisitions as described in 13.201(g)(1) unless an exception applies)

252.225-7001 **BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM** (APR 2003)
(IAW DFARS 225.1101(2))

252.225-7002 **QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS** (APR 2003)
(IAW DFARS 225.1101(3))

252.225-7004 **REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES AND CANADA -- SUBMISSION AFTER AWARD** (APR 2005)
(IAW DFARS 225.7204(b))
(Applicable to solicitations and contracts for performance outside the United States and Canada over $10 million)

252.225-7006 **QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES** (APR 2005)
(IAW DFARS 225.7204(c))
(Applicable to solicitations and contracts for performance outside the United States and Canada over $500,000)

252.225-7012 **PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES** (JUN 2004)
(IAW DFARS 225.7002-3(a))
(Applicable when exceeding the simplified acquisition threshold for food; clothing; tents, tarpaulins or covers; cotton and other natural fiber products; woven silk or woven silk blends; spun silk yarn for cartridge cloth; synthetic fabric, coated synthetic fabric; canvas products; wool; or any item of individual equipment (FSC 8465) manufactured from or containing such fibers, yarns, fabrics, or materials; to waste and byproducts of cotton or wool used in the production of propellants and explosives)

252.225-7013 **DUTY-FREE ENTRY** (JAN 2005)
(IAW DFARS 225.1101(4))
(Applicable to contracts requiring duty free entry of goods into the United States)

252.225-7014 **PREFERENCE FOR DOMESTIC SPECIALTY METALS** (APR 2003)
(IAW DFARS 225.7002-3(b)(1))

252.225-7014 **PREFERENCE FOR DOMESTIC SPECIALTY METALS -- ALTERNATE I** (APR 2003)
(IAW DFARS 225.7002-3(b)(2))

252.225-7016 **RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS** (MAY 2004)
(IAW DFARS 225.7009-4(a))

252.225-7025 **RESTRICTION ON ACQUISITION OF FORGINGS** (APR 2003)
(IAW DFARS 225.7102-4)

252.225-7027 **RESTRICTION ON CONTINGENT FEES FOR FOREIGN MILITARY SALES** (APR 2003)
(IAW DFARS 225.7308(a))
(b) (1) For sales to the Government(s) of Australia, Taiwan, Egypt, Greece, Israel, Japan, Jordan, Republic of Korea, Kuwait, Pakistan, Philippines, Saudi Arabia, Turkey, Thailand, or Venezuela (Air Force), contingent fees in any amount.

252.225-7028 **EXCLUSIONARY POLICIES AND PRACTICES OF FOREIGN GOVERNMENTS** (APR 2003)
(IAW DFARS 225-7300, DFARS 225.7308(b))

252.225-7041 **CORRESPONDENCE IN ENGLISH** (JUN 1997)
(IAW DFARS 225.1103(3))

252.225-7043 **ANTITERRORISM/FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS OUTSIDE THE UNITED STATES** (JUN 1998)
(IAW DFARS 225.7402, DFARS 225.7401(d))
(c) Information and guidance pertaining to DoD antiterrorism/ force protection can be obtained from:
HQ AFSFC/SFPT; telephone, DSN 473-0927/0928 or commercial (210) 671-0927/0928

52.226-1 **UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES** (JUN 2000)
(IAW FAR 26.104)

252.226-7001 **UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS** (SEP 2004)
(IAW DFARS 226.104)
(Applicable to supplies or services exceeding $500,000)

52.227-1 **AUTHORIZATION AND CONSENT** (JUL 1995)
(IAW FAR 27.201-2(a))
(Applicable except when both complete performance and delivery are outside the United States, its possessions and Puerto Rico)

52.227-1 **AUTHORIZATION AND CONSENT -- ALTERNATE I** (APR 1984)
(IAW FAR 27.201-2(b))

52.227-2 **NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT** (AUG 1996)
(IAW FAR 27.202-2)
(Applicable when the simplified acquisition threshold is exceeded except when both complete performance and delivery are outside the United States, its possessions and Puerto Rico, unless supplies are ultimately to be shipped into one of those areas)

52.227-3 **PATENT INDEMNITY** (APR 1984)
(IAW FAR 27.203-1(b), 27.203-2(a), FAR 27.203-4(a)(2))

52.227-9 **REFUND OF ROYALTIES** (APR 1984)
(IAW FAR 27.206-2)

52.227-10 **FILING OF PATENT APPLICATIONS--CLASSIFIED SUBJECT MATTER** (APR 1984)
(IAW FAR 27.207-2)

52.227-11 **PATENT RIGHTS--RETENTION BY THE CONTRACTOR (SHORT FORM)** (JUN 1997)
(IAW FAR 27.303(a))

52.227-13 **PATENT RIGHTS--ACQUISITION BY THE GOVERNMENT** (JAN 1997)
(IAW FAR 27.303(c))

52.227-14 **RIGHTS IN DATA--GENERAL** (JUN 1987)
(IAW FAR 27.409(a))

52.227-14 **RIGHTS IN DATA--GENERAL -- ALTERNATE I** (JUN 1987)
(IAW FAR 27.409(b))

52.227-14 **RIGHTS IN DATA--GENERAL -- ALTERNATE II** (JUN 1987)
(IAW FAR 27.409(c))

52.227-14 **RIGHTS IN DATA--GENERAL -- ALTERNATE III** (JUN 1987)
(IAW FAR 27.409(d))

52.227-14 **RIGHTS IN DATA--GENERAL -- ALTERNATE IV** (JUN 1987)
(IAW FAR 27.409(e))

52.227-14 **RIGHTS IN DATA--GENERAL -- ALTERNATE V** (JUN 1987)
(IAW FAR 27.409(f))

52.227-16 **ADDITIONAL DATA REQUIREMENTS** (JUN 1987)
(IAW FAR 27.409(h), FAR 27.406(b))

252.227-7013 **RIGHTS IN TECHNICAL DATA--NONCOMMERCIAL ITEMS** (NOV 1995)
(IAW DFARS 227.7102-3(b), DFARS 227.7103-6(a))

(e) (3) The Contractor asserts for itself, or the persons identified below, that the Government's rights to use, release, or disclose the following technical data should be restricted—

Technical Data to be Furnished With Restrictions*	Basis for Assertion**	Asserted Rights Category***	Name of person Asserting Restrictions****
(LIST)	(LIST)	(LIST)	(LIST)

*If the assertion is applicable to items, components, or processes developed at private expense, identify both the data and each such item, component, or process.

**Generally, the development of an item, component, or process at private expense, either exclusively or partially, is the only basis for asserting restrictions on the Government's rights to use, release, or disclose technical data pertaining to such items, components, or processes. Indicate whether development was exclusively or partially at private expense. If development was not at private expense, enter the specific reason for asserting that the Government's rights should be restricted.

***Enter asserted rights category (e.g., government purpose license rights from a prior contract, rights in SBIR data generated under another contract, limited or government purpose rights under this or a prior contract, or specifically negotiated licenses).

****Corporation, individual, or other person, as appropriate.

Date _____
Printed Name _____
and Title _____
Signature _____
(End of identification and assertion)

(f) (2) Government purpose rights markings.
Data delivered or otherwise furnished to the Government purpose rights shall be marked as follows:

GOVERNMENT PURPOSE RIGHTS

Contract No _____
Contractor Name _____
Contractor _____
Address _____
_____
Expiration Date _____

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical date are restricted by paragraph (b)(2) of the Rights in Technical Data--Noncommerical Items clause contained in the above identified contract. No restrictions apply after the expiration date shown above. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings.
(End of Legend)

(3) Limited rights markings.
Data delivered or otherwise furnished to the Government with limited rights shall be marked with the following legend:

LIMITED RIGHTS

Contract No _____
Contractor Name _____
Contractor Address _____
_____

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these technical data are restricted by paragraph (b)(3) of the Rights in Technical Data--Noncommercial Items clause contained in the above identified contract. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings. Any person, other than the Government, who has been provided access to such data must promptly notify the above name Contractor.

(End of legend)

(4) Special license rights markings.

