**NATIONAL STEEL AND SHIPBUILDING COMPANY**

SPECIAL TERMS AND CONDITIONS

**LCS SEC PROGRAM**

**N00024-15-C-4313**

Rev C May 25, 2015

**PRIME CONTRACT CLAUSES – N00024-15-C-4313**

The following clauses are flowed down from Buyer to Seller pursuant to the requirements of Buyer’s Prime Contract with the Government.

## 1. DEFINITIONS

The following terms will have the meanings indicated in each of the following clauses as modified. Note that 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, whether the terms are capitalized or appears in lower case form.* The defined terms in the MILGEN terms apply to this document.

**Section A – Solicitation/Contract Form** – This Contract is rated with a DPAS DO rating.

**Section B – Supplies or Services and Prices**

NOTE C – 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. For continuous maintenance periods including emergent type Contract Work and interim availabilities, Contract Work may be performed OCONUS, at Buyer’s or its customer’s Facility, Seller’s facility (only if so specified in the specifications or task order) or the Government’s Facility within the ship’s homeport in San Diego, CA, or as determined by the Government’s ACO. Administrative and Engineering Support Services (AESS) functions may be performed at Buyer’s Facility, at various Government activities, or onboard vessels, in accordance with Contract Work items delineated in the specifications. For Planned Maintenance (PM), Facilities Maintenance (FM) including Corrosion Control, In-Service Engineering Agent (ISEA) and Ship Assessments, Contract Work may be performed at either Buyer’s Facility or the Government’s Facility within the ship’s homeport in San Diego, CA, or as determined by the Government’s ACO or Buyer. Travel will include CONUS and OCONUS for Fly-Away Teams.

NOTE G – 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 ACO 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.

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

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

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

1. 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.
2. 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.
3. 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.
4. 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 – Descriptions and Specifications**

0700 **OTHER DIRECT COSTS/TRAVEL**/700.1 **SCOPE** [*Modified by Buyer*]

Seller shall provide Other Direct Cost (ODC) as specified in the Contract Work descriptions. ODC in this instance will consist of travel only: both CONUS and OCONUS for Fly-Away teams. All travel cost shall be reported by Seller and all support subcontractors (fixed fee or cost reimbursement). Labor hours associated with travel shall be billed to the applicable CLIN to which the travel is supporting.

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

1. 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 Prime Contract. The Government may unilaterally modify the contract to list those third parties with which Buyer or Seller has agreement(s).
2. 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.
3. 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.
4. Seller agrees that it will promptly notify Buyer of any attempt by an individual, company, or Buyer or Government representative not directly involved in the effort to be performed under this Contract to gain access to such proprietary information. Such notification shall include the name and organization of the individual, company, or Buyer or Government representative seeking access to such information.
5. 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.
6. 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] [Upon Contract Award, this Clause may be further modified for Contract Work performed OCONUS] No person not known to be a U.S. citizen shall be eligible for access to 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.

### 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, and Seller will submit a request for access to Buyer. (b) 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.

### (c) 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 any foreign crewed vessels, etc.).

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

1. 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
2. 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.

ASBESTOS, POLYCHLORINATED BIPHENYLS (PCBS) AND OTHER REGULATED SUBSTANCES

1. For the purposes of this Contract, regulated substances are those substances (excluding radioactive material) for which:
   1. Applicable federal, state or local regulations, or the safety and health standards may require special exposure control measures to protect worker health and safety, or
   2. In the absence of the specific regulations and standards, Seller shall utilize Occupational Safety and Health Act (OSHA) recognized standards for identifying and controlling substances, and requiring special exposure control measures to protect workers in accordance with Section 5(a)(1) of Public Law 91-596 OSHA. Such measures include, but are not limited to, respiratory protection, protective clothing, industrial hygiene surveys and workplace controls such as containment and ventilation.
2. The Government will remediate or reduce the amount of any identified substance determined to be in such concentrations as to require worker protection measures in the workplace environment as required by paragraph A to the extent such remediation or removal is feasible.
3. Despite the best efforts of Seller and Government personnel to anticipate and remediate any conditions where the workplace environment is affected by asbestos, PCB's or other regulated substances, and Seller may nevertheless encounter unanticipated situations where worker protection measures are required. In this case:
   1. Seller shall not be relieved of his duty to continue to perform the requirements of this Contract, including taking any actions necessary to comply “Department of Labor Occupational Safety and Health Standards for Ship Repair.”
   2. Any Seller effort, except for that specified in paragraph C.3. below, resulting from the actions of paragraph C.1. above shall be an allowable cost under this Contract but shall not be the subject of equitable adjustment under the “Changes” clause of this Contract.
   3. Cost and/or schedule impact resulting from remediation measures (i.e., clean up) required by paragraph A. above and worker protection measures in a level greater than the worker protection measures Seller must employ to comply with paragraph C.1. set forth above and shall be the subject of equitable adjustment under the “Changes” clause of this Contract.

**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)** [*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 ship repair and related work, as defined in the regulations performed under this Contract on the navigable waters of the United States including any dry dock and marine railway. Nothing contained in this Contract shall be construed as relieving 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 clauses if this Contract entitled “PERFORMANCE” (DFARS 252.217-7010) or “GOVERNMENT PROPERTY” (FAR 52.245-1), nor does it relieve Seller of any other requirement under such clauses.

