

NATIONAL STEEL AND SHIPBUILDING COMPANY
SPECIAL TERMS AND CONDITIONS
IN SUPPORT OF BATH IRON WORKS' PRIME CONTRACT N00024-13-G-2316
FOR LITTORAL COMBAT SHIP (LCS) 2 & 4 BOA SHIP REPAIR

PRIME CONTRACT CLAUSES N00024-13-G-2316

The following clauses are flowed down from Buyer's subcontract with Bath Iron Works ("BIW"). The defined terms in the MILGEN or MRO terms (as listed on the face of Buyer's purchase order issued to Seller) apply to this document. Some of the terms may not be consistently capitalized within this Contract. While every effort was made to keep the capitalization consistent for the terms, the inconsistent capitalization should not affect the meaning intended for the terms.

Section A – Solicitation/Contract – The rating is DO-A3.

Section B – Supplies or Services and Prices

PLACE OF PERFORMANCE [Modified by Buyer] All Contract Work under this Contract is to be performed as follows: CNO scheduled availability Contract Work will be performed at Buyer's Facility at the assigned homeport in San Diego, CA unless otherwise stipulated in the Contract Work package. Seller may be required to provide non-scheduled repair support to Vessels in remote locations. Inter-availability planning and ship assessment functions may be performed at Buyer's Facility, at various Government activities, or onboard Vessels, in accordance with the Contract Work and specifications.

TRAVEL COSTS [Modified by Buyer]. Travel costs are non-fee bearing. Seller must obtain prior written approval from Buyer before traveling because Buyer is obligated under the Prime Contract to receive BIW's approval per trip occurrence and the requirement applies to Buyer as well as to all subcontractors. All estimated and incurred travel costs shall be in accordance with FAR 31.205-46.

TRAVEL COSTS (NAVSEA) (MAY 1993) [Modified by Buyer]

- (a) Seller shall not charge, and Buyer shall not pay, as an allowable cost under this Contract, any man-hour costs (whether straight-time or overtime) for Seller personnel or subcontractor personnel traveling to or from worksites, including travel to worksites other than the Facility designated in the SOW for performance of the Contract Work.
- (b) Workers being paid under this Contract will complete a full shift at the worksite, and no compensation will be paid for travel time before or after the shift.
- (c) This requirement pertains only to payments for travel time before or after these workers' regular shifts, and does not apply to legitimate travel costs incurred during normal working hours, provided that those costs are otherwise reasonable, allocable and allowable. This requirement does not apply to manufacturer's representatives or Original Equipment Manufacturer ("OEM") representatives when specifically required by the Government provided requirements or as specified by Buyer.
- (d) Additionally, Seller shall not charge, and Buyer shall not pay, any transportation costs under this Contract associated with transporting Seller's personnel between the Facility designated in the SOW or any other worksite to perform Phased Maintenance Availabilities ("PMAs")/Dry-docking Phased Maintenance Availabilities ("DPMAs"). Transportation costs include, but are not limited to, bus fare, car fare, train fare, or boat fare, paid by the work force, or paid by Seller on behalf of the work force.

Section C – Description and Specifications

ACCOMPLISH THE REPAIR AND ALTERATION REQUIREMENTS [Modified by Buyer]

- (a) "New Work" is identified after provision of the authorized availability package. "Growth Work" will be related to a previously identified specification item. New Work will not be related to any previously authorized specification item, and the New Work will be assigned a new specification item number. (1) GROWTH WORK. When tasked, Seller shall prepare and submit Growth Work specified in a format to be specified by Buyer that will be compatible with the format Buyer is required to use with the Government. Each Contract Work item shall include work operations, trade skills involved, material requirements, estimated man-hours by trades and schedule of which work is to be completed. Buyer will review each costed or priced work item when submitted. Authorization to proceed with Growth Work will be provided by Buyer after it receives approval from the Government's ACO and will be subject to the LIMITATION OF FUNDS CLAUSE. (2) NEW WORK. All New Work specifications written by Seller shall be authorized by Buyer and also authorized by the Government's ACO, and approved by the Government's NSA/Government designated representative. Upon receipt of a New Work specification, Seller shall propose a change in the estimated cost and fee to be incorporated into the Contract. Each New Work item shall include work operations, trade skills involved, material requirements, estimated man-hours by trades and schedule of which New Work is to be completed. After receipt of the information from Seller, Buyer will provide it to the NSA/Government designated representative for review and approval. Authorization to proceed with New Work shall only be granted by the Government's ACO to Buyer, who will then authorize Seller, but only after the New Work has been priced, and always subject to the LIMITATION OF FUNDS CLAUSE. Once authorization is granted, Seller shall update its manning and production analysis. (3) The Navy intends that all basic and New Work authorized for the repair and alteration of Vessels to be compatible with the scheduled availability duration. Seller shall accomplish all New Work within the scheduled availability duration or inform Buyer because Buyer is obligated to inform the Government's ACO as soon as practicable of schedule impacts. Any schedule impacts must be approved by Buyer prior to proceeding.
- (b) CONDITION FOUND REPORT ("CFR"). (1) Seller will identify needed repairs and recommend corrective action during performance for those deficiencies discovered which are not covered by the work specifications. As found conditions, needed repairs and corrective action reports will be submitted electronically to Buyer in the form of an Inspection Deficiency Report ("IDR"). (2) IDRs, cost estimates and supporting data will be submitted electronically via e-mail within five (5) working days of identification of the requirement to the designated NASSCO Area Manager. As a minimum, the IDR will include: Contract number, ship and hull number, IDR number, applicable work item number, date requirement was discovered, description of the work requirement, specific location of the work, recommendation for corrective action, Recommendation for the appropriate/best time to accomplish the work (i.e., during current availability with or without schedule change, future CNO or Continuous Maintenance Availability), and provide supporting rationale for the recommendation, such as cost efficiencies,

availability of work force, availability of material, premium expenditures, etc., identification of related changes, if any, to the internal milestones and production and contract completion dates. If none, state there are none. The Government will write the RCC. When requested by the Government, Buyer will write the RCC, and the CFR will be returned to Buyer as "approved" in NMD with instructions to write the RCC for growth work, or other action as necessary. (3) Buyer reviews the IDR and at its sole discretion, converts the IDR into a Condition Found Report for submission to the Government. The Government MST reviews the CFR with the requirement (deficiency), recommendation for corrective action and estimate for correctness. The Government determines if the work is required, and potentially affordable. If the CFR is inadequate or incomplete, it may be rejected by the Government, but rejection by the Government does not automatically occur. In many cases, the Government and Buyer will need to meet, discuss the recommendation for corrective action, make ship checks to determine full scope of work and evaluate costs prior to final approval of the CFR. In concert with the "approved" CFR, an RCC is generated to accomplish the scope of work as designated by the Government. The RCC may be written by either Buyer or the Government as directed by the Government. When determined that Buyer will write the RCC, the CFR is returned to Buyer as "approved" in NMD with instructions to write the RCC for growth work, or other action as necessary. (i) Neither Buyer's decision to convert an IDR into a CFR, nor the Government's decision to issue or solicit an RCC in response to such a CFR shall constitute approval for Seller to perform any work related to their submitted IDR. All work must be authorized in accordance with this Contract. (ii) Seller shall develop a time and cost estimate, and the time frame for which it is valid, including: 1. Class "C" (+ - 15%) cost estimate. If the work requirement cannot be estimated within five working days, provide a class "F" estimate (+ - 40%) identifying any potential impact which may affect the current schedule. The class "F" estimate will also contain the date on which a class "C" estimate will be provided. 2. Estimated Premium/Acceleration Costs, including premium costs for; material, subcontractors, man-hours, rework and any additional costs to ongoing work resulting from inclusion of the CFR work requirement. 3. The Contracting Officer interfaces with the SBS, PM, BIW and Seller to determine the final agreed price on the man-hours and material, and this information will be communicated to Seller. (iii) Upon receipt of Buyer direction to develop a New Work item specification or a New Work item written by the Government, provide the work specification and a class "C" cost estimate within three (3) working days.

(c) PREMIUM TIME

As part of Seller's proposal, Seller will propose the necessary overtime hours. Overtime will not be proposed or negotiated as a percentage of the overall hours. Seller will propose overtime hours for each work item that requires the use of overtime and must be approved by Buyer, who must also receive approval from the Government designated representative prior to implementation of the overtime. When establishing the proposed overtime amount for each work item, Seller will consider such things as: 1. Historical use of overtime hours for the work item in previous availabilities; 2. Length and time allotted to accomplish the availability; 3. Amount and nature of work to be accomplished; 4. Number of hours for each trade to accomplish the work; 5. Manpower resources available to Seller to include the number of personnel required by trade; 6. Point in time on the critical path of the availability that the work needs to be accomplished; 7. Other pertinent facts pertaining to the need for proposed overtime. Seller's proposal, when submitted, will contain all the supporting data and assumptions that were used in deriving the per work item overtime hour allotments.

ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE (NAVSEA) (JUN 1994) [Modified by Buyer]

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

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

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

(d) Seller agrees that it will promptly notify Buyer of any attempt by Government, BIW or Buyer representatives not directly involved in the effort to be performed under this Contract to gain access to such proprietary information. Such notification shall include the name and organization of the Government, BIW or Buyer representative or third parties seeking access to such information.

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

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

ACCESS TO THE VESSEL(S) (AT) (NAVSEA) (JAN 1983) [Modified by Buyer]

Officers, employees and associates of other prime contractors with the Government and their subcontractors, shall, as authorized by Buyer or the Government's representative, have, at all reasonable times, admission to the applicable plant, access to the Vessel(s) where and as required, and be permitted, within the Facility specified in the SOW or locations determined by the Government's ACO and on the Vessel(s) required, to perform and fulfill their respective obligations to the Government. Buyer and Seller shall make reasonable arrangements with the Government or

contractors of the Government, as shall have been identified and authorized by the Government's representative to be given admission to the applicable location and access to the Vessel(s) for office space, work areas, storage or shop areas, or other facilities and services necessary for the performance of the respective responsibilities involved, and reasonable to their performance.

ACCESS TO VESSELS BY NON U.S. CITIZENS (NAVSEA) (DEC 2005) [Modified by Buyer]

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

(b) If Seller desires to employ non U.S. citizens in the performance of Contract Work under this Contract or agreement that requires access as specified in paragraph (a) of this requirement, approval must be obtained prior to access for each contract or agreement where such access is required. To request such approval for non U.S. citizens of friendly countries, Seller shall submit its Access Control Plan (ACP) to Buyer so that Buyer can comply with the terms of the Prime Contract and submit the ACP to the cognizant Contract Administration Office ("CAO") for approval. Seller's ACP shall contain as a minimum, the following information: (1) Badge or Pass oriented identification, access, and movement control system for non U.S. citizen employees with the badge or pass to be worn or displayed on outer garments at all times while on the Facilities or Seller's facilities and when performing Contract Work aboard ship. (i) Badges must be of such design and appearance that permits easy recognition to facilitate quick and positive identification. (ii) Access authorization and limitations for the bearer must be clearly established and in accordance with applicable security regulations and instructions. (iii) A control system, which provides rigid accountability procedures for handling lost, damaged, forgotten or no longer required badges, must be established. (iv) A badge or pass check must be performed at all points of entry to the Facilities or Seller's facilities (as the case may be) or by a site supervisor for Contract Work performed on Vessels outside the Facilities or Seller's facilities (again, as the case may be). (1) Seller's plan for ascertaining citizenship and for screening employees for security risk. (2) Data reflecting the number, nationality, and positions held by non U.S. citizen employees, including procedures to update data as non U.S. citizen employee data changes, and shall be passed by Buyer to the cognizant CAO. (3) Seller's plan for ensuring its suppliers' or subcontractors' compliance with the provisions of Seller's ACP. (4) These conditions and controls are intended to serve as guidelines representing the minimum requirements of an acceptable ACP. They are not meant to restrict Seller in any way from imposing additional controls necessary to tailor these requirements to the Facility, Seller's facilities or to a specific facility.

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

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

(e) Seller has responsibility for the proper administration of the approved ACP applicable for the Contract Work performed under this Contract, regardless of the location of the Vessel, and must ensure compliance by its Suppliers, subcontractors, technical representatives and other persons granted access to the Vessels, adjacent areas, and work sites.

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

(g) The same restriction above shall apply to other non-U.S. citizens who have access to the Facilities and Seller's facilities (e.g., for accomplishing facility improvements, from foreign-crewed Vessels within its facility, etc.).

(h) An ACP which has been approved for specific Master Ship Repair Agreement ("MSRA") or Agreement for Boat Repair ("ABR") or Basic Ordering Agreement ("BOA"), is valid and applicable to all job orders awarded under that agreement.

ADDITIONAL PROVISIONS RELATING TO GOVERNMENT PROPERTY (NAVSEA) (SEP 2009) [Modified by Buyer]

(a) For purposes of paragraph (h) of the clause entitled "GOVERNMENT PROPERTY" (FAR 52.245-1) in addition to those items of property defined in that clause as Government Property, the following shall also be included within the definition of Government Property: (1) the Vessel; (2) the equipment on the Vessel; (3) movable stores; (4) cargo; and (5) other material on the Vessel.

(b) For purposes of paragraph (b) of the clause entitled "GOVERNMENT PROPERTY", notwithstanding any other requirements of this Contract, the following shall not be considered Government Property: (1) the Vessel; (2) the equipment on the Vessel; (3) moveable stores; and (4) other material on the Vessel.