(i) Data in which the Government's rights stem from a specifically negotiated license shall be marked with the following legend:

SPECIAL LICENSE RIGHTS

The Government's rights to use, modify, reproduce, release, perform, display, or disclose these data are restricted by Contract No. _____ (Insert contract number)_____, License No. _____ (Insert license identifier)_____. Any reproduction of technical data or portions thereof marked with this legend must also reproduce the markings.

(End of legend)

252.227-7014	**RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION** (JUN 1995) (IAW DFARS 227.7203-6(a)(1))
252.227-7016	**RIGHTS IN BID OR PROPOSAL INFORMATION** (JUN 1995) (IAW DFARS 227.7103-6(e)(1), DFARS 227.7104(e)(1), DFARS 227.7203-6(b))
252.227-7025	**LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS** (JUN 1995) (IAW DFARS 227.7103-6(c), DFARS 227.7104(f)(1), DFARS 227.7203-6(d))
252.227-7026	**DEFERRED DELIVERY OF TECHNICAL DATA OR COMPUTER SOFTWARE** (APR 1988) (IAW DFARS 227.7103-8(a))
252.227-7027	**DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE** (APR 1988) (IAW DFARS 227.7103-8(b))
252.227-7037	**VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA** (SEP 1999) (IAW DFARS 227.7102-3(c), DFARS 227.7103-6(e)(3), DFARS 227.7104(e)(5), DFARS 227.7203-6(f))
52.228-3	**WORKERS' COMPENSATION INSURANCE (DEFENSE BASE ACT)** (APR 1984) (IAW FAR 28.309(a))
52.228-4	**WORKERS' COMPENSATION AND WAR-HAZARD INSURANCE OVERSEAS** (APR 1984) (IAW FAR 28.309(b))

52.228-5 **INSURANCE--WORK ON A GOVERNMENT INSTALLATION** (JAN 1997)
(IAW FAR 28.310)

52.228-7 **INSURANCE--LIABILITY TO THIRD PERSONS** (MAR 1996)
(IAW FAR 28.311-1)
(Applicable to cost-reimbursement line items)

252.228-7000 **REIMBURSEMENT FOR WAR-HAZARD LOSSES** (DEC 1991)
(IAW DFARS 228.370(a))

252.228-7003 **CAPTURE AND DETENTION** (DEC 1991)
(IAW DFARS 228.370(d))

9952.228-9001 **INSURANCE CLAUSE IMPLEMENTATION (JALC)** (MAR 2003)
(IAW JALC 9928.310(a))
(Applicable when FAR 52.228-5, Insurance--Work on a Government Installation, and/or when FAR 52.228-7, Insurance--liability to Third Persons, applies)

52.229-3 **FEDERAL, STATE, AND LOCAL TAXES** (APR 2003)
(IAW FAR 29.401-3(a))
(Applicable to fixed-price competitive contracts exceeding the simplified acquisition threshold, and performed wholly or partly in the United States or its outlying areas, unless the clause at 52.229-4, Federal, State, and Local Taxes (State and Local Adjustments), is included)

252.229-7000 **INVOICES EXCLUSIVE OF TAXES OR DUTIES** (JUN 1997)
(IAW DFARS 229.402-1)

52.230-2 **COST ACCOUNTING STANDARDS** (APR 1998)
(IAW FAR 30.201-4(a))

52.230-6 **ADMINISTRATION OF COST ACCOUNTING STANDARDS** (APR 2005)
(IAW FAR 30.201-4(d)(1))

252.231-7000 **SUPPLEMENTAL COST PRINCIPLES** (DEC 1991)
(IAW DFARS 231.100-70)

52.232-1 **PAYMENTS** (APR 1984)
(IAW FAR 32.111(a)(1))
(Applicable to fixed-price supply or services and non-regulated communication services).

52.232-2 **PAYMENTS UNDER FIXED-PRICE RESEARCH AND DEVELOPMENT CONTRACTS** (APR 1984)
(IAW FAR 32.111(a)(2))

52.232-7 **PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS** (DEC 2002)
(IAW FAR 32.111(b))
The Government will pay the Contractor as follows upon the submission of invoices or vouchers approved by the Contracting Officer:

(a) *Hourly rate.*

(1) The amounts shall be computed by multiplying the appropriate hourly rates prescribed in the Schedule by the number of direct labor hours performed. The rates shall include wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be payable on a prorated basis. Vouchers may be submitted once each month (or at more frequent intervals, if approved by the Contracting Officer), to the Contracting Officer or designee. The Contractor shall substantiate vouchers by evidence of actual payment and by individual daily job timecards, or other substantiation approved by the Contracting

Officer. Promptly after receipt of each substantiated voucher, the Government shall, except as otherwise provided in this contract, and subject to the terms of (e) of this section, pay the voucher as approved by the Contracting Officer.
(2) Unless otherwise prescribed in the Schedule, the Contracting Officer shall withhold 5 percent of the amounts due under this paragraph (a), but the total amount withheld shall not exceed $50,000. The amounts withheld shall be retained until the execution and delivery of a release by the Contractor as provided in paragraph (f) of this section.
(3) Unless the Schedule prescribes otherwise, the hourly rates in the Schedule shall not be varied by virtue of the Contractor having performed work on an overtime basis. If no overtime rates are provided in the Schedule and overtime work is approved in advance by the Contracting Officer, overtime rates shall be negotiated. Failure to agree upon these overtime rates shall be treated as a dispute under the Disputes clause of this contract. If the Schedule provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by the Contracting Officer.

(b) *Materials and subcontracts.*
(1) The Contracting Officer will determine allowable costs of direct materials in accordance with Subpart 31.2 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract. Direct materials, as used in this clause, are those materials that enter directly into the end product, or that are used or consumed directly in connection with the furnishing of the end product.
(2) The Contractor may include reasonable and allocable material handling costs in the charge for material to the extent they are clearly excluded from the hourly rate. Material handling costs are comprised of indirect costs, including, when appropriate, general and administrative expense allocated to direct materials in accordance with the Contractor's usual accounting practices consistent with Subpart 31.2 of the FAR.
(3) The Government will reimburse the Contractor for supplies and services purchased directly for the contract when the Contractor—
(i) Has made payments for cash, checks, or other forms of payment for these purchased supplies or services; or
(ii) Will make these payments determined due—
(A) In accordance with the terms and conditions of a subcontract or invoice; and
(B) Ordinarily within 30 days of the submission of the Contractor's payment request to the Government.
(4)(i) The Government will reimburse the Contractor for costs of subcontracts that are authorized under the subcontracts clause of this contract, provided that the costs are consistent with paragraph (b)(5) of this clause.
(ii) The Government will limit reimbursable costs in connection with subcontracts to the amounts paid for items and services purchased directly for the contract when the Contractor has made or will make payments determined due of cash, checks, or other forms of payment to the subcontractor--
(A) In accordance with the terms and conditions of a subcontract or invoice; and
(B) Ordinarily within 30 days of the submission of the Contractor's next payment request to the Government.
(iii) The Government will not reimburse the Contractor for any costs arising from the letting, administration, or supervision of performance of the subcontract, if the costs are included in the hourly rates payable under paragraph (a)(1) of this clause.
(5) To the extent able, the Contractor shall--
(i) Obtain materials at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials; and
(ii) Take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other benefits. When unable to take advantage of the benefits, the Contractor shall promptly notify the Contracting Officer and give the reasons. The Contractor shall give credit to the Government for cash and trade discounts, rebates, scrap, commissions, and other amounts that have accrued to the benefit of the Contractor, or would have accrued except for the fault or neglect of the Contractor. The Contractor shall not deduct from gross costs the benefits lost without fault or neglect on the part of the Contractor, or lost through fault of the Government.