DRYDOCK CERTIFICATION (NAVSEA) (MAY 1993)

The dry-docking of all Vessels on or after 1 January 1980 shall be accomplished in dry docks certified in accordance with MIL-STD-1625C(SH) dated 25 August 1987.

### 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***]**

1. Specifications. Buyer will furnish the Buyer-generated purchase specifications applicable to the Contract Work; however, Seller is responsible for obtaining MILSPEC documents as described in paragraph (e) below.
2. Drawings and Data. Buyer will furnish drawings, design agent drawings, ship construction drawings, and/or other design or alteration data cited in the Buyer-generated specification as mandatory for use or for performance.
3. 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).
4. 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.
5. Referenced Documentation. The Government will not be obligated to furnish Government specifications and standards, including Navy standard and type drawings and other technical documentation, which are referenced directly or indirectly in the specifications. Such referenced documentation may be obtained:
   1. From the ASSIST database via the internet at [http://assist.daps.dla.mil/;](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.

**INFORMATION AND DATA FURNISHED BY THE GOVERNMENT (COST TYPE) – ALTERNATE I (NAVSEA) (SEP 2009)****[***Modified by Buyer***]**

1. Specifications. Buyer will furnish the Buyer-generated purchase specifications applicable to the Contract Work; however, Seller is responsible for obtaining MILSPEC documents as described in paragraph (e) below.
2. Drawings and Data. Buyer will furnish contract drawings, design agent drawings, ship construction drawings, and/or other design or alteration data cited in the Buyer-generated specification as mandatory for use or for Contract guidance.
3. 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).
4. 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.
5. 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/;](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.

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

(a) Definitions.

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

[I think this one should come out of the flow-downs and should be added to purchase specs to those subcontractors which it may apply.]**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.

**NON SMOKING POLICY**

For bidding purposes, Seller is advised that in light of the Navy's policy regarding smoke-free facilities, the entire Vessel, topside and below decks, is to be considered a “No Smoking Area” unless otherwise indicated by shipboard policy.

**USE OF BLACK OXIDE COATED BRASS THREADED FASTENERS (BOCBTFs)**

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

**COSAL CONFIGURATION CHANGE DOCUMENTATION (NAVSEA) (JUN 1992) [***Modified by Buyer***]**

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

**POST-AWARD SUBMISSION**

After receipt of award and prior to starting work aboard the Vessel, Seller must submit a list of employees who will work aboard the ship to Buyer, so that Buyer can provide a comprehensive list to the Government as Buyer is required to under the terms of its Prime Contract. The list should be on company letterhead, include each employee’s name, social security number, and security clearance when required, and bear the signature of a company official.

**USE/POSSESSION OF PERSONAL ELECTRONIC DEVICES (PEDS) [***Modified by Buyer***]**

The possession and use of portable electronic devices (PEDs) within the confines of any Vessel, or in Buyer’s Facility, Government Facility or Seller's facility where equipment removed from the Vessel is being worked, is strictly controlled. PEDs include: mobile computing devices such as personal digital assistants (PDAs); hand-held or laptop computers; mobile telephone devices such as data-enabled cellular telephones; two-way pagers, including those with e-mail capability; analog and digital sound recorders; and digital cameras, including cellular phones with digital imaging capabilities. Cellular phones with digital imaging capabilities are strictly prohibited. PEDs may not be connected to any Navy-owned or controlled network. PEDs may not be used to store or process any digital information associated with the conduct of the Contract without written authorization from Buyer.

**Section D - Packaging and Marking**

Data to be delivered by Integrated Digital Environment (IDE) or other electronic media shall be as specified in the Contract. All classified 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 the National Industrial Security Program Operating Manual (NISPM), DOD 5220.22-M dated 28 February 2006.

CLAUSES INCORPORATED BY FULL TEXT [Modified by Buyer]

Item(s) 0600 - The supplies furnished hereunder shall be cleaned, preserved, packaged, packed and marked in accordance with the instructions provided by Buyer. When not otherwise specified, spare and repair parts shall be packaged to ensure protection against corrosion, deterioration, physical, and electrical damage during shipment from Seller to the point of delivery.

**IDENTIFICATION MARKING OF PARTS - ALTERNATE I (NAVSEA) (SEP 2009)**[*Modified by Buyer***]**

1. Identification marking of individual parts within the systems, equipments, assemblies, subassemblies, components, groups, sets or kits, and of spare and repair parts shall be done in accordance with applicable specifications and drawings. To the extent identification marking of such parts is not specified in applicable specifications or drawings, such marking shall be accomplished in accordance with the following:
   1. Parts not manufactured to Buyer or Government specifications shall be marked in accordance with generally accepted commercial practice.
   2. Parts manufactured to Buyer or Government specifications shall be marked as follows:
      1. Electrical Parts - that is, all parts in electrical equipments and electrical parts when used in equipments which are not electrical in nature (e.g., electric controls and motors in a hydraulic system) - shall be identified and marked in accordance with MIL-STD-1285D dated 7 September 2004, or, where MIL-STD-1285D does not cover such a part, in accordance with MIL-STD-130N dated 17 December 2007. Requirements of MIL-STD-1686C dated 25 October 1995 for Electrostatic Discharge Control shall be addressed.
      2. Electronic Parts - that is, all parts in electronic equipments and electronic parts when used in equipments which are not electronic in nature (e.g., electronic fuel controls in some engines) - shall be identified and marked in accordance with Requirement 67 of MIL-HDBK-454A dated 3 November 2000. Requirements of MIL- STD-1686C for Electrostatic Discharge Control shall be addressed.
      3. Parts other than electrical or electronic parts (as described above) shall be identified and marked in accordance with MIL-STD-130N.
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)

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

**Section E - Inspection and Acceptance** [*Modified by Buyer*]

E-1

Seller’s performance and the quality of the completed work shall be subject to inspection, review and final acceptance by Buyer and/or the Government’s RMC or a duly authorized representative thereof.