APPROVAL BY THE GOVERNMENT (AT) (NAVSEA) (JAN 1983) [Modified by Buyer]

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

ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS (NAVSEA) (MAY 1993) [Modified by Buyer]

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

COMMAND INSPECTION OF BERTHING FACILITIES (NAVSEA) (OCT 1990) [Modified by Buyer]

(a) Once the ship's force takes occupancy of a berthing facility, it is recognized that the premises will be under the control of the Department of the Navy and subject to inspections by the Government's Commanding Officer or his duly authorized representative(s). In recognition of (1) the Navy's need to ensure security, military fitness, and good order and discipline, and (2) the Navy's policy to conduct regularly scheduled periodic inspections, Seller hereby agrees that while its berthing facilities are occupied by ship's force, the Government's Commanding Officer or his duly authorized representative(s) has (have) the right to conduct command inspections of the berthing facilities occupied by ship's force.

(b) *In instances where Seller is using commercial facilities to satisfy the berthing requirement, Seller hereby agrees to insert the following requirement in any subcontract for berthing facilities to be provided under this Contract:*

(c) *In recognition of (1) the Navy's need to ensure security, military fitness, and good order and discipline, and (2) the Navy's policy to conduct regularly scheduled periodic inspections, TBD1 (insert names of subcontractor) hereby agrees that while its facilities are occupied by ship's force, the Government's Commanding Officer or his duly authorized representative(s) has (have) the right to conduct Command inspections of the facilities occupied by ship's force.*

COMPUTER SOFTWARE AND/OR COMPUTER DATABASE(S) DELIVERED TO AND/OR RECEIVED FROM THE GOVERNMENT (NAVSEA) (APR 2004) [Modified by Buyer]

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

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

(c) Unless otherwise agreed in writing, any license agreement governing the use of any computer software to be delivered as a result of this Contract must be paid-up and perpetual, or so nearly perpetual as to allow the use of the computer software or computer data base with the equipment for which it is obtained, or any replacement equipment, for so long as such equipment is used. Otherwise, the computer software or computer database does not meet the minimum functional requirements of this Contract. In the event that there is any routine to disable the computer software or computer database after the software is developed for or delivered to the Government, that routine shall not disable the computer software or computer database until at least 25 calendar years after the delivery date of the affected computer software or computer database to the Government.

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

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

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

DEPARTMENT OF LABOR OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIP REPAIR (NAVSEA) (SEP 1990)

1 To be completed by the ACO. Buyer will provide to Seller.

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

DISPOSAL OF SCRAP (NAVSEA) (APR 2008) [Modified by Buyer]

All Government scrap resulting from accomplishment of any Contract Work is the property of Buyer to be disposed of as it sees fit. Scrap is defined as property that has no reasonable prospect of being sold except for recovery value of its basic material content. The determination as to which materials are considered scrap and which materials are salvage, will be made, or concurred in, by the duly appointed Government Property Administrator for the cognizant SUPSHIP or RMC Office. As consideration for retaining the Government's scrap, Buyer's price and Seller's price for the performance of the Contract Work required herein shall be a net price reflecting the value of the Government scrap. This requirement is not intended to conflict in any way with the clause if this Contract entitled "GOVERNMENT PROPERTY" (FAR 52.245-1), nor does it relieve Seller of any other requirement under such clause.

EXCLUSION OF MERCURY (NAVSEA) (MAY 1998)

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

EXTENSION OF COMMERCIAL WARRANTY (NAVSEA) (NOV 1996) [Modified by Buyer]

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

GOVERNMENT SURPLUS PROPERTY (NAVSEA) (SEP 1990) [Modified by Buyer]

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

INFORMATION AND DATA FURNISHED BY THE GOVERNMENT (FIXED-PRICE) (NAVSEA) (SEP 2009) [Modified by Buyer]

- (a) **Specifications.** Buyer will furnish the specifications applicable to the Contract Work.
- (b) **Drawings and Data.** Buyer will furnish drawings, design agent drawings, ship construction drawings, and/or other design or alteration data cited in the specification as mandatory for use or for performance.
- (c) **Government Furnished Information ("GFI").** GFI is defined as that information essential for the installation, test, operation, and interface support of all Government Furnished Material enumerated on NAVSEA Form 4205/19. The Government shall furnish only the GFI identified on the NAVSEA Form 4340/2. The GFI furnished to Buyer, who in turn may furnish the GFI to Seller, need not be in any particular format. Further, the Government reserves the right to revise the listing of GFI on the NAVSEA Form 4340/2, as follows: (1) The Government Contracting Officer may at any time by written order: (i) delete, supersede, or revise, in whole or in part, data listed or specifically referenced in NAVSEA Form 4340/2; or (ii) add items of data or information to NAVSEA Form 4340/2; or (iii) establish or revise due dates for items of data or information in NAVSEA Form 4340/2. (2) If any action taken by the Government's Contracting Officer pursuant to subparagraph (1) immediately above causes an increase or decrease in the costs of, or the time required for, performance of any part of the Contract Work under this Contract, Seller may be entitled to an equitable adjustment in the Contract Price and delivery schedule in accordance with the procedures provided for in the clause of this Contract entitled "CHANGES--FIXED-PRICE" (FAR 52.243-1).
- (d) Except for the Government information and data specified by paragraphs (a), (b), and (c) above, the Government will not be obligated to furnish Buyer or Seller with any specification, standard, drawing, technical documentation, or other publication, notwithstanding anything to the contrary in the specifications, the GFI listed on the NAVSEA Form 4340/2, the clause of this Contract entitled "GOVERNMENT PROPERTY" (FAR 52.245-1) or "GOVERNMENT PROPERTY INSTALLATION OPERATION SERVICES" (FAR 52.245-2), as applicable, or any other term or condition of this Contract.
- (e) **Referenced Documentation.** Buyer and the Government will not be obligated to furnish Government specifications and standards, including Navy standard and type drawings and other technical documentation, which are referenced directly or indirectly in the specifications. Such referenced documentation may be obtained: (1) From the ASSIST database via the internet at <https://assist.dla.mil/>; (2) By submitting a request to the Department of Defense Single Stock Point ("DoDSSP"), Building 4, Section D, 700 Robbins Avenue, Philadelphia, Pennsylvania 19111-5094, Telephone (215) 697-6396, Facsimile (215) 697-9398.

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

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

[Modified by Buyer]

- (a) Specifications. To be provided to Seller except as described in the clause directly above.
- (b) Drawings and Data. Buyer will furnish drawings, design agent drawings, ship construction drawings, and/or other design or alteration data cited in the specification as mandatory for use or for guidance.
- (c) Government Furnished Information (“GFI”). GFI is defined as that information essential for the installation, test, operation, and interface support of all Government Furnished Material enumerated on NAVSEA Form 4205/19. The Government shall furnish only the GFI identified on the NAVSEA Form 4340/2. The GFI furnished to Seller need not be in any particular format. Further, the Government reserves the right to revise the listing of GFI on the NAVSEA Form 4340/2: (1) The Government’s Contracting Officer may at any time by written order: (i) delete, supersede, or revise, in whole or in part, data listed or specifically referenced in NAVSEA Form 4340/2; or (ii) add items of data or information to NAVSEA Form 4340/2; or (iii) establish or revise due dates for items of data or information in NAVSEA Form 4340/2. (2) If any action taken by the Government’s Contracting Officer pursuant to subparagraph (1) immediately above causes an increase or decrease in the costs of, or the time required for, performance of any part of the Contract Work under this Contract, Seller may be entitled to an equitable adjustment in the Contract amount and delivery schedule in accordance with the procedures provided for in the clause of this Contract entitled “CHANGES--COST- REIMBURSEMENT” (FAR 52.243-2) or “CHANGES--TIME-AND-MATERIALS OR LABOR-HOURS” (FAR 52.243-3).
- (d) Except for the Government information and data specified by paragraphs (a), (b), and (c) above, the Government will not be obligated to furnish Seller with any specification, standard, drawing, technical documentation, or other publication, notwithstanding anything to the contrary in the specifications, the GFI listed on the NAVSEA Form 4340/2, the clause of this Contract entitled “GOVERNMENT PROPERTY” (FAR 52.245-1) or “GOVERNMENT PROPERTY INSTALLATION OPERATION SERVICES “(FAR 52.245-2), as applicable, or any other term or condition of this Contract.
- (e) Referenced Documentation. The Government will not be obligated to furnish Government specifications and standards, including Navy standard and type drawings and other technical documentation, referenced directly or indirectly in the specifications and which are applicable to this Contract as specifications. Such referenced documentation may be obtained: (1) From the ASSIST database via the internet at <http://assist.daps.dla.mil/>; or (2) By submitting a request to the Department of Defense Single Stock Point (“DoDSSP”) Building 4, Section D, 700 Robbins Avenue, Philadelphia, Pennsylvania 19111-5094, Telephone (215) 697-6396, Facsimile (215) 697-9398.

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

PROTECTION OF THE SHIP DURING ADVERSE ENVIRONMENTAL CONDITIONS (NAVSEA) (FEB 1994) [Modified by Buyer]

Seller shall ensure that Vessel(s) and all related material at the Facilities are protected during conditions of heavy weather, high winds, heavy snow and icing, high water or similar adverse environmental conditions. Seller shall follow Buyer’s “Adverse Environmental Conditions Plan” which prescribes the actions and procedures and assigns responsibilities for action to be taken in preparation for and during the period of adverse environmental conditions.

PERMITS AND RESPONSIBILITIES (NAVSEA) (SEP 1990) [Modified by Buyer]

Seller shall, without additional expense to Buyer or the Government, be responsible for obtaining any necessary licenses and permits, and for complying with any applicable federal, state, and municipal laws, codes, and regulations, in connection with any movement over the public highways of overweight/over-dimensional materials.

PROTECTION OF THE VESSEL (NAVSEA) (SEP 1990) [Modified by Buyer]

- (a) Seller shall exercise reasonable care, as agreed upon with the Government’s representative, to protect the Vessel from fire, and shall maintain a system of inspection over the activities of its welders, burners, riveters, painters, pipe fitters, and similar workers, and of its subcontractors, particularly where such activities are undertaken in the vicinity of the Vessel’s magazines, fuel oil tanks, or store rooms containing inflammable materials. All ammunition, fuel oil, motor fuels, and cleaning fluids shall have been off-loaded and the tanks cleaned, except as may be mutually agreed upon between Seller and the Government’s representative prior to work on the Vessel by Seller. Fire hose lines shall be maintained by Seller ready for immediate use on the Vessel at all times while the Vessel is berthed alongside the pier or in dry dock. All tanks under alteration or repair shall be cleaned, washed, and steamed out or otherwise made safe to the extent necessary, and Seller shall furnish the Vessel’s Gas Free Officer and the Government’s representative with a “Gas Chemists’ Certificate” before any hot work is done. Seller shall maintain a fire watch aboard the Vessel in areas where Seller is working. All other fire watches aboard the Vessel shall be the responsibility of the Government.
- (b) Except as otherwise provided in contractually invoked technical specifications or NAVSEA furnished directives, while the Vessel is at the Facilities specified in the SOW or when the temperature becomes as low as thirty-five degrees Fahrenheit, Seller shall assist the Government when requested in keeping all pipe-lines, fixtures, traps, tanks, and other receptacles on the Vessel drained to avoid damage from freezing, or if this not practicable, the Vessel shall be kept heated to prevent such damage. The Vessel’s stern tube and propeller hubs shall be protected by Seller from frost damage by applied heat through the use of a salamander or other proper means.
- (c) The work shall, whenever practicable, be performed in such manner as not to interfere with the work performed by military personnel attached to the Vessel, and provisions shall be made so that personnel assigned shall have access to the Vessel at all times, it being understood that such personnel will not unduly interfere with the work of Seller’s workmen.
- (d) Seller shall at all times keep the site of the work on the Vessel free from accumulation of waste material or rubbish caused by its employees, or the work performed by Seller in accordance with this contract, and at the completion of such work shall remove all rubbish from and about the site of the work, and shall leave the work in its immediate vicinity “broom clean”, unless more exactly specified by Buyer or the Government’s representative.

QUALIFICATION OF SELLER NONDESTRUCTIVE TESTING (NDT) PERSONNEL (NAVSEA) (APR 2004) [Modified by Buyer]

(a) Seller and any Nondestructive Testing (“**NDT**”) subcontractor shall utilize for the performance of required NDT, only Level I, II and III personnel currently certified in accordance with NAVSEA Technical Publication T9074-AS-GIB-010/271, CAN Notice 1 of 16 Feb 99. Documentation pertaining to the qualification and certification of NDT personnel shall be made available to Buyer and the Government’s Contracting Officer for review upon request.

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

SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)

(a) Definitions. (i) A “**zero-tier reference**” is a specification, standard, or drawing that is cited in the Contract (including its attachments). (ii) A “**first-tier reference**” is either: (1) a specification, standard, or drawing cited in a zero-tier reference, or (2) a specification cited in a first-tier drawing.