(c) *Total cost.* It is estimated that the total cost to the Government for the performance of this contract shall not exceed the ceiling price set forth in the Schedule and the Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this contract within such ceiling price. If at any time the Contractor has reason to believe that the hourly rate payments and material costs that will accrue in performing this contract in the next succeeding 30 days, if added to all other payments and costs previously accrued, will exceed 85 percent of the ceiling price in the Schedule, the Contractor shall notify the Contracting Officer giving a revised estimate of the total price to the Government for performing this contract with supporting reasons and documentation. If at any time

during performing this contract, the Contractor has reason to believe that the total price to the Government for performing this contract will be substantially greater or less than the then stated ceiling price, the Contractor shall so notify the Contracting Officer, giving a revised estimate of the total price for performing this contract, with supporting reasons and documentation. If at any time during performing this contract, the Government has reason to believe that the work to be required in performing this contract will be substantially greater or less than the stated ceiling price, the Contracting Officer will so advise the Contractor, giving the then revised estimate of the total amount of effort to be required under the contract.

(d) *Ceiling price.* The Government shall not be obligated to pay the Contractor any amount in excess of the ceiling price in the Schedule, and the Contractor shall not be obligated to continue performance if to do so would exceed the ceiling price set forth in the Schedule, unless and until the Contracting Officer shall have notified the Contractor in writing that the ceiling price has been increased and shall have specified in the notice a revised ceiling that shall constitute the ceiling price for performance under this contract. When and to the extent that the ceiling price set forth in the Schedule has been increased, any hours expended and material costs incurred by the Contractor in excess of the ceiling price before the increase shall be allowable to the same extent as if the hours expended and material costs had been incurred after the increase in the ceiling price.

(e) *Audit.* At any time before final payment under this contract the Contracting Officer may request audit of the invoices or vouchers and substantiating material. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding invoices or vouchers, that are found by the Contracting Officer not to have been properly payable and shall also be subject to reduction for overpayments or to increase for underpayments. Upon receipt and approval of the voucher or invoice designated by the Contractor as the "completion voucher" or "completion invoice" and substantiating material, and upon compliance by the Contractor with all terms of this contract (including, without limitation, terms relating to patents and the terms of (f) and (g) of this section), the Government shall promptly pay any balance due the Contractor. The completion invoice or voucher, and substantiating material, shall be submitted by the Contractor as promptly as practicable following completion of the work under this contract, but in no event later than 1 year (or such longer period as the Contracting Officer may approve in writing) from the date of completion.

(f) *Assignment.* The Contractor, and each assignee under an assignment entered into under this contract and effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, a release discharging the Government, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions:

(1) Specified claims in stated amounts, or in estimated amounts if the amounts are not susceptible of exact statement by the Contractor.
(2) Claims, together with reasonable incidental expenses, based upon the liabilities of the Contractor to third parties arising out of performing this contract, that are not known to the Contractor on the date of the execution of the release, and of which the Contractor gives notice in writing to the Contracting Officer not more than 6 years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier.
(3) Claims for reimbursement of costs (other than expenses of the Contractor by reason of its indemnification of the Government against patent liability), including reasonable incidental expenses, incurred by the Contractor under the terms of this contract relating to patents.

(g) *Refunds.* The Contractor agrees that any refunds, rebates, or credits (including any related interest) accruing to or received by the Contractor or any assignee, that arise under the materials portion of this contract and for which the Contractor has received reimbursement, shall be paid by the Contractor to the Government. The Contractor and each assignee, under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, an assignment to the Government of such refunds, rebates, or credits (including any interest) in form and substance satisfactory to the Contracting Officer.

(h) *Interim payments.*

(1) Interim payments made prior to the final payment under the contract are contract financing payments. Contract financing payments are not subject to the interest penalty provisions of the Prompt Payment Act.
(2) The designated payment office will make interim payments for contract financing on the **TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE** day after the designated billing office receives a proper payment request. In the event that the Government requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the specified due date.

(The above Clause/Provision has been modified.)

(Applicable to time-and-materials or labor-hour)

52.232-8 **DISCOUNTS FOR PROMPT PAYMENT** (FEB 2002)
(IAW FAR 32.111(c)(1))
(Applicable to fixed-price supply or fixed-price service)

52.232-9 **LIMITATION ON WITHHOLDING OF PAYMENTS** (APR 1984)
(IAW FAR 32.111(c)(2))

52.232-11 **EXTRAS** (APR 1984)
(IAW FAR 32.111(d)(2))
(Applicable to fixed-price supply, fixed-price service, or transportation)

52.232-17 **INTEREST** (JUN 1996)
(IAW FAR 32.617(a), FAR 32.617(b))
(Applicable when exceeding the simplified acquisition threshold)

52.232-20 **LIMITATION OF COST** (APR 1984)
(IAW FAR 32.705-2(a))
(Applicable when fully funded and cost-reimbursement)

52.232-22 **LIMITATION OF FUNDS** (APR 1984)
(IAW FAR 32.705-2(c))

52.232-23 **ASSIGNMENT OF CLAIMS** (JAN 1986)
(IAW FAR 32.806(a)(1))
(Applicable when the micro-purchase threshold is exceeded, unless the contract will prohibit the assignment of claims (see 32.803(b))

52.232-25 **PROMPT PAYMENT** (OCT 2003)
(IAW FAR 32.908(c))
Notwithstanding any other payment clause in this contract, the Government will make invoice payments under the terms and conditions specified in this clause. The Government considers payment as being made on the day a check is dated or the date of an electronic funds transfer (EFT). Definitions of pertinent terms are set forth in sections 2.101, 32.001, and 32.902 of the Federal Acquisition Regulation. All days referred to in this clause are calendar days, unless otherwise specified. (However, see paragraph (a)(4) of this clause concerning payments due on Saturdays, Sundays, and legal holidays.)

(a) *Invoice payments—*

(1) *Due date.*

(i) Except as indicated in paragraphs (a)(2) and (c) of this clause, the due date for making invoice payments by the designated payment office is the later of the following two events:

(A) The 30th day after the designated billing office receives a proper invoice from the Contractor (except as provided in paragraph (a)(1)(ii) of this clause).

(B) The 30th day after Government acceptance of supplies delivered or services performed. For a final invoice, when the payment amount is subject to contract settlement actions, acceptance is deemed to occur on the effective date of the contract settlement.

(ii) If the designated billing office fails to annotate the invoice with the actual date of receipt at the time of receipt, the invoice payment due date is the 30th day after the date of the Contractor's invoice, provided the designated billing office receives a proper invoice and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(2) *Certain food products and other payments.*

(i) Due dates on Contractor invoices for meat, meat food products, or fish; perishable agricultural commodities; and dairy products, edible fats or oils, and food products prepared from edible fats or

oils are--

(A) For meat or meat food products, as defined in section 2(a)(3) of the Packers and Stockyard Act of 1921 (7 U.S.C. 182(3)), and as further defined in Pub. L. 98-181, including any edible fresh or frozen poultry meat, any perishable poultry meat food product, fresh eggs, and any perishable egg product, as close as possible to, but not later than, the 7th day after product delivery.

(B) For fresh or frozen fish, as defined in section 204(3) of the Fish and Seafood Promotion Act of 1986 (16 U.S.C. 4003(3)), as close as possible to, but not later than, the 7th day after product delivery.

(C) For perishable agricultural commodities, as defined in section 1(4) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(4)), as close as possible to, but not later than, the 10th day after product delivery, unless another date is specified in the contract.

(D) For dairy products, as defined in section 111(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502(e)), edible fats or oils, and food products prepared from edible fats or oils, as close as possible to, but not later than, the 10th day after the date on which a proper invoice has been received. Liquid milk, cheese, certain processed cheese products, butter, yogurt, ice cream, mayonnaise, salad dressings, and other similar products, fall within this classification. Nothing in the Act limits this classification to refrigerated products. When questions arise regarding the proper classification of a specific product, prevailing industry practices will be followed in specifying a contract payment due date. The burden of proof that a classification of a specific product is, in fact, prevailing industry practice is upon the Contractor making the representation.

(ii) If the contract does not require submission of an invoice for payment (*e.g.*, periodic lease payments), the due date will be as specified in the contract.

(3) *Contractor's invoice.* The Contractor shall prepare and submit invoices to the designated billing office specified in the contract. A proper invoice must include the items listed in paragraphs (a)(3)(i) through (a)(3)(x) of this clause. If the invoice does not comply with these requirements, the designated billing office will return it within 7 days after receipt (3 days for meat, meat food products, or fish; 5 days for perishable agricultural commodities, dairy products, edible fats or oils, and food products prepared from edible fats or oils), with the reasons why it is not a proper invoice. The Government will take into account untimely notification when computing any interest penalty owed the Contractor.