E-2

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

# E-3

The Inspection System which Seller is required to maintain, as provided in paragraph (b) of the clause entitled “Inspection of Supplies-Cost Reimbursement” (FAR 52.246-3), shall be in accordance with ISO 9001 in effect on the date of this Contract and NAVSEA Standard Item 009-04 in effect on the date of this Contract unless otherwise specified.

# E-4

Seller shall make his records of all inspection work available to Buyer and/or the Government for a period of 180 days after completion of all Contract Work called for in this Contract.

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

|  |  |
| --- | --- |
| 52.246-2 | INSPECTION OF SUPPLIES - FIXED PRICE (AUG1996) |
| 52.246-3 | INSPECTION OF SUPPLIES - COST-REIMBURSEMENT (MAY 2001) |

**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.

**Section F - Deliveries or Performance**

PLACE OF PERFORMANCE

Work on all Vessels under this Contract shall be performed in the ships’ homeport, visiting San Diego, CA, at the Facility identified below, to include CONUS and OCONUS, or as NASSCO or the Government’s ACO shall direct:

National Steel and Shipbuilding Company (NASSCO)Name of Facility)

2798 East Harbor Drive. (Street Address)

San Diego, CA 92113-3650

(City, State, Zip Code)

**CLAUSES INCORPORATED BY REFERENCE**

|  |  |
| --- | --- |
| 52.242-15 | STOP-WORK ORDER (AUG 1989) (Applicable only if Stop Work order initiated by the Government) |
| 52.242-15 Alt I | STOP-WORK ORDER (AUG 1989) – Alternate I (APR 1984) (Applicable only if Stop Work order initiated by the Government) |
| 52.242-17 | GOVERNMENT DELAY OF WORK (APR 1984) |

**Section G - Contract Administration Data –** There are no flow-downs.

**Section H - Special Requirements**

**5252.217-9107 GROWTH AND NEW WORK (SEP 1990) [***Modified by Buyer***]**

1. It is the Government’s intention to ensure that, where it is determined that the Contract Work will be performed by the private sector, any growth or new work identified during the overhaul will be awarded to Buyer and its subcontractors including Seller only if a fair and reasonable price can be negotiated for such work. If a fair and reasonable price cannot be negotiated for the above actions, the Government may, at its election, pursue any or all of the following course of action: (1) defer the Contract Work to a repair period after completion of the instant Contract; (2) accomplish the Contract Work using Government employees during the original overhaul period. (Government employees may engage in and complete the assigned work while the ship is undergoing overhaul in the initial prime contractor’s facility pursuant to the “ACCESS TO VESSEL” clause (DFARS 252.217-7011)); and/or (3) conduct a separate, competitive procurement for growth or new work. Performance will be during the original overhaul period. Buyer and other Master Ship Repair Agreement (MSRA) holders may enter this competition. If other than Buyer is successful, the successful contractor may engage in and complete the work while the ship is undergoing overhaul in Buyer’s Facility pursuant to the “ACCESS TO VESSEL” clause.
2. Seller shall include in its proposed price the cost of supporting one or more third parties (including Government employees and/or other contractors’ workers) at the overhaul site in performance of growth and/or new work, should the Government elect to pursue such a course. Increased costs that may result from third party presence as described above, may include, but are not limited to: insurance; physical plant security; reasonable access for third party workers who must transit Seller’s facility or any other work site provided by the overhaul; and similar requirements. Third party presence will occur only if the prime ship repair contractor proposes other than a fair and reasonable price. Seller shall price anticipated added expenses associated with third party presence as a contingency into the fixed price offered for performance of the specified work package. Seller shall be guided in arriving at this contingency price based on a risk assessment relative to the probability of proposing fair and reasonable prices versus reaching a potential impasse with the Government which would precipitate third party presence.
3. This requirement does not preclude the Government from using Government employees to perform new or growth work at any time during the availability provided the use of Government employees is in the best interest of the Government.

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

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

* + 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. Standard Work Template 077-11-001 (to be provided by Buyer) 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.

1. 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 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.
   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 or Southwest Regional Maintenance Center (SWRMC) 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 or SWRMC (as applicable) within 3 business days of receipt of written notification by the Country or U.S. State.
   8. After obtaining approval from either the Buyer or SWRMC (as applicable), Seller shall use the Navy generator identification number and insert in the remarks block Seller generator identification number issued for the approved site. 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 or SWRMC (as applicable) for completion.

### 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 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, it 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.