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

STANDARDIZATION - ALTERNATE I (NAVSEA) (MAR 2011) [Modified by Buyer]

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

(a) The Virtual Shelf items are to be applied if they meet the contract requirements. The Virtual Shelf is a repository of Total Ownership Cost (“**TOC**”) preferred Common designs. NAVSEA Commonality Program identified HM&E equipment/components for the Virtual Shelf that meet cross platform requirements and specifications and provide superior TOC. Information to gain access to the Virtual Shelf is located on the following web site: <http://acc.dau.mil/commonality>. Some equipment listed on the Virtual Shelf may have supporting commodity contracts. For the Virtual Shelf Items supported by commodity contracts, a supporting commodity contract will appear in the HM&E corridor of the DoD EMall (<https://dod-emall.dla.mil/acct/welcome.action>). These contracts include provisions for direct orders against the contracts. Seller will contact Buyer who will provide instructions from the Procuring Contracting Officer (“**PCO**”) listed in Section G of Buyer’s subcontract and request instructions to register to place orders through the DoD EMall. When Shelf items are available that meet all contract requirements, Seller shall design, plan, procure and install according to Shelf guidance. If Shelf items are available and Seller intends to use a design other than that on the Shelf, Seller shall request a deviation from the Shelf in accordance with CDRL and configuration management procedures specified elsewhere in the Contract.

(b) For Seller Furnished HM&E equipment that meet the Contract requirements, have an APL assigned and meet at least one of the following requirements, only a Statement of Prior Submission (“**SPS**”) is required. The SPS will be prepared in accordance with NAVSEA Standard Items 009-19. (1) Are in use on current ships of the LCS Ship class and are listed in HM&E Equipment Data Research System (“**HEDRS**”) with an Engineering Support Code (“**ESC**”) of either A, *, G, S, X, Z, P. (2) Are listed in HEDRS with an ESC of either A, *, G, S, X, Z, P. (3) Have the same form, fit, function of the equipments and components on current ships of the LCS Ship class.

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

(d) For non-standard HM&E equipment that does not meet the requirements of paragraph (b) above, new/revised technical manuals shall be developed in accordance with NAVSEA Standard Items 009-39, Technical Manual Contract Requirement (“**TMCR**”) for New Technical Manuals for Commercial Equipment/Component, 009-41, TMCR for a Typically Structured Technical Manual, and 009-42, TMCR for Updating Technical Manuals. Technical manual management data shall include those deliverable data items required for Government monitoring/tracking/approval of Seller’s technical manual efforts and the requirements of CDRLs in Exhibit C (CDRLs to be provided by Buyer).

TESTS AND TRIALS (NAVSEA) (OCT 1990) [Modified by Buyer]

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

UPDATING SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994) [Modified by Buyer]

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

Section D – Packaging and Marking

All unclassified data to be shipped shall be prepared for shipment in accordance with best commercial practice. Classified reports, data, and documentation shall be prepared for shipment in accordance with National Industrial Security Program Operating Manual (“**NISPOM**”), DOD 5220.22-M

dated 28 February 2006.

IDENTIFICATION MARKING OF PARTS (NAVSEA) (NOV 1996)

Identification marking of individual parts within the systems, equipments, assemblies, subassemblies, components, groups, sets or kits, and of spare and repair parts shall be done in accordance with applicable specifications and drawings. To the extent identification marking of such parts is not specified in applicable specifications or drawings, such marking shall be accomplished in accordance with the following: (1) Parts shall be marked in accordance with generally accepted commercial practice. (2) In cases where parts are so small as not to permit identification marking as provided above, such parts shall be appropriately coded so as to permit ready identification.

MARKING AND PACKING LIST(S) - ALTERNATE I (NAVSEA) (DEC 2005) [Modified by Buyer]

- (a) **Marking.** Shipments, shipping containers and palletized unit loads shall be marked in accordance with MIL-STD- 129P with change 3 dated 29 October 2004.
- (b) **Packing List(s).** Not applicable. [Modified by Buyer]
- (c) **Master Packing List.** A master packing list shall be prepared where more than one shipment, shipping container or palletized unit load comprise the Contract Work line item being shipped. The master packing list shall be attached to the number one container and so identified.
- (d) **Part Identification.** All items within the kit, set, installation hardware or material shall be suitably segregated and identified within the unit pack(s) or shipping container by part number and/or national stock number. Refer to the above cited MIL-STD for marking of assorted (related-unrelated) items.

MARKING OF REPORTS (NAVSEA) (SEP 1990) [Modified by Buyer]

All reports delivered by Seller to Buyer for the Government under this Contract shall prominently show on the cover of the report: (1) name and business address of Seller: (1) Prime Contract number and Seller's PO number; (2) Contract dollar amount; (3) whether the Contract was competitively or non-competitively awarded; (4) List sponsor.

Section E – Inspection and Acceptance

CLAUSES INCORPORATED BY REFERENCE

FAR SOURCE	TITLE AND DATE
52.246-2	Inspection of Supplies – Fixed Price (Aug 1996)
52.246-4	Inspection of Services – Fixed Price (Aug 1996)
52.246-3	Inspection of Supplies – Cost-Reimbursement (May 2001)
52.246-5	Inspection of Services – Cost-Reimbursement (Apr 1984)

CLAUSES INCORPORATED IN FULL TEXT

52.246-11 Higher-Level Contract Quality Requirement (Feb 1999)

Seller shall comply with the higher-level quality standard selected below.

<u>Title</u>	<u>Number</u>	<u>Date</u>	<u>Tailoring</u>
Quality Mgmt System;	Standard Item 009-04	July 2011	None

ADDITIONAL PROVISIONS RELATING TO CORRECTION OF DEFECTS (NAVSEA) (OCT 1990) [Modified by Buyer]

In case any Contract Work done or materials or supplies furnished by Seller under this Contract for any Vessel, or the equipment thereof, shall within 60 days of delivery of the Vessel to the Government, or the date of final acceptance, whichever occurs first, prove defective or deficient, such defects or deficiencies shall, as required by the Government, be corrected or repaired by Seller to the satisfaction of Buyer and the Government's Contracting Officer; provided, however, that with respect to any individual work item which is incomplete or deficient at the time of delivery or acceptance, Seller's obligation under this requirement to correct or repair such deficiency shall extend 60 days from the date of such correction or repair, whichever occurs first. Seller shall be entitled to allowable costs for corrections or repairs performed in accordance with this requirement but shall not be entitled to any additional fee for such Contract Work.

CALIBRATION SYSTEM REQUIREMENTS (NAVSEA) (MAY 1995)

Calibration System Requirements. The calibration of measuring and testing equipment shall, as a minimum, adhere to the requirements of ANSI/NCSL Z540-1.

SECTION F – DELIVERIES OR PERFORMANCE

CLAUSES INCORPORATED BY REFERENCE

52.242-15	Stop-Work Order (AUG 1989)
52.242-15 ALT I	Stop-Work Order (AUG 1989) – Alternate I (APR 1984)

SECTION G - CONTRACT ADMINISTRATION DATA- THERE ARE NO FLOW-DOWNS

SECTION H – SPECIAL CONTRACT REQUIREMENTS

5252.202-9101 ADDITIONAL DEFINITIONS (CT) – ALTERNATE I (MAY 1993)

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

- (a) DEPARTMENT - means the Department of the Navy.
- (b) COMMANDER, NAVAL SEA SYSTEMS COMMAND - means the Commander of the Naval Sea Systems Command of the Department of the Navy or his duly appointed successor or duly authorized representative.
- (c) NAVSEA 08 - means the Deputy Commander, Nuclear Propulsion Directorate, Naval Sea Systems Command of the Department of the Navy.
- (d) SUPERVISOR - means the cognizant Supervisor of Shipbuilding, Conversion and Repair, Department of the Navy.
- (e) PROJECT MANAGER (SHAPM) (PMS) - means the (List appropriate PM) Program Manager, or his duly appointed successor or duly authorized representative, of the Naval Sea Systems Command of the Department of the Navy.
- (f) LEAD SHIPBUILDER, LEAD YARD OR LEAD SHIPYARD - mean (List contractor) in its capacity as Contractor under Contract No. (List Contract) for the construction of the (List first ship of the class).
- (g) FOLLOW SHIPBUILDER, FOLLOW YARD OR FOLLOW SHIPYARD - mean a prime contractor performing a contract for the construction of follow ships of the (List ship class) Class.
- (h) LEAD SHIP OR FIRST SHIP OF THE CLASS - mean the (List first ship.)
- (i) FOLLOW SHIP – means any ship of the (List class) Class other than the first ship.
- (j) DESIGN AGENT - means (List contractor) in its capacity as Design Agent, not in its capacity as shipbuilding contractor.
- (k) NATIONAL STOCK NUMBERS - Whenever the term Federal Item Identification Number and its acronym FIIN or the term Federal Stock Number and its acronym FSN appear in the contract, order or their cited specifications and standards, the terms and acronyms shall be interpreted as National Item Identification Number (“NIIN”) and National Stock Number (“NSN”) respectively which shall be defined as follows: 1. NIIN. The number assigned to each approved Item Identification under the Federal Cataloging Program. It consists of nine numeric characters, the first two of which are the National Codification Bureau (“NCB”) Code. The remaining positions consist of a seven digit non-significant number. 2. NSN. The NSN for an item of supply consists of the applicable four-position Federal Supply Class (“FSC”) plus the applicable nine-position NIIN assigned to the item of supply.
- (l) NAVY REORGANIZATION - Pursuant to the reorganization within the Department of the Navy, effective 1 July 1974, the Naval Sea Systems Command has become the successor to the Naval Ship Systems Command and the Naval Ordnance Systems Command. The Naval Ship Systems Command was the successor to the Bureau of Ships. The Naval Ordnance Systems Command and the Naval Air Systems Command were the successors to the Bureau of Naval Weapons, which was the successor to the Bureau of Ordnance and the Bureau of Aeronautics. Accordingly, as appropriate in view of the foregoing, reference in the contract and in the documents referenced therein to the Naval Ship Systems Command, the Bureau of Ships, the Naval Ordnance Systems Command, the Naval Air Systems Command, the Bureau of Naval Weapons, the Bureau of Ordnance or the Bureau of Aeronautics shall be deemed to refer to the Naval Sea Systems Command.
- (m) REFERENCES TO ARMED SERVICES PROCUREMENT REGULATION OR DEFENSE ACQUISITION REGULATION - All references in this document to either the Armed Services Procurement Regulation (“ASPR”) or the Defense Acquisition Regulation (“DAR”) shall be deemed to be references to the appropriate sections of the Federal Acquisition Regulation (“FAR”) and the Defense FAR Supplement (“DFARS”).
- (n) REFERENCES TO THE FEDERAL ACQUISITION REGULATION (FAR) - All references to the FAR in this contract shall be deemed also to include the DFARS, unless clearly indicated otherwise.
- (o) CONSTRUCTION OF THE VESSEL - means conversion of the Vessel (except where it is used in paragraphs (f) and (g) of this requirement).

5252.223-9114.1 MANAGEMENT AND DISPOSAL OF HAZARDOUS WASTE (NOV 1996) [Modified by Buyer]

- (a) GENERAL. (1) Seller shall comply with all applicable federal, state and local laws, codes, ordinances and regulations for the management and disposal of hazardous waste. (2) Nothing contained in this requirement shall relieve Seller from complying with applicable federal, state, and local laws, codes, ordinances, and regulations, including obtaining licenses and permits, giving notices and submitting reports, in connection with hazardous waste management and disposal in the performance of this Contract. Nothing contained herein shall serve to alter either party’s liability or responsibility under applicable federal, state and local laws, codes and ordinances. (3) Materials contained in ship systems are not waste until after removal from the system.
- (b) IDENTIFICATION OF HAZARDOUS WASTES. 077-01-001 of this Contract identifies the types and amounts of hazardous wastes that are required to be removed by Seller pursuant to applicable law, or that are expected to be generated, during the performance of Contract Work under this Contract.
- (c) GENERATOR IDENTIFICATION NUMBERS. (1) Documentation related to hazardous waste generated solely by the physical actions of ship’s force or Navy employees on board the Vessel shall only bear a generator identification number issued to the Navy pursuant to applicable law. (2) Documentation related to hazardous waste generated solely by the physical actions of Seller’s personnel shall only bear a generator identification number issued to Seller pursuant to applicable law. Regardless of the presence of other materials in or on the shipboard systems or structures which may have qualified a waste stream as hazardous, where Seller performs Contract Work on a system or structure using materials (whether or not the use of such materials was specified by the Navy) which by themselves would cause the waste from such work to be

a hazardous waste, documentation related to such waste shall only bear a generator identification number issued to Seller. (3) Documentation related to hazardous waste generated by the combined physical actions of Navy and Seller's personnel shall bear a generator identification number issued to Seller pursuant to applicable law and shall also cite in the remarks block a generator identification number issued to the Navy pursuant to applicable law. (4) Notwithstanding paragraphs (c)(1) - (c)(3) above, hazardous wastes are considered to be co-generated in cases where: (a) Seller merely drains a system and such drainage creates hazardous waste or (b) Seller performs Contract Work on a system or structure using materials which by themselves would not cause the waste from such work to be hazardous waste but such work nonetheless creates a hazardous waste. Documentation related to such co-generated waste shall bear a generator identification number in accordance with the provisions of paragraph (c)(3) above. (5) In the event of a failure by the parties to agree with the Government to the assignment of a generator identification number to any hazardous waste as set forth in paragraphs (c)(1) through (c)(4) above, the Government may direct which party or parties shall provide generator identification numbers for the waste and such number(s) shall be used on all required documentation. Any disagreement with this direction shall be a dispute within the meaning of clause of this Contract entitled "DISPUTES" (FAR 52.233-1). However, Seller shall not stop any work but shall continue with performance of all Contract Work under this Contract as specified in the "DISPUTES" clause set forth in Buyer's subcontract with BIW and BIW's Prime Contract. (6) Hazardous Waste Manifests. For wastes described in (c)(2), (c)(3), and (c)(4) above (and (c)(5) as applicable), Seller shall sign the generator certification whenever use of the Manifest is required for disposal. Seller shall obtain concurrence with the categorization of the wastes under paragraphs (c)(3) and (c)(4) above before completion of the manifest. Manifests prepared pursuant to paragraph (c)(1) above shall be presented to Buyer for completion after the hazardous waste has been identified. (7) For purposes of paragraphs (c)(2) and (3) herein, if Seller, while performing work at a Government facility, cannot obtain a separate generator identification number from the Country or U.S. State in which the availability will be performed, Seller shall notify Buyer within 3 business days of receipt of written notification by the Country or U.S. State. After obtaining Buyer approval, Seller shall use the Navy generator identification number and insert in the remarks block Seller generator identification number issued for the site approved to be listed by Buyer. For purposes of paragraph (c)(1) herein, if the Contract Work is being performed at the non-Government facility and the Government cannot obtain a separate generator identification number from the Country or U.S. State, the Government shall use Seller generator identification number and shall cite in the remarks block a Navy generator identification number. In both instances described above, Seller shall prepare the Manifest described in paragraph (c)(6) above and present it to Buyer for completion.