(i) Name and address of the Contractor.

(ii) Invoice date and invoice number. (The Contractor should date invoices as close as possible to the date of the mailing or transmission.)

(iii) Contract number or other authorization for supplies delivered or services performed (including order number and contract line item number).

(iv) Description, quantity, unit of measure, unit price, and extended price of supplies delivered or services performed.

(v) Shipping and payment terms (*e.g.*, shipment number and date of shipment, discount for prompt payment terms). Bill of lading number and weight of shipment will be shown for shipments on Government bills of lading.

(vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).

(vii) Name (where practicable), title, phone number, and mailing address of person to notify in the event of a defective invoice.

(viii) Taxpayer Identification Number (TIN). The Contractor shall include its TIN on the invoice only if required elsewhere in this contract.

(ix) Electronic funds transfer (EFT) banking information.

(A) The Contractor shall include EFT banking information on the invoice only if required elsewhere in this contract.

(B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the Contractor shall have submitted correct EFT banking information in accordance with the applicable solicitation provision (*e.g.*, 52.232-38, Submission of Electronic Funds Transfer Information with Offer), contract clause (*e.g.*, 52.232-33, Payment by Electronic Funds Transfer--Central Contractor Registration, or 52.232-34, Payment by Electronic Funds Transfer--Other Than Central Contractor Registration), or applicable agency procedures.

(C) EFT banking information is not required if the Government waived the requirement to pay by EFT.

(x) Any other information or documentation required by the contract (*e.g.*, evidence of shipment).

(4) *Interest penalty.* The designated payment office will pay an interest penalty automatically, without

request from the Contractor, if payment is not made by the due date and the conditions listed in paragraphs (a)(4)(i) through (a)(4)(iii) of this clause are met, if applicable. However, when the due date falls on a Saturday, Sunday, or legal holiday, the designated payment office may make payment on the following working day without incurring a late payment interest penalty.

(i) The designated billing office received a proper invoice.

(ii) The Government processed a receiving report or other Government documentation authorizing payment, and there was no disagreement over quantity, quality, or Contractor compliance with any contract term or condition.

(iii) In the case of a final invoice for any balance of funds due the Contractor for supplies delivered or services performed, the amount was not subject to further contract settlement actions between the Government and the Contractor.

(5) *Computing penalty amount.* The Government will compute the interest penalty in accordance with the Office of Management and Budget prompt payment regulations at 5 CFR part 1315.

(i) For the sole purpose of computing an interest penalty that might be due the Contractor, Government acceptance is deemed to occur constructively on the **30th** day (unless otherwise specified in this contract) after the Contractor delivers the supplies or performs the services in accordance with the terms and conditions of the contract, unless there is a disagreement over quantity, quality, or Contractor compliance with a contract provision. If actual acceptance occurs within the constructive acceptance period, the Government will base the determination of an interest penalty on the actual date of acceptance. The constructive acceptance requirement does not, however, compel Government officials to accept supplies or services, perform contract administration functions, or make payment prior to fulfilling their responsibilities.

(ii) The prompt payment regulations at 5 CFR 1315.10(c) do not require the Government to pay interest penalties if payment delays are due to disagreement between the Government and the Contractor over the payment amount or other issues involving contract compliance, or on amounts temporarily withheld or retained in accordance with the terms of the contract. The Government and the Contractor shall resolve claims involving disputes and any interest that may be payable in accordance with the clause at FAR 52.233-1, Disputes.

(6) *Discounts for prompt payment.* The designated payment office will pay an interest penalty automatically, without request from the Contractor, if the Government takes a discount for prompt payment improperly. The Government will calculate the interest penalty in accordance with the prompt payment regulations at 5 CFR part 1315.

(7) *Additional interest penalty.* (i) The designated payment office will pay a penalty amount, calculated in accordance with the prompt payment regulations at 5 CFR part 1315 in addition to the interest penalty amount only if--

(A) The Government owes an interest penalty of $1 or more;

(B) The designated payment office does not pay the interest penalty within 10 days after the date the invoice amount is paid; and

(C) The Contractor makes a written demand to the designated payment office for additional penalty payment, in accordance with paragraph (a)(7)(ii) of this clause, postmarked not later than 40 days after the invoice amount is paid.

(ii)(A) The Contractor shall support written demands for additional penalty payments with the following data. The Government will not request any additional data. The Contractor shall--

(1) Specifically assert that late payment interest is due under a specific invoice, and request payment of all overdue late payment interest penalty and such additional penalty as may be required;

(2) Attach a copy of the invoice on which the unpaid late payment interest is due; and

(3) State that payment of the principal has been received, including the date of receipt.

(B) If there is no postmark or the postmark is illegible--

(1) The designated payment office that receives the demand will annotate it with the date of receipt, provided the demand is received on or before the 40th day after payment was made; or

(2) If the designated payment office fails to make the required annotation, the Government will determine the demand's validity based on the date the Contractor has placed on the demand, provided such date is no later than the 40th day after payment was made.

(iii) The additional penalty does not apply to payments regulated by other Government regulations (*e.g.*, payments under utility contracts subject to tariffs and regulation).

(b) *Contract financing payment.* If this contract provides for contract financing, the Government will make contract

financing payments in accordance with the applicable contract financing clause.

(c) *Fast payment procedure due dates.* If this contract contains the clause at 52.213-1, Fast Payment Procedure, payments will be made within 15 days after the date of receipt of the invoice.

(d) *Overpayments.* If the Contractor becomes aware of a duplicate contract financing or invoice payment or that the Government has otherwise overpaid on a contract financing or invoice payment, the Contractor shall immediately notify the Contracting Officer and request instructions for disposition of the overpayment.

(The above Clause/Provision has been modified.)

(Applicable except when the clause at 52.212-4, Contract Terms and Conditions--Commercial Items is included)

52.232-32 **PERFORMANCE-BASED PAYMENTS** (FEB 2002)
(IAW FAR 32.1005 (a))

(c) Approval and payment of requests.

The designated payment office will pay approved requests on the **30th** day after receipt of the request for performance-based payment.

(m) *Content of Contractor's certification.*

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

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

52.232-33 **PAYMENT BY ELECTRONIC FUNDS TRANSFER--CENTRAL CONTRACTOR REGISTRATION** (OCT 2003)
(IAW FAR 32.1110(a) (1))

(Applicable for solicitations and contracts that include the clause at 52.204-7 or an agency clause that requires a contractor to be registered in the CCR database and maintain registration until final payment, unless (i) Payment will be made through a third party arrangement; or (ii) An exception listed in 32.1103(a) through (i) applies.)

252.232-7002 **PROGRESS PAYMENTS FOR FOREIGN MILITARY SALES ACQUISITIONS** (DEC 1991)
(IAW DFARS 232.502-4-70(a))

252.232-7003 **ELECTRONIC SUBMISSION OF PAYMENT REQUESTS** (JAN 2004)
(IAW DFARS 232.7004)

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

(1) "Contract financing payment" and "invoice payment" have the meanings given in section 32.001 of the Federal Acquisition Regulation.
(2) "Electronic form" means any automated system that transmits information electronically from the initiating system to all affected systems. Facsimile, e-mail, and scanned documents are not acceptable electronic forms for submission of payment requests. However, scanned documents are acceptable when they are part

of a submission of a payment request made using one of the electronic forms provided for in paragraph (b) of this clause.
(3) "Payment request" means any request for contract financing payment or invoice payment submitted by the Contractor under this contract.

(b) Except as provided in paragraph (c) of this clause, the Contractor shall submit payment requests using one of the following electronic forms:
(1) Wide Area WorkFlow-Receipt and Acceptance (WAWF-RA). Information regarding WAWF-RA is available on the Internet at https://wawf.eb.mil .
(2) Web Invoicing System (WInS). Information regarding WInS is available on the Internet at https://ecweb.dfas.mil .
(3) American National Standards Institute (ANSI) X.12 electronic data interchange (EDI) formats.
(i) Information regarding EDI formats is available on the Internet at http://www.X12.org .
(ii) EDI implementation guides are available on the Internet at http://www.dfas.mil/ecedi .
(4) Another electronic form authorized by the Contracting Officer.