# **5252.243-9105 NOTIFICATION OF CHANGES (CT) (JAN 1983)** **(Applicable to all CLINS, except CLINS 0110 through 0125, 0210 through 0220, and 0600)** [*Modified by Buyer*]

1. 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.
2. 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 ship(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.
3. 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.
4. Buyer 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).
5. 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.
6. 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 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.
7. When Seller identifies any conduct which may result in delay to delivery of the ship(s), Seller shall promptly so inform Buyer’s Procurement Representative thereof prior to providing the notice required by paragraph (b) above.
8. 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 the fourth quarter of 201\_, Seller shall deliver to Buyer an executed bilateral contract modification, in the format set forth in Exhibit “A” to this requirement, 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 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.
9. 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:
3. 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.
4. Seller, for itself, its successors, assigns, vendors, suppliers, and subcontractors, hereby remises, releases and forever discharges Buyer, its 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 Buyer contract (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 Buyer contract (with this or any other Seller) or any contract between Seller and any third party.

**5252.243-9105 NOTIFICATION OF CHANGES (FT) - ALTERNATE I (JAN 1983)** (Applicable to CLINs 0110 through 0125, 0210 through 0220, and 0600)

1. Definitions. As used in this requirement, the term “Contracting Officer” does not include any representative of Buyer’s Procurement Representative or the Government’s Contracting Officer whether or not such representative is acting within the scope of his/her 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 provision of this Contract.
2. 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’s Procurement Representative, 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 Contract performance for which Seller might seek an equitable adjustment under this requirement, including: (1) what ship(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.
3. 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’s Procurement Representative in writing as provided in (d) below, unless the potential change was previously directed by Buyer’s Procurement Representative, 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’s Procurement Representative.
4. Buyer Response. Buyer’s Procurement Representative shall promptly, and in any event within 21 calendar days after receipt of Notice, respond thereto in writing. In such response, Buyer’s Procurement Representative 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 to respond within the time required above shall be deemed a countermand under (d)(ii).
5. Equitable Adjustments. Equitable adjustments for changes confirmed or countermanded by Buyer’s Procurement Representative 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.
6. 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 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 performance resulting from the countermand.
7. When Seller identifies any conduct which may result in delay to delivery of the ship(s), Seller shall promptly so inform Buyer’s Procurement Representative thereof prior to providing the notice required by paragraph (b) above.
8. 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 this Contract, beginning with the TBD quarter of TBD, Seller shall deliver to Buyer’s Procurement Representative an executed bilateral contract modification, in the format set forth in Exhibit “A” to this requirement, 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:
   1. NASSCO, 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 NASSCO to equitable adjustment of the Contract Price and delivery schedule due to conduct under this Contract, which occurred on or before\_\_\_\_\_.
   2. Seller, for itself, its successors, assigns, vendors, suppliers, and subcontractors, hereby remises, releases and forever discharges NASSCO, its 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 NASSCO contract (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 \_\_\_\_ 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 NASSCO contract (with this or any other contractor) or any contract between Seller and any third party.
3. To be completed at the time of Prime Contract award.

**5252.243 9113 OTHER CHANGE PROPOSALS (CT) (JAN 1990)** (Applicable to all CLINs except CLINs 0110 through 0125, 0210 through 0220, and 0600) [*Modified by Buyer*]]

1. 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.
2. Pending execution of a bilateral agreement or the direction of Buyer’s Procurement Representative pursuant to the “CHANGES” clause, Seller shall proceed diligently with Contract performance without regard to the effect of any such proposed change.
3. 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).

**5252.243-9113 OTHER CHANGE PROPOSALS (FT) - ALTERNATE I (JAN 1990)** (Applicable to CLINs 0110 through 01250, 0210 through 0220, 0500, and 0600) [*Modified by Buyer*]

1. 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’s Procurement Representative 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 Contract Work and estimate of cost shall be in such form and supported by such reasonably detailed information as Buyer’s Procurement Representative 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 Price, 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.
2. Pending execution of a bilateral agreement or the direction of Buyer’s Procurement Representative pursuant to the “CHANGES” clause, Seller shall proceed diligently with Contract performance without regard to the effect of any such proposed change.
3. 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’s Procurement Representative under the “CHANGES” clause. Seller shall be entitled to an equitable adjustment in the Contract Price 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 Price shall be a dispute within the meaning of the clause of this Contract entitled “DISPUTES” (FAR 52.233-1).

5252.245-9108 GOVERNMENT-FURNISHED PROPERTY (PERFORMANCE) (SEP 1990) [Government means only the US Government] [Modified by Buyer]

The Government will provide only that property set forth below, notwithstanding any term or condition of this Contract to the contrary. Upon Seller's written request to Buyer, who will forward the request to the cognizant Technical Program Manager, via the cognizant Contract Administration Office, the Government will furnish the following for use in the performance of this Contract: TBD.

**Section I - Contract Clauses**

In interpreting the requirements of these clauses, “Contracting Officer” should be considered to be Buyer’s Purchasing Representative and “Government” should be considered to be 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/>

<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” throughout this clause.**

**Note 2 – Substitute “Buyer Procurement Representative” for “Contracting Officer”, “Administrative Contracting Officer”, and “ACO” throughout this clause.**

**Note 3 – Insert “and Buyer” after “Government” throughout the clause.**

**Note 4 – Insert “or Buyer”) after “Government throughout this clause.**

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

**Note 6 – Insert “and Buyer” after “Contracting Officer”, throughout the clause.**

**Note 7 – Insert “or Buyer Procurement Representative” after “Contracting officer”, throughout the clause.**

**FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES**

**NUMBER TITLE DATE & NOTE**

**52.202-1** **DEFINITIONS** NOV 2013

*No Note applies*.