5252.227-9112 LOGISTIC SUPPORT REQUIREMENT (AT) (MAY 1998) [Modified by Buyer]

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

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

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

5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (OCT 2006) [Modified by Buyer]

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

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

(c) GIDEP materials, software and information are available without charge from: GIDEP, P.O. Box 8000, Corona, CA 92878-8000, Phone: (951) 898-3207, FAX: (951) 898-3250, Internet: <http://www.gidep.org>

5252.233-9103 DOCUMENTATION OF REQUESTS FOR EQUITABLE ADJUSTMENT (APR 1999) [Modified by Buyer]

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

(b) Whenever Seller requests or proposes an equitable adjustment of \$100,000 or more per Vessel in respect to a change made pursuant to a written order designated as a "change order" or in respect to a proposed engineering change and whenever Seller requests an equitable adjustment in any amount in respect to any other act or omission to act on the part of the Government, the proposal supporting such request shall contain the following information for each individual item or element of the request: (1) A description (i) of the work required by the Contract before the change, which has been deleted by the change, and (ii) of the work deleted by the change which already has been completed. The description is to include a list of components, equipment, and other identifiable property involved. Also, the status of manufacture, procurement, or installation of such property is to be indicated. Separate description is to be furnished for design and production work. Items of raw material,

purchased parts, components and other identifiable hardware, which are made excess by the change and which are not to be retained by Seller, are to be listed for later disposition; (2) Description of work necessary to undo work already completed which has been deleted by the change; (3) Description of work not required by the terms hereof before the change, which is substituted or added by the change. A list of components and equipment (not bulk materials or items) involved should be included. Separate descriptions are to be furnished for design work and production work; (4) Description of interference and inefficiencies in performing the change; (5) Description of each element of disruption and exactly how work has been, or will be disrupted: (i) The calendar period of time during which disruption occurred, or will occur; (ii) Area(s) aboard the Vessel where disruption occurred, or will occur; (iii) Trade(s) disrupted, with a breakdown of man-hours for each trade; (iv) Scheduling of trades before, during, and after period of disruption; (v) Description of measures taken to lessen the disruptive effect of the change; (6) Delay in delivery attributable solely to the change; (7) Other work attributable to the change; (8) Supplementing the foregoing, a narrative statement of the direct "causal" relationship between any alleged Government act or omission and the associated claimed consequences, cross referenced to the detailed information provided as required above; and (9) A statement setting forth a comparative enumeration of the amounts "budgeted" for the cost elements, including the material costs, labor hours and pertinent indirect costs, estimated by Seller in preparing its initial and ultimate proposal(s) for this Contract, and the amounts claimed to have been incurred and/or projected to be incurred corresponding to each such "budgeted cost" elements.

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

(d) It is recognized that individual claims for equitable adjustment may not include all of the factors listed in paragraph (b) above. Accordingly, Seller is required to set forth in its proposal information only with respect to those factors which are comprehended in the individual claim for equitable adjustment. In any event, the information furnished hereunder shall be in sufficient detail to permit Buyer and the Contracting Officer to cross-reference the claimed increased costs, or delay in delivery, or both, as appropriate, submitted pursuant to paragraph (c) of this requirement, with the information submitted pursuant to paragraph (b) hereof.

5252.233-9107 EQUITABLE ADJUSTMENTS: WAIVER AND RELEASE OF CLAIMS (AT) (JAN 1983) [Modified by Buyer]

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

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

5252.242-9115 TECHNICAL INSTRUCTIONS (APR 1999) [Modified by Buyer]

(a) Performance of the Contract Work hereunder may be subject to written technical instructions signed by Buyer. As used herein, technical instructions are defined to include the following: (1) Directions to Seller which suggest pursuit of certain lines of inquiry, shift work emphasis, fill in details or otherwise serve to accomplish the statement of work. (2) Guidelines to Seller which assist in the interpretation of drawings, specifications or technical portions of work description.

(b) Technical instructions must be within the general scope of work stated in the Contract. Technical instructions may not be used to: (1) assign additional work under the Contract; (2) direct a change as defined in the "CHANGES" clause of this Contract; (3) increase or decrease the Contract Price or estimated Contract amount (including fee), as applicable, the level of effort, or the time required for performance; or (4) change any of the terms, conditions or specifications of the Contract.

(c) If, in the opinion of Seller, any technical instruction calls for effort outside the scope of the Contract or is inconsistent with this requirement, Seller shall notify Buyer's Procurement Representative in writing within ten (10) working days after the receipt of any such instruction. Seller shall not proceed with the Contract Work affected by the technical instruction unless and until Seller is notified by Buyer's Procurement Representative that the technical instruction is within the scope of this Contract.

(d) Nothing in the foregoing paragraph shall be construed to excuse Seller from performing that portion of the statement of work which is not affected by the disputed technical instruction.

5252.243-9105 NOTIFICATION OF CHANGES (CT) (JAN 1983) [Modified by Buyer]

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

(b) Notice. The primary purpose of this requirement is to obtain prompt reporting of any conduct which Seller considers would constitute or would require a change to this Contract. The parties acknowledge that proper administration of this Contract requires that potential changes be identified and resolved as they arise. Buyer is under strict authorized work requirements in the Prime Contract. Therefore, except for changes identified as such in writing and signed by Buyer, Seller not authorized to proceed without an approved change order from Buyer's Procurement Representative. Furthermore, Seller shall notify Buyer's Procurement Representative of any conduct which Seller considers would constitute or would require a change to this Contract. Such notice shall be provided promptly and in any event within 30 calendar days from the date Seller identifies any such conduct. The notice shall be written and shall state, on the basis of the most accurate information available to Seller: (i) The date, nature, and circumstances of the conduct regarded as a change; (ii) The name, function, and activity of the individuals directly involved in

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

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

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

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

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

(g) When Seller identifies any conduct which may result in delay to delivery of Vessel(s), Seller shall promptly so inform Buyer's Procurement Representative thereof prior to providing the notice required by paragraph (b) above.

(h) Despite good faith best efforts, occasions may arise in which Seller does not provide notice within the time periods specified in paragraphs (b) and (f) above. Accordingly, prior to the end of the first and third quarters of each calendar year through the period of performance of the Contract, beginning with TBD quarter of 201_, Seller shall deliver to Buyer an executed bilateral modification, in the format to be provided by Buyer, covering the 6 month period of time ending with the second and fourth quarters, respectively, of the preceding year, with such specific exceptions, if any, as are identified by Seller. If Seller cites specific exceptions to the release, Seller shall concurrently provide Buyer's Procurement Representative with notice, containing the information set forth in paragraph (b) of this requirement, for each item excepted from the release. However, the release required by this requirement shall not make unallowable any costs which are otherwise allowable under any other requirement of this Contract. Within 60 days of receipt of the release, Buyer's Procurement Representative shall sign and return a copy of the release to Seller. If Buyer's Procurement Representative fails to execute and return the release within the required time, then the release shall be deemed to be void and of no effect for the period involved.

(i) If the release in accordance with paragraph (h) above is not provided to Buyer's Procurement Representative by Seller in the time required, Buyer's Procurement Representative may execute the release as set forth in Exhibit "A" and send it to Seller. If Seller fails to execute the release and return it to Buyer's Procurement Representative (with any specific exceptions) within 60 days of receipt thereof, the required release shall then be deemed effective as if signed by Seller.

Exhibit "A" to the Requirement entitled "NOTIFICATION OF CHANGES"

This modification reflects the agreement of the parties to the mutual full and final releases for the consequences of that conduct (as conduct is defined in the requirement entitled "NOTIFICATION OF CHANGES"), described below, except the conduct identified in Attachment A hereto is excluded and not covered by the terms of this release. 1. Except for the conduct listed in Attachment A by either party, neither Seller nor Buyer shall be entitled to any equitable adjustment or to money damages and/or other relief for any conduct, as specified below. 2. In consideration of the foregoing the parties hereby agree to the following release:

(a) Buyer, for itself, its assigns, vendors, suppliers, and contractors, hereby remises, releases, and forever discharges Seller, its officers, agents and employees from any and all entitlement of Buyer to equitable adjustment of the Contract cost and fee and delivery schedule due to conduct under this Contract, which occurred on or before TBD.

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

5252.243 9113 OTHER CHANGE PROPOSALS (CT) (JAN 1990) [Modified by Buyer]

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

(b) Pending execution of a bilateral agreement or the direction of Buyer's Procurement Representative pursuant to the "CHANGES" clause, Seller shall proceed diligently with performance without regard to the effect of any such proposed change.

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

SECTION I – CLAUSES INCORPORATED BY REFERENCE

In interpreting the requirements of these clauses, "Contracting Officer" should be considered to be Buyer's Procurement Representative and "Government" should be considered to be Buyer, unless the context indicates otherwise. Reasonable efforts have been used to convert the terminology used in the Government's solicitation clauses to the terms used in Buyer's MILGEN terms; however, there may some instances where those conversions were not made for clauses were full text was not given. Accordingly, please apply the following term conversions. "Contractor" shall mean Seller. The terms "Government" or "Contracting Officer" do not change: (i) when a right, act authorization or obligation can be granted or performed only by the Government, (ii) when access to proprietary financial information or other proprietary data is required, (iii) when title to property or rights in technical data and/or computer software are to be transferred directly to Government, (iv) with regards to a disputes or changes clause, or (v) with regards to a clause permitting audit(s) of Seller. Some clauses are included in full text, and others of the FAR and DFARS are hereby incorporated into this Contract by reference as if given in full text, subject to the following definitions, and subject to the particular limitations and modifications indicated. The full text of FAR and DFARS clauses may be accessed electronically at the following internet websites: <https://www.acquisition.gov/far/> or <http://FARSITE.HILL.AF.MIL/Vfdfar1.htm>

I.1 CLAUSES INCORPORATED BY REFERENCE (FEB 1998) (FAR 52.252-2)

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(s): <http://farsite.hill.af.mil/>.

The following notes apply to the clauses incorporated by reference below.

Note 1 – Substitute "Buyer" for "the Government" or "the United States".

Note 2 – Substitute "Buyer Procurement Representative" for "Contracting Officer", "Administrative Contracting Officer", and "ACO".

Note 3 – Insert "and Buyer" after "Government".

Note 4 – Insert "or Buyer" after "Government.

Note 5 – Communication/notification required under this clause from/to Seller and to/from the Contracting Officer shall be through Buyer.

Note 6 – Insert "and Buyer" after "Contracting Officer".

Note 7 – Insert "or Buyer Procurement Representative" after "Contracting Officer".

FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

NUMBER	TITLE	DATE & NOTE
52.202-1	DEFINITIONS <i>No Note applies.</i>	JAN 2012
52.203-3	GRATUITIES <i>Note 3 applies in (c) and (d).</i>	APR 1984
52.203-5	CONVENANT AGAINST CONTINGENT FEES <i>Note 3 applies in (a).</i>	APR 1984
52.203-6	RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT <i>Clause applies if the Contract value exceeds \$150,000. No Note applies.</i>	SEPT 2006

52.203-7 ANTI-KICKBACK PROCEDURES <i>Clause applies if the Contract value exceeds \$150,000 and Note 2 applies for (b)(4) when the Government exercises its rights and Remedies against Buyer as a result of any kickback given by Seller.</i>	OCT 2010
52.203-8 CANCELLATION, RECISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER ACTIVITY <i>Note 3 applies to (b) and (c).</i>	JAN 1997
52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY <i>Note 2 applies for (b) and Note 1 applies for (c) when the Government exercises its rights and remedies against Buyer as a result of any illegal or improper activity done by Seller.</i>	JAN 1997
52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS <i>Applies if the Contract value exceeds \$150,000. Note 5 applies. Seller is to make disclosure to Buyer so that Buyer can fulfill the obligations under the Prime Contract.</i>	OCT 2010
52.203-13 CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT <i>Applies if this Contract exceeds \$5,000,000 and the period of performance is more than 120 days.</i> <i>Disclosures made under this clause shall be made directly to the Government entities identified in the clause. Clause does not apply to small businesses.</i>	APR 2010
52.203-14 DISPLAY OF HOTLINE POSTER(S) <i>No Note applies.</i>	DEC 2007
52.204-2 SECURITY REQUIREMENTS <i>Applies if the Contract Work requires access to classified information.</i>	AUG 1996
52.204-4 PRINTED OR COPIED DOUBLE-SIDED ON POST CONSUMER FIBER CONTENT PAPER <i>Note 3 applies to (b).</i>	MAY 2011
52.204-9 PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL <i>Applies where Seller will have physical access to a federally-controlled facility or access to a federal information system.</i> <i>Note 3 applies for (c). In (d) the reference to prime contractor shall mean Buyer. Seller is responsible for getting the information to Buyer so that Buyer can comply with the reporting requirements of (d).</i>	JAN 2011
52.204-10 REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACTOR AWARDS <i>Applies if Seller meets the first tier subcontract thresholds specified in the clause. Seller is to send information to Buyer so that Buyer and fulfill its reporting obligations under this clause. No Note applies.</i>	AUG 2012
52.209-6 PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT <i>Applies if this Contract exceeds \$30,000 and is not a subcontract for commercially available off the shelf items. Seller is to provide notices to Buyer so that Buyer can fulfill its reporting obligations under this clause. Note 5 applies.</i>	DEC 2010
52.211-5 MATERIAL REQUIREMENTS <i>Note 2 applies to (d) and (e).</i>	AUG 2000
52.211-15 DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS <i>No Note applies.</i>	APR 2008
52.215-2 AUDIT AND RECORDS—NEGOTIATION <i>Applies if the Contract value exceeds \$150,000; applicable if: (1) Seller is required to furnish cost or pricing data, or (2) the Contract requires Seller to furnish cost, funding or performance reports, or (3) this is an incentive or re-determinable type contract.</i>	OCT 2010
52.215-8 ORDER OF PRECEDENCE—UNIFORM CONTRACT FORMAT <i>No Note applies.</i>	OCT 1997
52.215-10 PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA <i>Note 4 and Note 5 apply.</i>	AUG 2011
52.215-11 PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA—MODIFICATIONS <i>Applies if submission of certified cost or pricing data is required for modifications. Note 4 applies. Rights and obligations under this clause shall survive completion of the work and final payment under this Contract.</i>	AUG 2011
52.215-12 SUBCONTRACTOR CERTIFIED COST OR PRICING DATA <i>Applies if this Contract exceeds \$700,000 and is not otherwise exempt under FAR 15.403. No Note applies.</i>	OCT 2010
52.215-13 SUBCONTRACTOR CERTIFIED COST OR PRICING DATA—MODIFICATIONS <i>Applies if this Contract exceeds \$700,000 and is not otherwise exempt under FAR 15.403. No Note applies.</i>	OCT 2010
52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS <i>Applies if this Contract meets the applicability requirements of FAR 15.408(g). Note 5 applies.</i>	OCT 2010

52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS <i>Applies if this Contract meets the requirements of FAR 15.408(j). Note 5 applies.</i>	JUL 2005
52.215-19 NOTIFICATIONS OF OWNERSHIP CHANGES <i>Applies if this Contract meets the requirements of FAR 15.408(K). Note 5 applies.</i>	OCT 1997
52.215-21 REQUIREMENTS FOR CERTIFIED COST OR PRICING DATA AND OTHER THAN CERTIFIED COST OR PRICING DATA-MODIFICATIONS <i>Note 5 applies.</i>	OCT 2010
52.215-21Alt II REQUIREMENTS FOR CERTIFIED COST OR PRICING DATA AND DATA OTHER THAN CERTIFIED COST OR PRICING DATA—MODIFICATIONS (OCT 2010) <i>Note 5 applies.</i>	OCT 1997
52.215-21 Alt III REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION <i>Note 5 applies.</i>	OCT 1997
52.215-23 LIMITATIONS ON PASS-THROUGH CHARGES <i>Note 5 applies.</i>	OCT 2009
52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS <i>Note 5 applies.</i>	JUN 2011
52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN <i>Applies if value of Contract equals or exceeds \$650,000 except the clause does not apply if Seller is a small business concern. Seller is to provide its subcontracting plan to Buyer so that Buyer can incorporate it as part of Buyer's own reporting obligations with respect to this clause. Note 5 applies.</i>	JAN 2011
52.222-1 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES <i>Note 5 applies.</i>	FEB 1997
52.222-3 CONVICT LABOR <i>No Note applies.</i>	JUN 2003
52.222-4 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT—OVERTIME COMPENSATION <i>Applies if the Contract requires or involves employment of laborers or mechanics. Note 7 applies.</i>	JUL 2005
52.222-19 CHILD LABOR—COOPERATION WITH AUTHORITIES AND REMEDIES <i>Note 2 applies for (c) and Note 2 for (d) when the Government exercises its rights and remedies against Buyer for Seller's violations.</i>	MAR 2012
52.222-20 WALSH-HEALEY PUBLIC CONTRACTS ACT <i>Applies when Contract exceeds or may exceed \$15,000. No Note applies.</i>	OCT 2010
52.222-21 PROHIBITION OF SEGREGATED FACILITIES <i>No Note applies.</i>	FEB 1999
52.222-26 EQUAL OPPORTUNITY <i>Applies to Contract with value in excess of \$10,000. Note 7 applies to (c)(3) and (c)(5).</i>	MAR 2007
52.222-35 EQUAL OPPORTUNITY FOR VETERANS <i>Note 5 applies.</i>	SEP 2010
52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES <i>Applies if Contract value equals or exceeds \$15,000. No Note applies.</i>	OCT 2010
52.222-37 EMPLOYMENT REPORTS ON VETERANS <i>Applies if Contract value equals or exceeds \$100,000. Seller is to provide its report to Buyer so that Buyer can incorporate it as part of Buyer's own reporting obligations with respect to this clause. Note 5 applies.</i>	SEP 2010
52.222-50 COMBATING TRAFFICKING IN PERSONS <i>Note 5 applies except in (e) where Note 4 applies.</i>	FEB 2009
52.222-54 EMPLOYMENT ELIGIBILITY VERIFICATION <i>Applies if this Contract exceeds \$3,000. No Note applies.</i>	JUL 2012
52.223-6 DRUG-FREE WORKPLACE <i>Note 5 applies except Note 4 applies in (d).</i>	MAY 2001
52.223-11 OZONE-DEPLETING SUBSTANCES <i>Applies if the Contract Work was manufactured with or contains ozone-depleting substances. No Note applies.</i>	MAY 2001
52.223-12 REFRIGERATION EQUIPMENT AND AIR CONDITIONERS <i>No Note applies.</i>	MAY 1995
52.223-18 ENCOURAGING CONTRACTOR POLICIES TO BAN TEX MESSAGING WHILE DRIVING	AUG 2011

<u>Note 5 applies.</u>		
52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES		JUN 2008
<u>No Note applies.</u>		
52.225-25 PROHIBITION ON CONTRACTING WITH ENTITIES ENGAGING IN CERTAIN ACTIVITIES OR TRANSACTIONS RELATING TO IRAN –REPRESENTATION AND CERTIFICATIONS		DEC 2012
<u>No Note applies.</u>		
52.227-1 AUTHORIZATION AND CONSENT		DEC 2007
<u>No Note applies. Government and Contracting Officer remain unchanged.</u>		
52.227-1 Alt I AUTHORIZATION AND CONSENT (DEC 2007) ALTERNATE I		APR 1984
<u>No Note applies.</u>		
52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT		DEC 2007
<u>Applies if Contract value exceeds \$150,000; Note 5 applies to (a) and (b).</u>		
52.227-10 FILING OF PATENT APPLICATIONS—CLASSIFIED SUBJECT MATTER		DEC 2007
<u>Applies if the Contract Work or any patent application may cover classified subject matter. Note 5 applies to (a), (b) and (c).</u>		
52.227-14 RIGHTS IN DATA—GENERAL		DEC 2007
<u>No Note applies.</u>		
52.230-2 COST ACCOUNTING STANDARDS		MAY 2012
<u>Applies only when referenced in the Contract that full CAS coverage applies. No Note applies.</u>		
52.230-3 DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRATICES		MAY 2012
<u>No Note applies.</u>		
52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS		JUN 2010
<u>Applies if FAR 52.230-2 or FAR 52.230-3 applies. No Note applies.</u>		
52.232-22 LIMITATION OF FUNDS		APR 1984
<u>Note 2 applies to (c), (d), (e), (f)(2), (h)and (i). Note 1 applies to (k).</u>		
52.232-23 ASSIGNMENT OF CLAIMS		JAN 1986
<u>Note 2 applies for (c).</u>		
52.232-23Alt I ASSIGNMENT OF CLAIMS (JAN 1986) – Alternate I	JAN 1986	APR 1984
<u>No Note applies.</u>		
52.233-3 PROTEST AFTER AWARD		AUG 1996
<u>Note 2 applies except in (e) Note 3 applies.</u>		
52.233-3 ALT I PROTEST AFTER AWARD (AUG 1996) ALTERNATE I		JUN 1985
<u>No Note applies.</u>		
52.233-4 APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM		OCT 2004
<u>No Note applies.</u>		
52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION		APR 1984
<u>Applies if Contract Work is performed on a Government installation. No Note applies.</u>		
52.237-3 CONTINUITY OF SERVICES		JAN 1991
<u>Note 2 applies to (b).</u>		
52.242-1 NOTICE OF INTENT TO DISALLOW COSTS		APR 1984
<u>Note 5 applies to (a)(2).</u>		
52.242-3 PENALTIES FOR UNALLOWABLE COSTS		MAY 2001
<u>No Note applies.</u>		
52.242-13 BANKRUPTCY		JUL 1995
<u>Note 2 applies.</u>		
52.243-1 CHANGES—FIXED PRICE		AUG 1987
<u>Note 2 applies.</u>		
52.243-2 CHANGES – COST REIMBURSEMENT		AUG 1987
52.243-2 CHANGES – COST REIMBURSEMENT ALT II (APR 1987)		AUG 1984
<u>Note 2 applies.</u>		
52.244-5 COMPETITION IN SUBCONTRACTING		DEC 1996
<u>No Note applies.</u>		

52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS <u>Note 2 applies.</u>	DEC 2010
52.245-9 USE AND CHARGES <u>Note 5 applies.</u>	APR 2012
52.247-1 COMMERCIAL BILL OF LADING NOTATIONS <u>No Note applies.</u>	FEB 2006
52.247-63 PREFERENCE FOR U.S. FLAG AIR CARRIERS <u>No Note applies.</u>	JUN 2003
52.247-68 REPORT OF SHIPMENT (REPSHIP) <u>Note 5 applies.</u>	FEB 2006
52.248-1 VALUE ENGINEERING <u>Applies if the Contract value exceeds \$150,000; Note 5 applies.</u>	OCT 2010
52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) <u>Clause is applicable when Government terminates the Prime Contract.</u>	APR 2012
52.249-2 TERMINATION (COST-REIMBURSEMENT) <u>Clause is applicable when Government terminates the Prime Contract.</u>	MAY 2004
52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) <u>Clause is applicable when Government terminates the Prime Contract.</u>	APR 1984
52.249-14 EXCUSABLE DELAYS <u>Note 2 applies to (b)(2) and Note 7 applies to (c).</u>	APR 1984
52.251-1 GOVERNMENT SUPPLY SOURCES <u>No Note applies.</u>	APR 2012
52.253-1 COMPUTER GENERATED FORMS <u>No Note applies.</u>	JAN 1991
252.201-7000 CONTRACTING OFFICER'S REPRESENTATIVE <u>No Note applies.</u>	DEC 1991
252.203-7000 REQUIREMENTS RELATING TO COMPENSATION OF FORMER DOD OFFICIALS <u>No Note applies.</u>	SEPT 2011
252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE CONTRACT-RELATED FELONIES <u>Applies if this Contract exceeds \$150,000. Note 5 applies.</u>	DEC 2008
252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS <u>No Note applies.</u>	JAN 2009
252.204-7000 DISCLOSURE OF INFORMATION <u>Note 5 applies.</u>	DEC 1991
252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT <u>No Note applies.</u>	APR 1992
252.204-7005 ORAL ATTESTATION OF SECURITY RESPONSIBILITIES <u>No Note applies.</u>	NOV 2001
252.204-7008 EXPORT-CONTROLLED ITEMS <u>Note 5 applies.</u>	APR 2010
252.205-7000 PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS <u>No Note applies.</u>	DEC 1991
252.209-7004 SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT OF A TERRORIST COUNTRY <u>Note 5 applies for (b).</u>	DEC 2006
252.211-7000 ACQUISITION STREAMLINING <u>Note 5 applies.</u>	OCT 2010