(c) If the Contractor is unable to submit a payment request in electronic form, or DoD is unable to receive a payment request in electronic form, the Contractor shall submit the payment request using a method mutually agreed to by the Contractor, the Contracting Officer, the contract administration office, and the payment office.

(d) In addition to the requirements of this clause, the Contractor shall meet the requirements of the appropriate payment clauses in this contract when submitting payments requests.

(Applicable to all orders issued hereunder)

252.232-7004 **DoD PROGRESS PAYMENT RATES** (OCT 2001)
(IAW DFARS 232.502-4-70)

252.232-7005 **REIMBURSEMENT OF SUBCONTRACTOR ADVANCE PAYMENTS--DoD PILOT MENTOR-PROTEGE PROGRAM** (SEP 2001)
(IAW DFARS 232.412-70(c))

252.232-7006 **ALTERNATE A (Alternate A to FAR Clause 52.232-7, Payments Under Time-and-Materials and Labor-Hour Contracts)** (DEC 2003)
(IAW DFARS 232.111(b))
Applicable to Time and Materials and Labor Hour contracts.

252.232-7007 **LIMITATION OF GOVERNMENT'S OBLIGATION** (AUG 1993)
(IAW DFARS 232.705-70)
(a) Contract line item(s) **TBD DETERMINED ON INDIVIDUAL TASK ORDERS AS APPLICABLE** are incrementally funded. For these item(s), the sum of $ **TBD DETERMINED ON INDIVIDUAL TASK ORDERS AS APPLICABLE** of the total price is presently available for payment and allotted to this contract. An allotment schedule is set forth in paragraph (i) of this clause.

(b) For item(s) identified in paragraph (a) of this clause, the Contractor agrees to perform up to the point at which the total amount payable by the Government, including reimbursement in the event of termination of those item(s) for the Government's convenience, approximates the total amount currently allotted to the contract. The Contractor will not be obligated to continue work on those item(s) beyond that point. The Government will not be obligated in any event to reimburse the Contractor in excess of the amount allotted to the contract for those item(s) regardless of anything to the contrary in the clause entitled "Termination for Convenience of the Government." As used in this clause, the total amount payable by the Government in the event of termination of applicable contract line item(s) for convenience includes costs, profit, and estimated termination settlement costs for those item(s).

(c) Notwithstanding the dates specified in the allotment schedule in paragraph (i) of this clause the Contractor will notify the Contracting Officer in writing at least ninety days prior to the date when, in the Contractor's best judgment, the work will reach the point at which the total amount payable by the Government, including the cost for termination for convenience, will approximate 85 percent of the total amount when allotted to the contract for performance of the applicable item(s). The notification will state (1) the estimated date when that point will be reached and (2) an estimate of additional funding, if any, needed to continue performance of applicable line items up to the next scheduled date for allotment of funds identified in paragraph (i) of this clause, or to a mutually agreed upon substitute date. The notification will also advise the Contracting Officer of the estimated amount of additional funds that will be

required for the timely performance of the item(s) funded pursuant to this clause, for a subsequent period as may be specified in the allotment schedule in paragraph (i) of this clause or otherwise agreed to by the parties. If after such notification additional funds are not allotted by the date identified in the Contractor's notification or by an agreed substitute date, the Contracting Officer will terminate any item(s) for which additional funds have not been allotted, pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(d) When additional funds are allotted for continued performance of the contract line item(s) identified in paragraph (a) of this clause, the parties will agree as to the period of contract performance which will be covered by the funds. The provisions of paragraphs (b) through (d) of this clause will apply in like manner to the additional allotted funds and agreed substitute date, and the contract will be modified accordingly.

(e) If, solely by reason of failure of the Government to allot additional funds, by the dates indicated below, in amounts sufficient for timely performance of the contract line item(s) identified in paragraph (a) of this clause, the Contractor incurs additional costs or is delayed in the performance of the work under this contract and if additional funds are allotted, an equitable adjustment will be made in the price or prices (including appropriate target, billing, and ceiling prices where applicable) of the item(s), or in the time of delivery or both. Failure to agree to any such equitable adjustment hereunder will be a dispute concerning a question of fact within the meaning of the clause entitled "Disputes."

(f) The Government may at any time prior to termination allot additional funds for the performance of the contract line item(s) identified in paragraph (a) of this clause.

(g) The termination provisions of this clause do not limit the rights of the Government under the clause entitled "Default." The provisions of this clause are limited to the work and allotment of funds for the contract line item(s) set forth in paragraph (a) of this clause. This clause no longer applies once the contract is fully funded except with regard to the rights or obligations of the parties concerning equitable adjustments negotiated under paragraphs (d) or (e) of this clause.

(h) Nothing in this clause affects the rights of the Government to terminate this contract pursuant to the clause of this contract entitled "Termination for Convenience of the Government."

(i) The parties contemplate that the Government will allot funds to this contract in accordance with the following schedule:

On execution of contract	**$ TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE**
TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE	**$ TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE**
TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE	**$ TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE**
TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE	**$ TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE**

(The above Clause/Provision has been modified.)

252.232-7008 **ASSIGNMENT OF CLAIMS (OVERSEAS)** (JUN 1997)
(IAW DFARS 232.806(a)(1))

252.232-7009 **MANDATORY PAYMENT BY GOVERNMENTWIDE COMMERCIAL PURCHASE CARD** (JUL 2000)
(IAW DFARS 232.1110)
(Applicable at or below the micro-purchase threshold and Governmentwide commercial purchase card is required)

52.233-1 **DISPUTES** (JUL 2002)
(IAW FAR 33.215)
(Applicable except to foreign governments or their agencies, or to international organizations or a subsidiary body of that organization, if the agency head determines that the application of the Act to the contract would not be in the public interest)

52.233-1 **DISPUTES -- ALTERNATE I** (DEC 1991)
(IAW FAR 33.215, DFARS 233.215)

52.233-3 **PROTEST AFTER AWARD** (AUG 1996)
(IAW FAR 33.106(b))
(Applicable to all orders issued hereunder)

52.233-3 **PROTEST AFTER AWARD -- ALTERNATE I** (JUN 1985)
(IAW FAR 33.106(b))
(Applicable to cost reimbursement items)

52.233-4 **APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM** (OCT 2004)
(IAW FAR 33.215(b))
(Applicable to all solicitations and contracts)

252.233-7001 **CHOICE OF LAW (OVERSEAS)** (JUN 1997)
(IAW DFARS 233.215-70)

52.237-2 **PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT, AND VEGETATION** (APR 1984)
(IAW FAR 37.110(b))

5352.237-9001 **REQUIREMENTS AFFECTING CONTRACTOR PERSONNEL PERFORMING MISSION ESSENTIAL SERVICES** (NOV 2004)
(IAW AFFARS 5337.9001)

MISSION ESSENTIALITY SHALL BE EVALUATED BY THE REQUIRING ACTIVITY PRIOR TO AWARD OF THE TASK ORDER

(a) The Contracting Officer has identified all or a portion of the services performed under this contract as "Essential DoD Contractor Services" as defined and described in DoD Instruction (DoDI) 3020.37, "Continuation of Essential DoD Contractor Services During Crises." Hereafter, the personnel identified by the contractor to perform these services shall be referred to as "Mission Essential Contractor Personnel."

(b) Within **TBD** days after contract award or incorporation of this clause into a contract by modification, the Contractor shall provide a written list of all "Mission Essential Contractor Personnel" to the Contracting Officer or designee. The list shall identify names and country(ies) where each employee will perform work under this contract.

(c) As required to comply with or perform pursuant to DoD or Air Force requirements, the contracting officer shall direct the contractor to comply with requirements intended to safeguard the safety and health of Mission Essential Contractor Personnel. The contracting Officer may communicate the requirements through a letter of notification or other means, and subsequently modify the contract to incorporate the requirements via full text or by reference. The Contractor may file a proposal for cost or other impacts under the Changes clause or a Request for Equitable Adjustment.