**52.203-3** **GRATUITIES** APR 1984

*Note 3 applies in (c) and (d).*

**52.203-5** **CONVENANT AGAINST CONTINGENT FEES** MAY 2014

*Note 3 applies in (a).*

**52.203-6** **RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT** SEPT 2006

*Applies if the contract value exceeds $150,000. No Note applies.*

**52.203-7** **ANTI-KICKBACK PROCEDURES** MAY 2014

*Applies if the Contract value exceeds $150,000. 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.*

**52.203-8** **CANCELLATION, RECISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER**

**ACTIVITY** MAY 2014

*Note 4 applies for (a), (b) and (c).*

**52.203-10** **PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY** MAY 2014

*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 kickback given by Seller.*

**52.203-12** **LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS** OCT 2010

*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.*

**52.203-13** **CONTRACTOR CODE OF BUSINESS ETHICS AND CONDUCT** APR 2010

*Applies if this Contract exceeds $5,000,000 and the period of performance is more than 120 days.*

*Disclosures made under this clause shall be made directly to the Government entities identified in the clause.*

*Clause does not apply to small businesses.*

**52.204-2** **SECURITY REQUIREMENTS** AUG 1996

*Applies if the Contract Work requires access to classified information.*

**52.204-4** **PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER** MAY 2011

*Note 3 applies to (b).*

**52.204-9** **PERSONAL IDENTITY VERIFICATION OF CONTRACTOR PERSONNEL** JAN 2011

*Applies where Seller will have physical access to a federally-controlled facility or access to a federal information system.*

*Note 3 applies for (c). In paragraph (d) prime Contractor shall refer to Buyer. Seller is responsible for getting the*

*information to Buyer so that Buyer can comply with the reporting requirements of paragraph (d).*

**52.204-10** **REPORTING EXECUTIVE COMPENSATION AND FIRST-TIER SUBCONTRACT AWARDS** JUL 2013

*Applies if Seller meets the first tier subcontract thresholds specified in the clause. Seller is to send information*

*to Buyer so that Buyer can comply with the reporting requirements of (d).*

**52.209-6** **PROTECTING THE GOVERNMENT’S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS**

**DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT** AUG 2013

*Applies if this Contract exceeds $30,000 and is not a subcontract for commercially available off the shelf items.*

*Seller is to provide copies of notices to Buyer so that Buyer can fulfill its reporting obligation under this clause. Note 5 applies.* .

**52.209-9 UPDATES OF PUBLICLY AVAILABLE INFORMATION REGARDING RESPONSIBILITY MATTERS** JUL 2013  
*No Note applies*.

**52.211-5** **MATERIAL REQUIREMENTS** AUG 2000

*Note 2 applies to (d) and (e).*

**52.211-15** **DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS** APR 2008

*No Note applies*.

**52.215-2** **AUDIT AND RECORDS—NEGOTIATION** OCT 2010

*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.*

**52.215-8** **ORDER OF PRECEDENCE—UNIFORM CONTRACT FORMAT** OCT 1997

*No Note applies*.

**52.215-10** **PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA** AUG 2011

*No Note applies.*

**52.215-11** **PRICE REDUCTION FOR DEFECTIVE CERTIFIED COST OR PRICING DATA—MODIFICATIONS** AUG 2011

*Applies if submission of certified cost or pricing data is required for modifications. Note 4 applies. “Government”*

*means “Buyer” in paragraph (e)(1). Rights and obligations under this clause shall survive completion of the work*

*and final payment under this Contract.*

**52.215-12** **SUBCONTRACTOR CERTIFIED COST OR PRICING DATA** OCT 2010

*Applies if this Contract exceeds $700,000 and is not otherwise exempt under FAR 15.403. No Note applies.*

**52.215-13** **SUBCONTRACTOR CERTIFIED COST OR PRICING DATA—MODIFICATIONS** OCT 2010

*Applies if this Contract exceeds $700,000 and is not otherwise exempt under FAR 15.403. No Note applies.*

**52.215-15** **PENSION ADJUSTMENTS AND ASSET REVERSIONS** OCT 2010

*Applies if this Contract meets the applicability requirements of FAR 15.408(g). Note 5 applies.*

**52.215-18** **REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB)**

**OTHER THAN PENSIONS** JUL 2005

*Applies if this Contract meets the requirements of FAR 15.408(j). Note 5 applies.*

**52.215-19** **NOTIFICATIONS OF OWNERSHIP CHANGES** OCT 1997

*Applies if this Contract meets the requirements of FAR 15.408(K). Note 5 applies.*

**52.215-21** **REQUIREMENTS FOR CERTIFIED COST OR PRICING DATA AND DATA OTHER THAN**

**CERTIFIED COST OR PRICING DATA—MODIFICATIONS** OCT 2010

ALT III (OCT 1997)

*Note 5 applies*.