252.215-7000 PRICING ADJUSTMENTS <u>No Note applies.</u>	DEC 2012
252.215-7002 COST ESTIMATING SYSTEM REQUIREMENTS <u>Note 5 applies.</u>	DEC 2012
252.216-7004 AWARD FEE REDUCTION OR DENIAL FOR JEOPARDIZING THE HEALTH OR SAFETY OF GOVERNMENT PERSONNEL <u>Note 1 applies for (b).</u>	SEP 2011
252.217-7003 CHANGES <u>Note 6 applies.</u>	DEC 1991
252.217-7011 ACCESS TO VESSEL <u>Note 6 applies for (a).</u>	DEC 1991
252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS) <u>Note 5 applies.</u>	AUG 2012
252.222-7006 RESTRICTIONS ON THE USE OF MANDATORY ARBITRATION AGREEMENTS <u>No Note applies.</u>	DEC 2010
252.223-7002 SAFETY PRECAUTIONS FOR AMMUTION AND EXPLOSIVES <u>Note 5 applies.</u>	MAY 1994
252.223-7003 CHANGES IN PLACE OF PERFORMANCE – AMMUTION AND EXPLOSIVES <u>Note 2 applies to (c).</u>	DEC 1991
252.223-7004 DRUG FREE WORK FORCE <u>No Note applies.</u>	SEP 1988
252.223-7006 PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS <u>No Note applies.</u>	APR 2012
252.225-7001 BUY AMERICAN AND BALANCE OF PAYMENTS PROGRAM <u>Applies if the Contract Work contains other than domestic components. No Note applies.</u>	DEC 2012
252.225-7002 QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS <u>No Note applies.</u>	DEC 2012
252.225-7004 REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES AND CANADA--SUBMISSION AFTER AWARD <u>Note 5 applies.</u>	OCT 2010
252.225-7007 PROHIBITION ON ACQUISITION OF UNITED STATES MUNITIONS LIST ITEMS FROM COMMUNIST CHINESE MILITARY COMPANIES <u>Applies if Seller is supplying items on the U.S. Munitions List. No Note applies.</u>	JUN 2012
252.225-7012 PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES <u>No Note applies.</u>	FEB 2013
252.225-7013 DUTY-FREE ENTRY <u>Note 5 applies.</u>	JUN 2012
252.225-7015 RESTRICTION ON ACQUISITION OF HAND OR MEASURING TOOLS <u>No Note applies.</u>	JUN 2005
252.225-7016 RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS <u>No Note applies.</u>	JUN 2011
252.225-7019 RESTRICTION ON ACQUISITION OF ANCHOR AND MOORING CHAIN <u>No Note applies.</u>	DEC 2009
252.225-7025 RESTRICTION ON ACQUISITION OF FORGINGS <u>Note 5 applies for (d).</u>	DEC 2009
252.225-7038 RESTRICTION ON ACQUISITION OF AIR CIRCUIT BREAKERS <u>No Note applies.</u>	JUN 2005
252.226-7001 UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS <u>Applies if this Contract exceeds \$500,000. Note 5 applies.</u>	SEP 2004

252.227-7013 RIGHTS IN TECHNICAL DATA—NONCOMMERCIAL ITEMS <u>Note 5 applies.</u>	FEB 2012
252.227-7014 RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION <u>Note 5 applies.</u>	FEB 2012
252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION <u>No Note applies.</u>	JAN 2011
252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS--COMPUTER SOFTWARE <u>Note 5 applies.</u>	SEP 2011
252.227-7025 LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS <u>Note 5 applies.</u>	MAR 2011
252.227-7027 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE <u>No Note applies.</u>	APR 1988
252.227-7030 TECHNICAL DATA--WITHHOLDING OF PAYMENT <u>Note 5 applies.</u>	MAR 2000
252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA <u>Note 5 applies.</u>	JUN 2012
252.227-7039 PATENTS--REPORTING OF SUBJECT INVENTIONS <u>Note 5 applies.</u>	APR 1990
252.231-7000 SUPPLEMENTAL COST PRINCIPLES <u>No Note applies.</u>	DEC 1991
252.234-7002 EARNED VALUE MANAGEMENT SYSTEM <u>Note 5 applies.</u>	MAY 2011
252.237-7023 CONTINUATION OF ESSENTIAL CONTRACTOR SERVICES <u>Note 5 applies.</u>	OCT 2010
252.239-7000 PROTECTION AGAINST COMPROMISING EMANATIONS <u>Note 5 applies.</u>	JUN 2004
252.239-7001 INFORMATION ASSURANCE CONTRACTOR TRAINING AND CERTIFICATION <u>Note 5 applies.</u>	JAN 2008
252.242-7004 MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM <u>Note 5 applies.</u>	MAY 2011
252.242-7005 CONTRACTOR BUSINESS SYSTEMS <u>Note 5 applies.</u>	FEB 2012
252.243-7001 PRICING OF CONTRACT MODIFICATIONS <u>No Note applies.</u>	DEC 1991
252.243-7002 REQUESTS FOR EQUITABLE ADJUSTMENT <u>Note 5 applies.</u>	DEC 2012
252.244-7000 SUBCONTRACTORS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DOD CONTRACTS) <u>No Note applies.</u>	JUN 2012
252.245-7003 CONTRACTOR PROPERTY MANAGEMENT SYSTEM ADMINISTRATION <u>Note 5 applies.</u>	APR 2012
252.246-7001 WARRANTY OF DATA <u>Note 5 applies.</u>	DEC 1991
252.246-7003 NOTIFICATION OF POTENTIAL SAFETY ISSUES <u>Note 5 applies.</u>	JAN 2007
252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR REDUCTION <u>Note 5 applies.</u>	OCT 2010

Note 5 applies.

52.222-2 PAYMENT FOR OVERTIME PREMIUM (JUL 1990) [Modified by Buyer]

(a) The use of overtime is authorized under this Contract if the overtime premium does not exceed **14% of labor dollars** or the overtime premium is paid for work -- (1) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature; (2) By indirect-labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting; (3) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or (4) That will result in lower overall costs to the Government.

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

52.223-9 ESTIMATE OF PERCENTAGE OF RECOVERED MATERIAL CONTENT FOR EPA DESIGNATED PRODUCTS (AUG 2000) [Modified by Buyer]

(a) Definitions. As used in this clause—

“**Postconsumer material**” means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item. Postconsumer material is a part of the broader category of “recovered material.”

“**Recovered material**” means waste materials and by-products recovered or diverted from solid waste, but the term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

(b) Seller, on completion of this Contract, shall— (1) Estimate the percentage of the total recovered material used in performance, including, if applicable, the percentage of postconsumer material content; and (2) Submit this estimate to Buyer so that Buyer and submit the data to BIW and they will transit their aggregate data to the Contracting Officer.

52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (JUN 2008) [Modified by Buyer]

(a) Except as authorized by the Office of Foreign Assets Control (OFAC) in the Department of the Treasury, Seller shall not acquire, for use in the performance of this Contract, any supplies or services if any proclamation, Executive order, or statute administered by OFAC, or if OFAC’s implementing regulations at 31 CFR chapter V, would prohibit such a transaction by a person subject to the jurisdiction of the United States.

(b) Except as authorized by OFAC, most transactions involving Cuba, Iran, and Sudan are prohibited, as are most imports from Burma or North Korea, into the United States or its outlying areas. Lists of entities and individuals subject to economic sanctions are included in OFAC’s List of Specially Designated Nationals and Blocked Persons at <http://www.treas.gov/offices/enforcement/ofac/sdn/>. More information about these restrictions, as well as updates, is available in the OFAC’s regulations at 31 CFR chapter V and/or on OFAC’s website at <http://www.treas.gov/offices/enforcement/ofac>.

(c) Seller shall insert this clause, including this paragraph (c), in all subcontracts.

52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (DEC 1994) [Modified by Buyer]

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

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

(b) Seller shall refer any request from a Title III project contractor for testing and qualification of a Title III industrial resource from Buyer so that they can refer the request to BIW and ultimately to the Contracting Officer.

(c) Upon the direction of the Contracting Officer as transmitted by Buyer, Seller shall test Title III industrial resources for qualification. Seller shall provide the test results to Buyer, so that Buyer can provide the results to BIW and ultimately to the Defense Production Act Office, Title III Program, located at Wright Patterson Air Force Base, Ohio 45433-7739.

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

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

52.242-4 CERTIFICATION OF FINAL INDIRECT COSTS (JAN 1997) [Modified by Buyer]

(a) Seller shall -- (1) Certify any proposal to establish or modify final indirect cost rates; (2) Use the format in paragraph (c) of this clause to

certify; and (3) Have the certificate signed by an individual of Seller's organization at a level no lower than a vice president or chief financial officer of the business segment of Seller that submits the proposal.

(b) Failure by Seller to submit a signed certificate, as described in this clause, may result in final indirect costs at rates unilaterally established by the Contracting Officer.

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

Certificate of Final Indirect Costs

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

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

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

Firm: _____

Signature: _____

Name of Certifying Official: _____

Title: _____

Date of Execution: _____

52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (MAR 2007) [Modified by Buyer]

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

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

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

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

(c) (1) Seller shall insert the following clauses in subcontracts for commercial items: (i) 52.219-8, Utilization of Small Business Concerns (May 2004) (15 U.S.C. 637(d) (2) (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceed \$550,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities. (ii) 52.222-26, Equal Opportunity (Mar 2007) (E.O. 11246). (iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Sep 2006) (38 U.S.C. 4212(a)). (iv) 52.222-36, Affirmative Action for Workers with Disabilities (Jun 1998) (29 U.S.C. 793). (v) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) (E.O. 13201). (Flow down a required in accordance with paragraph (g) of FAR clause 52.222-39.) (vi) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631) (flow down required in accordance with paragraph (d) of FAR clause 52.247-64). (2) While not required, Seller may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(d) Seller shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this Contract.

52.245-1 GOVERNMENT PROPERTY (JUN 2007) (DEVIATION)

(a) Definitions. As used in this clause—

“Acquisition cost” means the cost to acquire a tangible capital asset including the purchase price of the asset and costs necessary to prepare the asset for use. Costs necessary to prepare the asset for use include the cost of placing the asset in location and bringing the asset to a condition necessary for normal or expected use.

“Cannibalize” means to remove serviceable parts from one item of equipment in order to install them on another item of equipment.

“Contractor-acquired property” means property acquired, fabricated, or otherwise provided by Seller for performing a contract, and to which the Government has title.

“Seller inventory” means—

(1) Any property acquired by and in the possession of Seller or subcontractor under a contract for which title is vested in the Government and which exceeds the amounts needed to complete full performance under the entire Contract;

(2) Any property that the Government is obligated or has the option to take over under any type of contract, e.g., as a result either of any changes in the specifications or plans thereunder or of the termination of the Contract (or subcontract thereunder), before completion of the work, for the convenience or at the option of the Government; and

(3) Government-furnished property that exceeds the amounts needed to complete full performance under the entire Contract.

“Seller's managerial personnel” means Seller's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of—

- (1) All or substantially all of Seller's business;
- (2) All or substantially all of Seller's operation at any one plant or separate location; or
- (3) A separate and complete major industrial operation.

"Demilitarization" means rendering a product unusable for, and not restorable to, the purpose for which it was designed or is customarily used.

"Discrepancies incident to shipment" means any differences (e.g., count or condition) between the items documented to have been shipped and items actually received.

"Equipment" means a tangible asset that is functionally complete for its intended purpose, durable, nonexpendable, and needed for the performance of a contract. Equipment is not intended for sale, and does not ordinarily lose its identity or become a component part of another article when put into use.

"Government-furnished property" means property in the possession of, or directly acquired by, the Government and subsequently furnished to Seller for performance of a contract.

"Government property" means all property owned or leased by the Government. Government property includes both Government-furnished and Seller-acquired property.

"Material" means property that may be consumed or expended during the performance of a contract, component parts of a higher assembly, or items that lose their individual identity through incorporation into an end-item. Material does not include equipment, special tooling and special test equipment.

"Nonseverable" means property that cannot be removed after construction or installation without substantial loss of value or damage to the installed property or to the premises where installed.

"Precious metals" means silver, gold, platinum, palladium, iridium, osmium, rhodium, and ruthenium.

"Property" means all tangible property, both real and personal.

"Property Administrator" means an authorized representative of the Contracting Officer appointed in accordance with agency procedures, responsible for administering the Contract requirements and obligations relating to Government property in the possession of Seller.

"Provide" means to furnish, as in Government-furnished property, or to acquire, as in Seller-acquired property.

"Real property" means land and rights in land, ground improvements, utility distribution systems, and buildings and other structures. It does not include foundations and other work necessary for installing personal property.

"Sensitive property" means property potentially dangerous to the public safety or security if stolen, lost, or misplaced, or that shall be subject to exceptional physical security, protection, control, and accountability. Examples include weapons, ammunition, explosives, controlled substances, radioactive materials, hazardous materials or wastes, or precious metals.

"Surplus property" means excess personal property not required by any Federal agency as determined by the Administrator of the General Services Administration (GSA).

(b) Property management.

(1) Seller shall have a system to manage (control, use, preserve, protect, repair and maintain) Government property in its possession. The system shall be adequate to satisfy the requirements of this clause. In doing so, Seller shall initiate and maintain the processes, systems, procedures, records, and methodologies necessary for effective control of Government property, consistent with voluntary consensus standards and/or industry-leading practices and standards for Government property management except where inconsistent with law or regulation. During the period of performance, Seller shall disclose any significant changes to their property management system to the Property Administrator prior to implementation.

(2) Seller's responsibility extends from the initial acquisition and receipt of property, through stewardship, custody, and use until formally relieved of responsibility by authorized means, including delivery, consumption, expending, disposition, or via a completed investigation, evaluation, and final determination for lost, damaged, destroyed, or stolen property. This requirement applies to all Government property under Seller's accountability, stewardship, possession or control, including its vendors or subcontractors (see paragraph (f) (1) (v) of this clause).