(d) This clause shall be inserted in all subcontracts meeting the criteria in paragraph (a) of this clause.

(The above Clause/Provision has been modified.)

9952.237-9001 **CONTRACTOR IDENTIFICATION (JALC)** (MAR 2003)
(IAW JALC 9937.110-90(a))

52.242-1 **NOTICE OF INTENT TO DISALLOW COSTS** (APR 1984)
(IAW FAR 42.802)
(Applicable when cost-reimbursement, fixed-price incentive, or price redetermination)

52.242-4 **CERTIFICATION OF FINAL INDIRECT COSTS** (JAN 1997)
(IAW FAR 42.703-2(f))

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

CERTIFICATE OF FINAL INDIRECT COSTS

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

1. All costs included in this proposal (**identify proposal and date**) to establish final indirect costs rates for (**identify period covered by rate**) are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final indirect cost rates will apply; and
2. This proposal does not include any costs which are expressly unallowable under applicable cost principles of the FAR or its supplements.

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

(Applicable for interim reimbursement of indirect costs; establishment of final indirect costs rates; or contract financing that includes interim payment of indirect costs)

52.242-10 **F.O.B. ORIGIN--GOVERNMENT BILLS OF LADING OR PREPAID POSTAGE** (APR 1984)
(IAW FAR 42.1404-2(a))

52.242-11 **F.O.B. ORIGIN--GOVERNMENT BILLS OF LADING OR INDICIA MAIL** (FEB 1993)
(IAW FAR 42.1404-2(b))

52.242-13 **BANKRUPTCY** (JUL 1995)
(IAW FAR 42.903)
(Applicable when the simplified acquisition threshold is exceeded)

252.242-7000 **POSTAWARD CONFERENCE** (DEC 1991)
(IAW DFARS 242.570)

252.242-7003 **APPLICATION FOR U.S. GOVERNMENT SHIPPING DOCUMENTATION/INSTRUCTIONS** (DEC 1991)
(IAW DFARS 242.1404-2-70)

5352.242-9000 **CONTRACTOR ACCESS TO AIR FORCE INSTALLATIONS** (JUN 2002)
(IAW AFFARS 5342.490-1)

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

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

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

(d) When work under this contract requires unescorted entry to controlled or restricted areas, the contractor shall comply with AFI 31-101, Volume I, The Air Force Installation Security Program, and AFI 31-501, Personnel Security Program Management, as applicable.

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

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

(The above Clause/Provision has been modified.)

52.243-1 **CHANGES--FIXED-PRICE** (AUG 1987)
(IAW FAR 43.205(a)(1))

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

(1) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for the Government in accordance with the drawings, designs, or specifications.
(2) Method of shipment or packing.
(3) Place of delivery.

(b) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the order, the Contracting Officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract.

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

(d) If the Contractor's proposal includes the cost of property made obsolete or excess by the change, the Contracting Officer shall have the right to prescribe the manner of the disposition of the property.

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

(The above Clause/Provision has been modified.)

(Applicable to fixed-price supplies)

52.243-1 **CHANGES--FIXED-PRICE -- ALTERNATE I** (APR 1984)
(IAW FAR 43.205(a)(2))
(Applicable to services (other than architect-engineer or other professional services) with no supplies)

52.243-1 **CHANGES--FIXED-PRICE -- ALTERNATE II** (APR 1984)
(IAW FAR 43.205(a)(3))

52.243-1 **CHANGES--FIXED-PRICE -- ALTERNATE III** (APR 1984)
(IAW FAR 43.205(a)(4))

52.243-1 **CHANGES--FIXED-PRICE -- ALTERNATE V** (APR 1984)
(IAW FAR 43.205(a)(6))

52.243-2 **CHANGES--COST-REIMBURSEMENT** (AUG 1987)
(IAW FAR 43.205(b)(1))
(Applicable to cost-reimbursement supplies)

52.243-2 **CHANGES--COST-REIMBURSEMENT -- ALTERNATE I** (APR 1984)
(IAW FAR 43.205(b)(2))
(Applicable to orders for services and no supplies)

52.243-2 **CHANGES--COST-REIMBURSEMENT -- ALTERNATE II** (APR 1984)
(IAW FAR 43.205(b)(3))

52.243-2 **CHANGES--COST-REIMBURSEMENT -- ALTERNATE V** (APR 1984)
(IAW FAR 43.205(b)(6))

52.243-3 **CHANGES--TIME-AND-MATERIALS OR LABOR-HOURS** (SEP 2000)
(IAW FAR 43.205(c))
(Applicable to time-and-materials or labor-hour)

52.243-6 **CHANGE ORDER ACCOUNTING** (APR 1984)
(IAW FAR 43.205(f))

252.243-7001 **PRICING OF CONTRACT MODIFICATIONS** (DEC 1991)
(IAW DFARS 243.205-70)
(Applicable to fixed-price efforts)

252.243-7002 **REQUESTS FOR EQUITABLE ADJUSTMENT** (MAR 1998)
(IAW DFARS 243.205-71)
(Applicable when the simplified acquisition threshold is exceeded)

52.244-2 **SUBCONTRACTS** (AUG 1998)
(IAW FAR 44.204(a)(1), FAR 44.204(a)(3))
(e) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts:

Subcontracts

(k) Paragraphs (d) and (f) of this clause do not apply to the following subcontracts, which were evaluated during negotiations:

Subcontracts
SEE ATTACHMENT "APPROVED DESP II SUBCONTRACTORS"

(Applicable to cost-reimbursement, fixed-price when exceeding the simplified acquisition threshold, time-and-materials when exceeding the simplified acquisition threshold, or labor-hour contract when exceeding the simplified acquisition threshold)

52.244-2 **SUBCONTRACTS -- ALTERNATE I** (MAR 2005)
(IAW FAR 44.204(a)(2)(i))
(Applicable to cost-reimbursement for Department of Defense, the Coast Guard, or the National Aeronautics and Space Administration)

52.244-6 **SUBCONTRACTS FOR COMMERCIAL ITEMS** (DEC 2004)
(IAW FAR 44.403)
(Applicable to supplies or services other than commercial items)

52.245-2 **GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS)** (MAY 2004)
(IAW FAR 45.106(b)(1))

52.245-2 **GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) -- ALTERNATE I** (APR 1984)
(IAW FAR 45.106(b)(2))

52.245-5 **GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS)** (MAY 2004)
(IAW FAR 45.106(f)(1))

52.245-9 **USE AND CHARGES** (APR 1984)
(IAW FAR 45.302-6(c))

52.245-19 **GOVERNMENT PROPERTY FURNISHED "AS IS"** (APR 1984)
(IAW FAR 45.308-2)

252.245-7001 **REPORTS OF GOVERNMENT PROPERTY** (MAY 1994)
(IAW DFARS 245.505-14(a))

5352.245-9004 **BASE SUPPORT (AFMC)** (JUL 1997)
(IAW AFMCFARS 5345.106-90(a))

Base support shall be provided by the Government to the Contractor in accordance with this clause. Failure by the Contractor to comply with the requirements of this clause shall release the Government, without prejudice, from its obligation to provide base support by the date(s) required. If warranted, and if the Contractor has complied with the requirements of this clause, an equitable adjustment shall be made if the Government fails to provide base support by the date(s) required.

(a) Base support includes Government-controlled working space, material, equipment, services (including automatic data processing), or other support (excluding use of the Defense Switched Network (DSN)) which the Government determines can be made available at, or through, any Air Force installation where this contract shall be performed. All Government property in the possession of the Contractor, provided through the base support clause, shall be used and managed in accordance with the Government Property clauses.

(b) The Air Force installations providing the support shall be listed in subparagraph (e), and the Government support to be furnished by each installation under this contract shall be listed in subparagraph (f).

(c) Unless otherwise stipulated in the contract schedule, support shall be provided on a no-charge-for-use basis and the value shall be a part of the Government's contract consideration.