**52.215-21Alt II REQUIREMENTS FOR CERTIFIED COST OR PRICING DATA AND DATA OTHER THAN  
CERTIFIED COST OR PRICING DATA—MODIFICATIONS (OCT 2010)** OCT 1997  
*Note 5 applies.*

**52.216-7** **ALLOWABLE COST AND PAYMENT** JUN 2013

*Note 1 applies except in (a)(3) and (b)(2)(F) where NOTE 3 applies. Note 2 applies except in (g)*

*where Note 7 applies. The blank in (a)(3) is completed with the “the 30th” unless otherwise specified in this Contract.*

*Paragraphs (a)(2), (b)(4), and (d)(4) are deleted. In paragraph (h) “six years” is changed to “5 years”.*

*The references to government entities in (d) are unchanged.*

**52.219-8** **UTILIZATION OF SMALL BUSINESS CONCERNS**  MAY 2014

*Does not apply to small businesses*. *Note 5 applies*.

**52.219-9** **SMALL BUSINESS SUBCONTRACTING PLAN** JUN 2013

*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.*

**52.219-9** **Alt II SMALL BUSINESS SUBCONTRACTING PLAN (JULY 2013) ALT. II**  OCT 2001

*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.*

**52.222-1** **NOTICE TO THE GOVERNMENT OF LABOR DISPUTES** FEB 1997

*Note 5 applies.*

**52.222-2 PAYMENT FOR OVERTIME PREMIUMS** JUL 1990

*Note 5 applies*.

**52.222-3** **CONVICT LABOR** JUN 2003

*Note 5 applies.*

**52.222-4** **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT—OVERTIME COMPENSATION** MAY 2014

*Applies if the Contract requires or involves employment of laborers or mechanics. Note 7 applies.*

**52.222-19** **CHILD LABOR—COOPERATION WITH AUTHORITIES AND REMEDIES** JAN 2014

*Note 2 applies for (c) and Note 2 when the Government exercises its rights and remedies against Buyer for*

*Seller’s violations.*

**52.222-20 CONTRACTS FOR MATERIALS, SUPPLIES, ARTICLES, AND EQUIPMENT EXCEEDING $15,000** MAY 2014  
*Applies when Contract exceeds or may exceed $15,000. No Note applies.*

**52.222-21** **PROHIBITION OF SEGREGATED FACILITIES** FEB 1999

*No Note applies.*

**52.222-26** **EQUAL OPPORTUNITY** MAR 2007

*Applies to Contract with value in excess of $10,000. Note 7 applies to (c)(3) and (c)(5).*

**52.222-29** **NOTIFICATION OF VISA DENIAL** JUN 2003

*Note 5 applies.*

**52.222-35** **EQUAL OPPORTUNITY FOR VETERANS** JUL 2014

*Applies if Contract value is $100,000 or more. Note 5 applies.*

**52.222-36** **EQUAL OPPORTUNITYFOR WORKERS WITH DISABILITIES** JUL 2014

*Applies if Contract value equals or exceeds $15,000. No Note applies.*

**52.222-37** **EMPLOYMENT REPORTS ON VETERANS** JUL 2014

*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.*

**52.222-40** **NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT** DEC 2010

*Applies if Contract value that exceeds $10,000.*

**52.222-50** **COMBATING TRAFFICKING IN PERSONS** FEB 2009

*Note 5 applies except in (e) where Note 4 applies.*

**52.222-54** **EMPLOYMENT ELIGIBILITY VERIFICATION** AUG 2013

*Applies if this Contract exceeds $3,000. No Note applies.*

**52.223-3** **HAZARDOUS MATERIAL IDENTIFICATION AND MATERIAL SAFETY DATA** JAN 1997

*Applies if this Contract involves hazardous material. Note 5 applies in (e) and Note 4 applies in (f).*

**52.223-5** **POLLUTION PREVENTATION AND RIGHT-TO-KNOW INFORMATION** MAY 2011

*No Note applies.*

**52.223-6** **DRUG-FREE WORKPLACE** MAY 2001

*Note 5 applies. Except Note 4 applies in (d).*

**52.223-7 NOTICE OF RADIOACTIVE MATERIALS** JAN 1997

**52.223-11** **OZONE-DEPLETING SUBSTANCES** MAY 2001

*Applies if the Contract Work was manufactured with or contains ozone-depleting substances. No Note applies.*

**52.223-12** **REFRIGERATION EQUIPMENT AND AIR CONDITIONERS** MAY 1995

*No Note applies.*

**52.223-18** **ENCOURAGING CONTRACTOR POLICIES TO BAN TEXT MESSAGING WHILE DRIVING** AUG 2011

*Applies if Contract value exceeds $3,000. Note 5 applies.*

**52.225-13** **RESTRICTIONS ON CERTAIN FOREIGN PURCHASES** JUN 2008

*No Note applies.*

**52.227**-1 **AUTHORIZATION AND CONSENT** DEC 2007

*No Note applies. Government and Contracting Officer remain unchanged.*

**52.227-2** **NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT** DEC 2007

*Applies if Contract value exceeds $150,000; Note 5 applies to (a) and (b).*

**52.227-10** **FILING OF PATENT APPLICATIONS—CLASSIFIED SUBJECT MATTER** DEC 2007

*Applies if the Contract Work or any patent application may cover classified subject matter. Note 5 applies*

*to 9a), (b) and (c).*

**52.227-13** **PATENT RIGHTS—OWNERSHIP BY THE GOVERNMENT** DEC 2007

*Note 5 applies in (b)(2)(i), (e)(1), (e)(2), (e)(3), (f)(2), and (g). Seller is to provide its disclosures and reports to*

*Buyer so that Buyer can fulfill its obligations under the Prime Contract.*

**52.228-3** **WORKER’S COMPENSATION INSURANCE (DEFENSE BASE ACT)** JUL 2014

*No Note applies*.