(3) Seller shall include the requirements of this clause in all subcontracts under which Government property is acquired or furnished for subcontract performance.

(c) Use of Government property. Seller shall use Government property, either furnished or acquired under this Contract, only for performing this Contract, unless otherwise provided for in this Contract or approved by the Contracting Officer. Seller shall not modify, cannibalize, or make alterations to Government property unless this Contract specifically identifies the modifications, alterations or improvements as work to be performed.

(d) Government-furnished property.

(1) The Government shall deliver to Seller the Government-furnished property described in this Contract. The Government shall furnish related data and information needed for the intended use of the property. The warranties of suitability of use and timely delivery of Government-furnished property do not apply to property acquired or fabricated by the Seller as Seller-acquired property and subsequently transferred to another contract with this Seller.

(2) The delivery and/or performance dates specified in this Contract are based upon the expectation that the Government-furnished property will

be suitable for performance and will be delivered to Seller by the dates stated in the Contract.

(i) If the property is not delivered to Seller by the dates stated in the Contract, the Contracting Officer shall, upon Seller's timely written request, consider an equitable adjustment to the Contract.

(ii) In the event property is received by Seller, or for Government-furnished property after receipt and installation, in a condition not suitable for its intended use, the Contracting Officer shall, upon Seller's timely written request, advise Seller on a course of action to remedy the problem. Such action may include repairing, replacing, modifying, returning, or otherwise disposing of the property at the Government's expense. Upon completion of the required action(s), the Contracting Officer shall consider an equitable adjustment to the Contract (see also paragraph (f) (1) (ii) (A) of this clause).

(iii) The Government may, at its option, furnish property in an "as-is" condition. Seller will be given the opportunity to inspect such property prior to the property being provided. In such cases, the Government makes no warranty with respect to the serviceability and/or suitability of the property for performance. Any repairs, replacement, and/or refurbishment shall be at Seller's expense.

(3)(i) The Contracting Officer may by written notice, at any time—

(A) Increase or decrease the amount of Government-furnished property under this Contract;

(B) Substitute other Government-furnished property for the property previously furnished, to be furnished, or to be acquired by Seller for the Government under this Contract; or

(C) Withdraw authority to use property.

(ii) Upon completion of any action(s) under paragraph (d) (3) (i) of this clause, and Seller's timely written request, the Contracting Officer shall consider an equitable adjustment to the Contract.

(e) Title to Government property.

(1) The Government shall retain title to all Government-furnished property. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(2) Fixed-price contracts.

(i) All Government-furnished property and all property acquired by Seller, title to which vests in the Government under this paragraph (collectively referred to as "**Government property**"), are subject to the provisions of this clause.

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

(iii) If this Contract contains a provision directing Seller to purchase material for which the Government will reimburse Seller as a direct item of cost under this Contract—

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

(B) Title to all other material shall pass to and vest in the Government upon—

(1) Issuance of the material for use in performance;

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

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

(3) Title under Cost-Reimbursement or Time-and-Material contracts or Cost-Reimbursable contract line items under Fixed-Price contracts.

(i) Title to all property purchased by Seller for which Seller is entitled to be reimbursed as a direct item of cost under this Contract shall pass to and vest in the Government upon the vendor's delivery of such property.

(ii) Title to all other property, the cost of which is reimbursable to Seller, shall pass to and vest in the Government upon—

(A) Issuance of the property for use in performance;

(B) Commencement of processing of the property for use in performance; or

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

(iii) All Government-furnished property and all property acquired by Seller, title to which vests in the Government under this paragraph (e) (3) (iii) (collectively referred to as "Government property"), are subject to the provisions of this clause.

(f) Seller plans and systems.

(1) Seller shall establish and implement property management plans, systems, and procedures at the Contract, program, site or entity level to enable the following outcomes:

(i) Acquisition of Property. Seller shall document that all property was acquired consistent with its engineering, production planning, and material control operations.

(ii) Receipt of Government Property. Seller shall receive Government property (document the receipt), record the information necessary to meet the record requirements of paragraph (f) (1) (iii) (A) (1) through (5) of this clause, identify as Government owned in a manner appropriate to the type of property (e.g., stamp, tag, mark, or other identification), and manage any discrepancies incident to shipment.

(A) Government-furnished property. Seller shall furnish a written statement to the Property Administrator containing all relevant facts, such as cause or condition and a recommended course(s) of action, if overages, shortages, or damages and/or other discrepancies are discovered upon receipt of Government-furnished property.

(B) Seller-acquired property. Seller shall take all actions necessary to adjust for overages, shortages, damage and/or other discrepancies discovered upon receipt, in shipment of Seller-acquired property from a vendor or supplier, so as to ensure the proper allocability and allowability of associated costs.

(iii) Records of Government property. Seller shall create and maintain records of all Government property accountable to the Contract, including Government-furnished and Seller-acquired property.

(A) Property records shall enable a complete, current, auditable record of all transactions and shall, unless otherwise approved by the Property Administrator, contain the following:

(1) The name, part number and description, manufacturer, model number, and National Stock Number (if needed for additional item identification tracking and/or disposition).

(2) Quantity received (or fabricated), issued, and balance-on-hand.

(3) Unit acquisition cost.

(4) Unique-item identifier or equivalent (if available and necessary for individual item tracking).

(5) Unit of measure.

(6) Accountable contract number or equivalent code designation.

(7) Location.

(8) Disposition.

(9) Posting reference and date of transaction.

(10) Date placed in service.

(B) Use of a Receipt and Issue System for Government Material. When approved by the Property Administrator, Seller may maintain, in lieu of formal property records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of material that is issued for immediate consumption.

(iv) Physical inventory. Seller shall periodically perform, record, and disclose physical inventory results. A final physical inventory shall be performed upon Contract completion or termination. The Property Administrator may waive this final inventory requirement, depending on the circumstances (e.g., overall reliability of the Seller's system or the property is to be transferred to a follow-on contract).

(v) Subcontractor control.

(A) Seller shall award subcontracts that clearly identify assets to be provided and shall ensure appropriate flow down of contract terms and conditions (e.g., extent of liability for loss, damage, destruction or theft of Government property).

(B) ***Seller shall assure its subcontracts are properly administered and reviews are periodically performed to determine the adequacy of the subcontractor's property management system.***

(vi) Reports. Seller shall have a process to create and provide reports of discrepancies; loss, damage, destruction, or theft; physical inventory results; audits and self-assessments; corrective actions; and other property related reports as directed by the Contracting Officer.

(A) Loss, damage, destruction, or theft. Unless otherwise directed by the Property Administrator, the Seller shall investigate and promptly furnish a written narrative of all incidents of loss, damage, destruction, or theft to the property administrator as soon as the facts become known or when requested by the Government.

(B) Such reports shall, at a minimum, contain the following information:

(1) Date of incident (if known).

(2) The name, commercial description, manufacturer, model number, and National Stock Number (if applicable).

(3) Quantity.

(4) Unique Item Identifier (if available).

(5) Accountable Contract number.

(6) A statement indicating current or future need.

(7) Acquisition cost, or if applicable, estimated scrap proceeds, estimated repair or replacement costs.

(8) All known interests in commingled property of which the Government property is a part.

- (9) Cause and corrective action taken or to be taken to prevent recurrence.
- (10) A statement that the Government will receive any reimbursement covering the loss, damage, destruction, or theft, in the event Seller was or will be reimbursed or compensated.
- (11) Copies of all supporting documentation.
- (12) Last known location.
- (13) A statement that the property did or did not contain sensitive or hazardous material, and if so, that the appropriate agencies were notified.
- (vii) Relief of stewardship responsibility. Unless the Contract provides otherwise, Seller shall be relieved of stewardship responsibility for Government property when such property is—
- (A) Consumed or expended, reasonably and properly, or otherwise accounted for, in the performance of the Contract, including reasonable inventory adjustments of material as determined by the Property Administrator; or a Property Administrator granted relief of responsibility for loss, damage, destruction or theft of Government property;
- (B) Delivered or shipped from Seller's plant, under Government instructions, except when shipment is to a subcontractor or other location of the Seller; or
- (C) Disposed of in accordance with paragraphs (j) and (k) of this clause.
- (viii) Utilizing Government property.
- (A) Seller shall utilize, consume, move, and store Government Property only as authorized under this Contract. Seller shall promptly disclose and report Government property in its possession that is excess to performance.
- (B) Unless otherwise authorized in this Contract or by the Property Administrator Seller shall not commingle Government property with property not owned by the Government.
- (ix) Maintenance. Seller shall properly maintain Government property. Seller's maintenance program shall enable the identification, disclosure, and performance of normal and routine preventative maintenance and repair. Seller shall disclose and report to the Property Administrator the need for replacement and/or capital rehabilitation.
- (x) Property closeout. Seller shall promptly perform and report to the Property Administrator contract property closeout, to include reporting, investigating and securing closure of all loss, damage, destruction, or theft cases; physically inventorying all property upon termination or completion of this Contract; and disposing of items at the time they are determined to be excess to contractual needs.
- (2) Seller shall establish and maintain Government accounting source data, as may be required by this Contract, particularly in the areas of recognition of acquisitions and dispositions of material and equipment.
- (3) Seller shall establish and maintain procedures necessary to assess its property management system effectiveness, and shall perform periodic internal reviews and audits. Significant findings and/or results of such reviews and audits pertaining to Government property shall be made available to the Property Administrator.
- (g) Systems analysis.
- (1) The Government shall have access to Seller's premises and all Government property, at reasonable times, for the purposes of reviewing, inspecting and evaluating Seller's property management plan, systems, procedures, records, and supporting documentation that pertains to Government property.
- (2) Records of Government property shall be readily available to authorized Government personnel and shall be safeguarded from tampering or destruction.
- (3) Should it be determined by the Government that Seller's property management practices are inadequate or not acceptable for the effective management and/or control of Government property under this Contract, and/or present an undue risk to the Government; Seller shall immediately take all necessary corrective actions as directed by the Property Administrator.
- (4) Seller shall ensure Government access to subcontractor premises, and all Government property located at subcontractor premises, for the purposes of reviewing, inspecting and evaluating the subcontractor's property management plan, systems, procedures, records, and supporting documentation that pertains to Government property.
- (h) Seller Liability for Government Property.
- (1) Unless otherwise provided for in the Contract, Seller shall not be liable for loss, damage, destruction, or theft to the Government property furnished or acquired under this Contract, except when any one of the following applies—
- (i) The risk is covered by insurance or the Seller is otherwise reimbursed (to the extent of such insurance or reimbursement). The allowability of insurance costs shall be determined in accordance with 31.205-19.
- (ii) The loss, damage, destruction, or theft is the result of willful misconduct or lack of good faith on the part of Seller's managerial personnel. Seller's managerial personnel, in this clause, means Seller's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of all or substantially all of Seller's business; all or substantially all of Seller's operation at any one plant or separate location; or a separate and complete major industrial operation.
- (iii) The Contracting Officer has, in writing, revoked the Government's assumption of risk for loss, damage, destruction, or theft, due to a

determination under paragraph (g) of this clause that Seller's property management practices are inadequate, and/or present an undue risk to the Government, and Seller failed to take timely corrective action. If Seller can establish by clear and convincing evidence that the loss, damage, destruction, or theft of Government property occurred while Seller had adequate property management practices or the loss, damage, destruction, or theft of Government property did not result from Seller's failure to maintain adequate property management practices, Seller shall not be held liable.

(2) Seller shall take all reasonable actions necessary to protect the Government property from further loss, damage, destruction, or theft. Seller shall separate the damaged and undamaged Government property, place all the affected Government property in the best possible order, and take such other action as the Property Administrator directs.

(3) Seller shall do nothing to prejudice the Government's rights to recover against third parties for any loss, damage, destruction, or theft of Government property.

(4) Upon the request of the Contracting Officer, Seller shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation, including the prosecution of suit and the execution of instruments of assignment in favor of the Government in obtaining recovery.

(i) Equitable adjustment. Equitable adjustments under this clause shall be made in accordance with the procedures of the Changes clause. The right to an equitable adjustment shall be Seller's exclusive remedy and the Government shall not be liable to suit for breach of contract for the following:

(1) Any delay in delivery of Government-furnished property.

(2) Delivery of Government-furnished property in a condition not suitable for its intended use.

(3) An increase, decrease, or substitution of Government-furnished property.

(4) Failure to repair or replace Government property for which the Government is responsible.

(j) Seller inventory disposal. Except as otherwise provided for in this Contract, Seller shall not dispose of Seller inventory until authorized to do so by the Plant Clearance Officer.

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

(i) Seller with an approved scrap procedure.

(A) Seller may dispose of scrap resulting from production or testing under this Contract without Government approval. However, if the scrap requires demilitarization or is sensitive property, Seller shall submit the scrap on an inventory disposal schedule.

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

(1) Requires demilitarization;

(2) Is a classified item;

(3) Is generated from classified items;

(4) Contains hazardous materials or hazardous wastes;

(5) Contains precious metals; or

(6) Is dangerous to the public health, safety, or welfare.

(ii) Seller without an approved scrap procedure. Seller shall submit an inventory disposal schedule for all scrap. Seller may not dispose of scrap resulting from production or testing under this Contract without Government approval.

(2) Predisposal requirements.