(d) The Contractor agrees to immediately report (with a copy to the cognizant CAO) inadequacies, defective Government-Furnished Property (GFP), or nonavailability of support stipulated by the contract schedule, together with a recommended plan for obtaining the required support. The Government agrees to determine (within 10 workdays) the validity and extent of the involved requirement and the method by which it shall be fulfilled (e.g., purchase, rental, lease, GFP, etc.). Facilities shall not be purchased under this clause. Additionally, the Contractor (or authorized representative) shall not purchase, or otherwise furnish any base support requirement provided by the clause (or authorize others to do so), without prior written approval of the Contracting Officer regarding the price, terms, and conditions of the proposed purchase, or approval of other arrangements.

(e) Following are installations where base support will be provided:

Item No	Installation(s)
TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE	TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE

(f) The Government support to be furnished under this contract is ___*___. Because of the nature and location(s) of the work performed, the value of such equipment is undeterminable. The Contractor shall not incur any cost

resulting from nonsupport prior to Contracting Officer concurrence in accordance with this clause.

Item No	*Noun	*Quantity
TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE	TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE	TBD ON INDIVIDUAL TASK ORDERS AS APPLICABLE

(The above Clause/Provision has been modified.)

5352.245-9004 **BASE SUPPORT -- ALTERNATE I (AFMC)** (JUL 1997)
(IAW AFMCFARS 5345.106-90(b))

52.246-23 **LIMITATION OF LIABILITY** (FEB 1997)
(IAW FAR 46.805(a)(1))

52.246-24 **LIMITATION OF LIABILITY--HIGH-VALUE ITEMS** (FEB 1997)
(IAW FAR 46.805(a)(2))

52.246-24 **LIMITATION OF LIABILITY--HIGH-VALUE ITEMS -- ALTERNATE I** (APR 1984)
(IAW FAR 46.805(a)(3))
If the contract is for both high-value items and other end items, the contracting officer shall identify the high-value items by line item and insert the following preamble before paragraph (a):

(This clause shall apply only to those items identified in this contract as being subject to this clause.)

52.246-25 **LIMITATION OF LIABILITY--SERVICES** (FEB 1997)
(IAW FAR 46.805(a)(4))
(Applicable to services)

52.247-1 **COMMERCIAL BILL OF LADING NOTATIONS** (APR 1984)
(IAW FAR 47.104-4(a), FAR 47.104-4(b))

52.247-67 **SUBMISSION OF COMMERCIAL TRANSPORTATION BILLS TO THE GENERAL SERVICES ADMINISTRATION FOR AUDIT** (JUN 1997)
(IAW FAR 47.104-4(c))

252.247-7023 **TRANSPORTATION OF SUPPLIES BY SEA** (MAY 2002)
(IAW DFARS 247.573(b)(1))

52.248-1 **VALUE ENGINEERING** (FEB 2000)
(IAW FAR 48.201(b), FAR 48.201(f))
THIS CLAUSE WILL APPLY AT THE TASK ORDER LEVEL AS APPROPRIATE , UPON PCO DETERMINATION.

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

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

(1) Instant contract savings, which are the net cost reductions on this, the instant contract, and which are equal to the instant unit cost reduction multiplied by the number of instant contract units affected by the VECP, less the Contractor's allowable development and implementation costs;
(2) Concurrent contract savings, which are net reductions in the prices of other contracts that are definitized and ongoing at the time the VECP is accepted; and
(3) Future contract savings, which are the product of the future unit cost reduction multiplied by the number of future contract units in the sharing base. On an instant contract, future contract savings include savings

on increases in quantities after VECP acceptance that are due to contract modifications, exercise of options, additional orders, and funding of subsequent year requirements on a multiyear contract.

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

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

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

"Future unit cost reduction," as used in this clause, means the instant unit cost reduction adjusted as the Contracting Officer considers necessary for projected learning or changes in quantity during the sharing period. It is calculated at the time the VECP is accepted and applies either--

(1) Throughout the sharing period, unless the Contracting Officer decides that recalculation is necessary because conditions are significantly different from those previously anticipated; or

(2) To the calculation of a lump-sum payment, which cannot later be revised.

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

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

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

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

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

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

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

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

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

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

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

(i) In deliverable end item quantities only;

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

(iii) To the contract type only.

(c) *VECP preparation.* As a minimum, the Contractor shall include in each VECP the information described in subparagraphs (c)(1) through (8) below. If the proposed change is affected by contractually required configuration management or similar procedures, the instructions in those procedures relating to format, identification, and priority assignment shall govern VECP preparation. The VECP shall include the following:

(1) A description of the difference between the existing contract requirement and the proposed requirement, the comparative advantages and disadvantages of each, a justification when an item's function or characteristics are being altered, the effect of the change on the end item's performance, and any pertinent objective test data.

(2) A list and analysis of the contract requirements that must be changed if the VECP is accepted, including any suggested specification revisions.

(3) Identification of the unit to which the VECP applies.

(4) A separate, detailed cost estimate for (i) the affected portions of the existing contract requirement and (ii) the VECP. The cost reduction associated with the VECP shall take into account the Contractor's allowable

development and implementation costs, including any amount attributable to subcontracts under the Subcontracts paragraph of this clause, below.
(5) A description and estimate of costs the Government may incur in implementing the VECP, such as test and evaluation and operating and support costs.
(6) A prediction of any effects the proposed change would have on collateral costs to the agency.
(7) A statement of the time by which a contract modification accepting the VECP must be issued in order to achieve the maximum cost reduction, noting any effect on the contract completion time or delivery schedule.
(8) Identification of any previous submissions of the VECP, including the dates submitted, the agencies and contract numbers involved, and previous Government actions, if known.

(d) *Submission*. The Contractor shall submit VECP's to the Contracting Officer, unless this contract states otherwise. If this contract is administered by other than the contracting office, the Contractor shall submit a copy of the VECP simultaneously to the Contracting Officer and to the Administrative Contracting Officer.

(e) *Government action.*
(1) The Contracting Officer will notify the Contractor of the status of the VECP within 45 calendar days after the contracting office receives it. If additional time is required, the Contracting Officer will notify the Contractor within the 45-day period and provide the reason for the delay and the expected date of the decision. The Government will process VECP's expeditiously; however, it will not be liable for any delay in acting upon a VECP.
(2) If the VECP is not accepted, the Contracting Officer will notify the Contractor in writing, explaining the reasons for rejection. The Contractor may withdraw any VECP, in whole or in part, at any time before it is accepted by the Government. The Contracting Officer may require that the Contractor provide written notification before undertaking significant expenditures for VECP effort.
(3) Any VECP may be accepted, in whole or in part, by the Contracting Officer's award of a modification to this contract citing this clause and made either before or within a reasonable time after contract performance is completed. Until such a contract modification applies a VECP to this contract, the Contractor shall perform in accordance with the existing contract. The decision to accept or reject all or part of any VECP is a unilateral decision made solely at the discretion of the Contracting Officer.

(f) *Sharing rates.* If a VECP is accepted, the Contractor shall share in net acquisition savings according to the percentages shown in the table below. The percentage paid the Contractor depends upon--
(1) This contract's type (fixed-price, incentive, or cost-reimbursement);
(2) The sharing arrangement specified in paragraph (a) above (incentive, program requirement, or a combination as delineated in the Schedule); and
(3) The source of the savings (the instant contract, or concurrent and future contracts), as follows:

CONTRACTOR'S SHARE OF NET ACQUISITION SAVINGS
(Figures in Percent)

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

* The Contracting Officer may increase the Contractor's sharing rate to as high as 75 percent for each VECP.
** Same sharing arrangement as the contract's profit or fee adjustment formula.
** The Contracting Officer may increase the Contractor's sharing rate to as high as 50 percent for each VECP.

(g) *Calculating net acquisition savings.*

(1) Acquisition savings are realized when (i) the cost or price is reduced on the instant contract, (ii) reductions are negotiated in concurrent contracts, (iii) future contracts are awarded, or (iv) agreement is reached on a lump-sum payment for future contract savings (see subparagraph (i)(4) below). Net acquisition savings are first realized, and the Contractor shall be paid a share, when Government costs and any negative instant contract savings have been fully offset against acquisition savings.
(2) Except in incentive contracts, Government costs and any price or cost increases resulting from negative instant contract savings shall be offset against acquisition savings each time such savings are realized until they are fully offset. Then, the Contractor's share is calculated by multiplying net acquisition savings by the appropriate Contractor's percentage sharing rate (see paragraph (f) of this clause). Additional Contractor shares of net acquisition savings shall be paid to the Contractor at the time realized.
(3) If this is an incentive contract, recovery of Government costs on the instant contract shall be deferred and offset against concurrent and future contract savings. The Contractor shall share through the contract incentive structure in savings on the instant contract items affected. Any negative instant contract savings shall be added to the target cost or to the target price and ceiling price, and the amount shall be offset against concurrent and future contract savings.
(4) If the Government does not receive and accept all items on which it paid the Contractor's share, the Contractor shall reimburse the Government for the proportionate share of these payments.