**52.229-3** **FEDERAL, STATE, AND LOCAL TAXES** FEB 2013

*Note 2 applies to (g)*.

**52.229-6** **TAXES—FOREIGN FIXED-PRICE CONTRACTS** FEB 2013

*Note 2 applies to (j)*.

**52.229-8 TAXES--FOREIGN COST-REIMBURSEMENT CONTRACTS**  MAR 1990

52.229-9 TAXES--COST-REIMBURSEMENT CONTRACTS WITH FOREIGN GOVERNMENTS MAY 1990

**52.230-2** **COST ACCOUNTING STANDARDS** MAY 2014

*Applies only when referenced in the Contract that full CAS coverage applies. No Note applies.*

**52.230-6** **ADMINISTRATION OF COST ACCOUNTING STANDARDS** JUN 2010

*Applies if FAR 52.230-2 or FAR 52.230-3 applies. No Note applies.*

**52.232-20 LIMITATION OF COST**APR 1984

*Applicable when this Contract becomes fully funded. Note 1 and Note 2 apply.*

**52.232-22** **LIMITATION OF FUNDS** APR 1984

*Note 2 applies to (c), (d), (f)(2), (h) and (i). Note 1 applies to (k).*

**52.232-23 ASSIGNMENT OF CLAIMS** MAY 2014

*Buyer’s Procurement Representative shall be substituted for Contracting Officer. Note 2 applies for (c).*

**52.232-23Alt I ASSIGNMENT OF CLAIMS** (MAY 2014) – Alternate I APR 1984

*No Note applies.*

**52.233-3** **PROTEST AFTER AWARD** AUG 1996

*Note 2 applies except in (e) where Note 3 applies.*

**52.233-3 ALT I PROTEST AFTER AWARD (AUG 1996) – ALTERNATE I**  JUN 1985

*No Note applies*.

**52.233-4 APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM** OCT 2004

*No Note applies.*

**52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III** DEC 1994  
*Note 5 applies to (b)*.

**52.237-2 PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT AND VEGETATION** APR 1984

*Applies if Contract Work is performed on a Government installation. No Note applies.*

**52.237-3 CONTINUITY OF SERVICES** JAN 1991

*Note 2 applies to (b).*

**52.242-1 NOTICE OF INTENT TO DISALLOW COSTS** APR 1984

*Note 5 applies to (a)(2).*

**52.242-3 PENALTIES FOR UNALLOWABLE COSTS** MAY 2014

**52.242-13 BANKRUPTCY** JUL 1995

*Note 2 applies.*

**52.243-1 CHANGES—FIXED PRICE** AUG 1987

*Note 2 applies.*

**52.243-2 CHANGES – COST REIMBURSEMENT** AUG 1987

*Note 2 applies.*

**52.243-6 CHANGE ORDER ACCOUNTING** APR 1984

*Note 2 applies if the Prime Contract requires change order accounting.*

**52.243-7 NOTIFICATION OF CHANGES APR 1984**

**52.244-2 SUBCONTRACTS** OCT 2010

*Notes 1 and 2 apply.*

**52.244-5 COMPETITION IN SUBCONTRACTING** DEC 1996

*No Note applies*.

**52.245-1 GOVERNMENT PROPERTY**  APR 2012

*Note 5 applies*.

**52.245-2 GOVERNMENT PROPERTY INSTALLATION OPERATION SERVICES** APR 2012

*Note 5 applies in (c).*

**52.245-9 USE AND CHARGES** APR 2012

*Note 5 applies.*

**52.247-1 COMMERCIAL BILL OF LADING NOTATIONS** FEB 2006

*No Note applies*.

**52.247-68 REPORT OF SHIPMENT (REPSHIP)** FEB 2006

*Note 5 applies*.

**52.248-1** **VALUE ENGINEERING** OCT 2010

*Applies if the Contract value exceeds $150,000; Note 5 applies.*

**52.249-2 TERMINATION FOR CONVENIENCE OF THE**

**GOVERNMENT (FIXED-PRICE)**  APR 2012

*Clause is applicable when the Government terminates the Prime Contract.*

**52.249-2 TERMINATION (COST-REIMBURSEMENT)** MAY 2004

*Clause is applicable when the Government terminates the Prime Contract.*

**52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE)** APR 1984

*Clause is applicable when the Government terminates the Prime Contract.*

**52.249-14 EXCUSABLE DELAYS** APR 1984

*Note 2 applies to (b)(2) and Note 7 applies to (c).*

**52.251-1 GOVERNMENT SUPPLY SOURCES** APR 2012

*No Note applies*.