(i) Once Seller determines that Seller-acquired property is no longer needed for performance, Seller in the following order of priority—

(A) May contact the Contracting Officer if use of the property in the performance of other Government contracts is practical;

(B) May purchase the property at the acquisition cost; or

(C) Shall make reasonable efforts to return unused property to the appropriate supplier at fair market value (less, if applicable, a reasonable restocking fee that is consistent with the supplier's customary practices).

(ii) Seller shall list, on Standard Form 1428, Inventory Disposal Schedule, property that was not used in the performance of other Government contracts under paragraph (j) (2) (i) (A) of this clause, property that was not purchased under paragraph (j) (2) (i) (B) of this clause, and property that could not be returned to a supplier under paragraph (j) (2) (i) (C) of this clause.

(3) Inventory disposal schedules.

(i) Seller shall use Standard Form 1428, Inventory Disposal Schedule, to identify—

(A) Government-furnished property that is no longer required for performance of this Contract, provided the terms of another Government

contract do not require the Government to furnish that property for performance of this Contract;

(B) Seller-acquired property, to which the Government has obtained title under paragraph (e) of this clause, which is no longer required for performance of that Contract; and

(C) Termination inventory.

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

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

(A) Special test equipment with commercial components;

(B) Special test equipment without commercial components;

(C) Printing equipment;

(D) Information technology (e.g., computers, computer components, peripheral equipment, and related equipment);

(E) Precious metals;

(F) Mononuclear hazardous materials or hazardous wastes; or

(G) Nuclear materials or nuclear wastes.

(iv) Seller shall describe the property in sufficient detail to permit an understanding of its intended use. Property with the same description, condition code, and reporting location may be grouped in a single line item.

(4) Submission requirements. Seller shall submit inventory disposal schedules to the Plant Clearance Officer no later than—

(i) 30-days following Seller's determination that a Government property item is no longer required for performance of this Contract;

(ii) 60 days, or such longer period as may be approved by the Plant Clearance Officer, following completion of deliveries or performance; or

(iii) 120 days, or such longer period as may be approved by the Termination Contracting Officer following termination in whole or in part.

(5) Corrections. The Plant Clearance Officer may—

(i) Reject a schedule for cause (e.g., contains errors, determined to be inaccurate); and

(ii) Require Seller to correct an inventory disposal schedule.

(6) Post submission adjustments. Seller shall notify the Plant Clearance Officer at least 10 working days in advance of its intent to remove an item from an approved inventory disposal schedule. Upon approval of the Plant Clearance Officer, or upon expiration of the notice period, Seller may make the necessary adjustments to the inventory schedule.

(7) Storage.

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

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

(8) Disposition instructions.

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

(ii) Seller shall prepare for shipment, deliver f.o.b. origin, or dispose of Seller inventory as directed by the Plant Clearance Officer. If not returned to the Government, Seller shall remove and destroy any markings identifying the property as U.S. Government-owned property prior to its disposal.

(iii) The Contracting Officer may require Seller to demilitarize the property prior to shipment or disposal. In such cases, Seller may be entitled to an equitable adjustment under paragraph (i) of this clause.

(9) Disposal proceeds. As directed by the Contracting Officer, Seller shall credit the net proceeds from the disposal of Seller inventory to the Contract, or to the Treasury of the United States as miscellaneous receipts.

(10) Subcontractor inventory disposal schedules. Seller shall require its subcontractors to submit inventory disposal schedules to Seller in accordance with the requirements of paragraph (j) (4) of this clause.

(k) Abandonment of Government property.

(l) The Government shall not abandon sensitive Government property or termination inventory without Seller's written consent.

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

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

(l) Communication. All communications under this clause shall be in writing.

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

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998) [Modified by Buyer]

This Contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. The full text of a clause may be accessed electronically at this/these address (es):

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

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

NMCARS clauses & provisions: <http://farsite.hill.af.mil/vfnapsa.htm>

252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (MAY 2002) [Modified by Buyer]

(a) Definitions. As used in this clause— (1) "**Components**" means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication, or assembly by Seller or any subcontractor. (2) "**Department of Defense**" ("**DoD**") means the Army, Navy, Air Force, Marine Corps, and defense agencies. (3) "**Foreign flag vessel**" means any vessel that is not a U.S.-flag vessel. (4) "**Ocean transportation**" means any transportation aboard a ship, vessel, boat, barge, or ferry through international waters. (5) "**Subcontractor**" means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the Prime Contract and who is performing any part of the work or other requirement of the Prime Contract. (6) "**Supplies**" means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea. (i) An item is clearly identifiable for eventual use by the DoD if, for example, the Contract documentation contains a reference to a DoD contract number or a military destination. (ii) "**Supplies**" includes (but is not limited to) public works; buildings and facilities; ships; floating equipment and vessels of every character, type, and description, with parts, subassemblies, accessories, and equipment; machine tools; material; equipment; stores of all kinds; end items; construction materials; and components of the foregoing. (7) "**U.S.-flag vessel**" means a vessel of the United States or belonging to the United States, including any vessel registered or having national status under the laws of the United States.

(b)(1) Seller shall use U.S.-flag vessels when transporting any supplies by sea under this Contract. (2) A subcontractor transporting supplies by sea under this Contract shall use U.S.-flag vessels if— (i) This Contract is a construction contract; or (ii) The supplies being transported are— (A) Noncommercial items; or (B) Commercial items that— (1) Seller is reselling or distributing to the Government without adding value (generally, Seller does not add value to items that it subcontracts for f.o.b. destination shipment); (2) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or (3) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

(c) Seller and its subcontractors may request that Buyer obtain authorization from BIW and the Contracting Officer to authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if Seller or a subcontractor believes that— (1) U.S.-flag vessels are not available for timely shipment; (2) The freight charges are inordinately excessive or unreasonable; or (3) Freight charges are higher than charges to private persons for transportation of like goods.

(d) Seller must submit any request for use of other than U.S.-flag vessels in writing Buyer so that Buyer can submit data to BIW and BIW can provide it to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedules. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this Contract. Requests shall contain at a minimum— (1) Type, weight, and cube of cargo; (2) Required shipping date; (3) Special handling and discharge requirements; (4) Loading and discharge points; (5) Name of shipper and consignee; (6) Prime Contract number; and (7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

(e) Seller shall, within 30 days after each shipment covered by this clause, provide Buyer, who will provide the same to BIW, the Contracting Officer and the Maritime Administration, Office of Cargo Preference, U.S. Department of Transportation, 400 Seventh Street SW, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information: (1) Prime Contract number; (2) Name of vessel; (3) Vessel flag of registry; (4) Date of loading; (5) Port of loading; (6) Port of final discharge; (7) Description of commodity; (8) Gross weight in pounds and cubic feet if available; (9) Total ocean freight in U.S. dollars; and (10) Name of steamship company.

(f) Seller shall provide with its final invoice under this Contract a representation that to the best of its knowledge and belief— (1) No ocean transportation was used in the performance of this Contract; (2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the Contract; (3) Ocean transportation was used, and the Seller had the written consent of the Contracting Officer for all non-U.S.-flag ocean transportation; or (4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer. Seller shall describe these shipments in the following format:

	ITEM DESCRIPTION	CONTRACT LINE ITEMS	QUANTITY
TOTAL			

(g) If the final invoice does not include the required representation, the Government will reject and return it to BIW, who will return it to Buyer as an improper invoice for the purposes of the Prompt Payment clause of this Contract. Buyer will provide notice to Seller of the improper invoice. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this Contract, the Contracting Officer is entitled to equitably adjust the Contract, based on the unauthorized use.

(h) In the award of subcontracts for the types of supplies described in paragraph (b) (2) of this clause, Seller shall flow down the requirements of this clause as follows: (1) Seller shall insert the substance of this clause, including this paragraph (h), in subcontracts that exceed the simplified acquisition threshold in Part 2 of the Federal Acquisition Regulation. (2) Seller shall insert the substance of paragraphs (a) through (e) of this clause, and this paragraph (h), in subcontracts that are at or below the simplified acquisition threshold in Part 2 of the Federal Acquisition Regulation.

252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (MAR 2000) [Modified by Buyer]

(a) Seller has indicated by the response to the solicitation provision, Representation of Extent of Transportation by Sea, that it did not anticipate transporting by sea any supplies. If, however, after the award of this Contract, Seller learns that supplies, as defined in the Transportation of Supplies by Sea clause of this Contract, will be transported by sea, the Seller— (1) Shall notify Buyer so Buyer can notify BIW and the Contracting Officer of that fact; and (2) Hereby agrees to comply with all the terms and conditions of the Transportation of Supplies by Sea clause of this Contract.

(b) Seller shall include this clause, including this paragraph (b), revised as necessary to reflect the relationship of the contracting parties— (1) In all subcontracts under this Contract, if this Contract is a construction contract; or (2) If this Contract is not a construction contract, in all subcontracts under this Contract that are for— (i) Noncommercial items; or (ii) Commercial items that— (A) Seller is reselling or distributing to the Government without adding value (generally, Seller does not add value to items that it subcontracts for f.o.b. destination shipment); (B) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or (C) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

SELECT FLOW-DOWN TERMS AND CONDITIONS FROM BUYER’S SUBCONTRACT WITH BIW

RIGHTS AND USE OF PROPRIETARY INFORMATION AND MATERIALS. All clearly and conspicuously marked (a) proprietary and/or trade secret information; (b) tangible items containing, conveying or embodying such information clearly marked as proprietary and/or trade secret information; and (c) tooling identified as being proprietary and/or trade secret information and subject to this clause and obtained, directly or indirectly, from Buyer or Seller in connection with this Contract (collectively referred to as “Proprietary Information and Materials”) shall remain the original disclosing Party's property and shall be protected from unauthorized use and disclosure. Proprietary Information and Materials from Buyer's third party subcontractors shall also be appropriately marked as such and in accordance with DFARs 252.227-7013 and 252.227-7014, and shall be protected from unauthorized use and disclosure. Seller agrees that such third party subcontractor Proprietary Information and Materials Seller receives in order to perform under this Agreement shall be protected from unauthorized use and disclosure and shall remain confidential. Each party shall use such Proprietary Information and Materials only in the performance of and for the purpose of this Contract and shall not disclose to third parties except as provided below. The restrictions on disclosure or use of Proprietary Information and Materials by the original disclosing party shall apply to all materials derived by the other party or its third-party subcontractors’, Proprietary Information and Materials. Upon the original disclosing party's request at any time, the other party shall return to the original disclosing party all of the original disclosing Party's Proprietary Information and Materials and all materials derived therefrom. Subject to the prior written approval of Buyer, and to avoid the release of proprietary data to a potential competitor, Seller may disclose Proprietary Information and Materials of Buyer to Seller's subcontractors with a need to know as required for the performance of this Agreement, provided that Seller first binds each such subcontractor to at least the same obligations imposed upon Seller under this Paragraph relating to Proprietary Information and Materials by executing a mutually acceptable confidentiality agreement, and any such Proprietary Information and Materials disclosed to Seller's subcontractors shall retain the restrictive legends of Buyer. Any other disclosure of either party's Proprietary Information and Materials to third parties shall be subject to further written agreement between Buyer and Seller.

INSPECTION/ACCEPTANCE. No inspection, test, delay or failure to inspect/test or failure to discover any defect or other nonconformance shall relieve Seller of any of its obligations under this Contract or impair any rights or remedies of Buyer or Buyer's customer.

SUSPENSION OF WORK. Buyer may, by written order, suspend all or part of the work to be performed under this Agreement for a period not to exceed ninety (90) days when it receives a suspension of work from BIW or the Government. Within this 90-day period of work suspension, Buyer shall (i) cancel the suspension of work order; (ii) terminate this Contract; or (iii) extend the stop work period to a maximum of ninety (90) days. If Buyer cancels the suspension of work order by written notification, Seller shall promptly resume work. Buyer and Seller shall negotiate an equitable adjustment in the price or schedule or both if (i) the suspension results in a change in Seller's cost of performance or ability to meet the delivery or performance schedule; and (ii) Seller submits a claim for adjustment within 30 days after the suspension is canceled.

INTELLECTUAL PROPERTY. In addition to the Government’s rights in data and inventions, Seller, agrees that Buyer and BIW, solely in the performance of the Prime Contract obligations, shall have an unlimited, irrevocable, paid-up, royalty-free right to make, use, execute, reproduce, display, perform, distribute (internally or externally) copies of any and all, inventions, discoveries, improvements, mask works and patents as well as any and all data, copyrights, reports and works of authorship delivered in performance of this Contract.

STANDARDS/SPECIFICATIONS/REFERENCES. Seller shall comply, at minimum, with the following documents: Joint Fleet Maintenance Manual (“JFMM”) COMUSFLTFORCOMINST 4790.3, General Specifications for Overhaul of Surface Ships (“GSO”), Military

Standards and Military Performance Specifications, Technical Manuals, Naval Operations (“OPNAV”) Instructions, Commercial and Industry Standards Government Standards, Technical Drawings and Documentation, Other references for individual items and associated referenced technical documentation shall be identified on each work item. Seller shall comply with all NAVSEA STANDARD ITEMS invoked at the time of Task Order issuance as follows: (i) Category I Standard Items shall be invoked in every task order without further reference; (ii) Category II Standard Items shall be referenced in each applicable work item and/or Statement of Work. Seller shall comply with all local requirements in addition to state and federal ESH regulations. A list of the applicable Category 1 Standard Items is attached as Exhibit B to be provided by Buyer.