(h) *Contract adjustment.* The modification accepting the VECP (or a subsequent modification issued as soon as possible after any negotiations are completed) shall--
(1) Reduce the contract price or estimated cost by the amount of instant contract savings, unless this is an incentive contract;
(2) When the amount of instant contract savings is negative, increase the contract price, target price and ceiling price, target cost, or estimated cost by that amount;
(3) Specify the Contractor's dollar share per unit on future contracts, or provide the lump-sum payment;
(4) Specify the amount of any Government costs or negative instant contract savings to be offset in determining net acquisition savings realized from concurrent or future contract savings; and
(5) Provide the Contractor's share of any net acquisition savings under the instant contract in accordance with the following:
(i) Fixed-price contracts--add to contract price.
(ii) Cost-reimbursement contracts--add to contract fee.

(i) *Concurrent and future contract savings.*
(1) Payments of the Contractor's share of concurrent and future contract savings shall be made by a modification to the instant contract in accordance with subparagraph (h)(5) above. For incentive contracts, shares shall be added as a separate firm-fixed-price line item on the instant contract. The Contractor shall maintain records adequate to identify the first delivered unit for 3 years after final payment under this contract.
(2) The Contracting Officer shall calculate the Contractor's share of concurrent contract savings by--
(i) Subtracting from the reduction in price negotiated on the concurrent contract any Government costs or negative instant contract savings not yet offset; and
(ii) Multiplying the result by the Contractor's sharing rate.
(3) The Contracting Officer shall calculate the Contractor's share of future contract savings by--
(i) Multiplying the future unit cost reduction by the number of future contract units scheduled for delivery during the sharing period;
(ii) Subtracting any Government costs or negative instant contract savings not yet offset; and
(iii) Multiplying the result by the Contractor's sharing rate.
(4) When the Government wishes and the Contractor agrees, the Contractor's share of future contract savings may be paid in a single lump sum rather than in a series of payments over time as future contracts are awarded. Under this alternate procedure, the future contract savings may be calculated when the VECP is accepted, on the basis of the Contracting Officer's forecast of the number of units that will be delivered during the sharing period. The Contractor's share shall be included in a modification to this contract (see subparagraph (h)(3) above) and shall not be subject to subsequent adjustment.
(5) *Alternate no-cost settlement method.* When, in accordance with subsection 48.104-4 of the Federal Acquisition Regulation, the Government and the Contractor mutually agree to use the no-cost settlement method, the following applies:
(i) The Contractor will keep all the savings on the instant contract and on its concurrent contracts only.
(ii) The Government will keep all the savings resulting from concurrent contracts placed on other sources, savings from all future contracts, and all collateral savings.

(j) *Collateral savings. If a VECP is accepted, the Contracting Officer will increase the instant contract amount, as specified in subparagraph (h)(5) of this clause, by a rate from 20 to 100 percent, as determined by the Contracting Officer, of any projected collateral savings determined to be realized in a typical year of use after subtracting any Government costs not previously offset. However, the Contractor's share of collateral savings will not exceed the contract's firm-fixed-price, target price, target cost, or estimated cost, at the time the VECP is accepted, or $100,000, whichever is greater. The Contracting Officer will be the sole determiner of the amount of collateral savings.*

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

(l) *Subcontracts*. The Contractor shall include an appropriate value engineering clause in any subcontract of $100,000 or more and may include one in subcontracts of lesser value. In calculating any adjustment in this contract's price for instant contract savings (or negative instant contract savings), the Contractor's allowable development and implementation costs shall include any subcontractor's allowable development and implementation costs, and any value engineering incentive payments to a subcontractor, clearly resulting from a VECP accepted by the Government under this contract. The Contractor may choose any arrangement for subcontractor value engineering incentive payments; *provided*, that the payments shall not reduce the Government's share of concurrent or future contract savings or collateral savings.

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

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

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

(The above Clause/Provision has been modified.)

(Applicable at $100,000 or more, except as specified in FAR 48.201(a) and (f))

52.249-4 **TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (SERVICES) (SHORT FORM)** (APR 1984)
(IAW FAR 49.502(c))

(Applicable to services fixed-price and the successful offeror will not incur substantial charges in preparation for and in carrying out the contract, and would, if terminated for the convenience of the Government, limit termination settlement charges to services rendered before the date of termination)

52.249-5 **TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (EDUCATIONAL AND OTHER NONPROFIT INSTITUTIONS)** (SEP 1996)
(IAW FAR 49.502(d))

52.249-6 **TERMINATION (COST-REIMBURSEMENT)** (MAY 2004)
(IAW FAR 49.503(a)(1))

(Applicable to cost-reimbursement except contracts for research and development with an educational or nonprofit institution on a no-fee basis)

52.249-6 **TERMINATION (COST-REIMBURSEMENT) -- ALTERNATE IV** (SEP 1996)
(IAW FAR 49.503(a)(4))
(Applicable to time-and-material or labor-hour)

52.249-8 **DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)** (APR 1984)
(IAW FAR 49.504(a)(1))
(Applicable when fixed-price is contemplated and exceeds the simplified acquisition threshold)

52.249-14 **EXCUSABLE DELAYS** (APR 1984)
(IAW FAR 49.505(d))
(Applicable to supplies, services, construction, and research and development on a fee basis, when a cost-reimbursement. Also applicable to time-and-material, labor-hour, consolidated facilities, and facilities acquisition)

52.252-2 **CLAUSES INCORPORATED BY REFERENCE** (FEB 1998)
(IAW FAR 52.107(b))
This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. **Also, the full text of a clause may be accessed electronically at this/these address(es):**

Regulations URLs: (Click on the appropriate regulation.)
http://farsite.hill.af.mil/reghtml/regs/far2afmcfars/fardfars/far/far1toc.htm
http://farsite.hill.af.mil/reghtml/regs/far2afmcfars/fardfars/dfars/dfar1toc.htm
http://farsite.hill.af.mil/reghtml/regs/far2afmcfars/af_afmc/affars/affar1toc.htm
http://farsite.hill.af.mil/reghtml/regs/far2afmcfars/af_afmc/afmcfars/afmc1toc.htm

Joint ALC (JALC) Local Clauses/Provisions:
http://farsite.hill.af.mil/REGHTML/Regs/Other/JALC/JALC.htm

NOTE: After selecting the appropriate regulation above, at the "Table of Contents" page, conduct a search for the desired regulation reference using your browser's **FIND** function. When located, click on the **regulation reference** (hyperlink).

(Applicable to all orders issued hereunder)

52.252-6 **AUTHORIZED DEVIATIONS IN CLAUSES** (APR 1984)
(IAW FAR 52.107(f))
(Applicable to all orders issued hereunder)

52.253-1 **COMPUTER GENERATED FORMS** (JAN 1991)
(IAW FAR 53.111)
(Applicable when requiring the contractor to submit data on Standard or Optional Forms prescribed by this regulation; and, unless prohibited by agency regulations, forms prescribed by agency supplements)

PART III - LIST OF DOCUMENTS, EXHIBITS, AND OTHER ATTACHMENTS
SECTION J
LIST OF ATTACHMENTS

Form Number	Description/File Name	Date	Number of Pages
	Performance Work Specification	23SEP2004	28
DD FORM 1423-1	Exhibit C, CDRL C001	02SEP2004	1
	Labor Categories	22JUN2004	16

CDRL C001	CDRL C001 Report Format	UNDATED	1
	Official Rates	08NOV2004	
	Approved DESP II Subcontractors	08NOV2004	1