**52.252-2 CLAUSES INCORPORATED BY REFERENCE** FEB 1998

**52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES** APR 1984  
*No Note applies.*

**52.253-1 COMPUTER GENERATED FORMS** JAN 1991

*No Note applies*.

**252.201-7000 CONTRACTING OFFICER’S REPRESENTATIVE** DEC 1991

*No Note applies*.

**252.203-7000 REQUIREMENTS RELATING TO COMPENSATION OF FORMER DOD OFFICIALS** SEPT 2011

*No Note applies*.

**252.203-7001 PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE**

**CONTRACT-RELATED FELONIES** DEC 2008

*Applies if this Contract exceeds $150,000. The terms “contract,” “contractor,” and “subcontract” shall not*

*change in the meaning for paragraphs (a) and (d). Delete paragraph (g). Note 5 applies.*

**252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS** SEP 2013

*No Note applies*.

**252.203-7003 AGENCY OFFICE OF THE INSPECTOR GENERAL** DEC 2012

*Applies when FAR 2-3-13 applies to this Contract. No Note applies.*

**252.203-7004 DISPLAY OF FRAUD HOTLINE POSTER(S)** DEC 2012

*Applies in lieu of FAR 52.203-14.*

**252.204-7000 DISCLOSURE OF INFORMATION** AUG 2013

*Note 2 applies.*

**252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT** APR 1992

*No Note applies*.

**252.204-7005 ORAL ATTESTATION OF SECURITY RESPONSIBILITIES** NOV 2001

*No Note applies*.

**252.204-7008 EXPORT-CONTROLLED ITEMS** APR 2010

*No Note applies*.

**252.204-7012 SAFEGUARDING OF UNCLASSIFIED CONTROLLED TECHNICAL INFORMATION** NOV 2013  
*Note 7 applies*.

**252.205-7000 PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS** DEC 1991

*No Note applies*.

**252.209-7004 SUBCONTRACTING WITH FIRMS THAT ARE OWNED OR CONTROLLED BY THE GOVERNMENT**

**OF A TERRORIST COUNTRY** MAR 2014

*Note 5 applies for (b)*.

**252.211-7003 ITEM IDENTIFICATION AND VALUATION** DEC 2013

*Applies if this Contract requires the Contract Work to contain unique item identification. In (c)((i), (c)(4)(i), (d), (e),*

*and (f) Contractor shall mean Seller, and all reports required to be submitted under this clause shall be submitted to*

*Buyer’s Procurement Representative; delete paragraph (g) and insert the following in lieu thereof: “(g) Lower-Tier*

*Subcontracts. Seller shall include this clause, including this paragraph (g), in all lower tier subcontracts issued under*

*this Contract for the acquisition of components identified as requiring UID.”*

**252.211-7005 SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATIONS AND STANDARDS** NOV 2005

**252.211-7007 REPORTING OF GOVERNMENT-FURNISHED PROPERTY** AUG 2012

*Applies if this Contract requires Government property in Seller’s possession to contain unique item identification*.

**252.211-7008 USE OF GOVERNMENT-ASSIGNED SERIAL NUMBERS** SEP 2010

*No Note applies*.

**252.215-7000 PRICING ADJUSTMENTS** DEC 2012

*Applies if FAR 52.215-12 or 52.215-13 applies to this Contract. No Note applies.*

**252.215-7002 COST ESTIMATING SYSTEM REQUIREMENTS** DEC 2012

*Note 5 applies*.

**252.216-7004** **AWARD FEE REDUCTION OR DENIAL FOR JEOPARDIZING THE HEALTH OR**

**SAFETY OF GOVERNMENT PERSONNEL**  SEP 2011

*Note 1 applies for (b).*

**252.217-7001 SURGE OPTION** AUG 1992

*Note 2 applies*.

**252.217-7028 OVER AND ABOVE WORK** DEC 1991

*Note 1 and Note 2 apply*.

**252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS)** AUG 2012

*Applies if FAR 52.219-9 applies to this Contract. Delete paragraph (g).Note* 5 applies.

**252.223-7004 DRUG FREE WORK FORCE** SEP 1988

*No Note applies.*

**252.223-7006 PROHIBITION ON STORAGE AND DISPOSAL OF TOXIC AND**  SEP 2014

**HAZARDOUS MATERIALS**

*No Note applies*.

**252.223-7008 PROHIBITION OF HEXAVALENT CHROMIUM** JUN 2013

*Note 2 applies*.

**252.225-7001 BUY AMERICAN AND BALANCE OF PAYMENTS PROGRAM** DEC 2012

*Applies if the Contract Work contains other than domestic components. Applies in lieu of FAR 52.225-1. No Note applies*.

**252.225-7002 QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS** DEC 2012

*No Note applies*.

**252.225-7004 REPORT OF INTENDED PERFORMANCE OUTSIDE THE UNITED STATES AND**  OCT 2010

**CANADA—SUBMISSION AFTER AWARD**

*Note 5 applies*.

**252.225-7005 IDENTIFICATION OF EXPENDITURES IN THE UNITED STATES** JUN 2005

*Note 4 applies*.

**252.225-7006 QUARTERLY REPORTING OF ACTUAL CONTRACT PERFORMANCE OUTSIDE** OCT 2010

**THE UNITED STATES**

*Applies if this Contract exceeds $650,000. Paragraph (f) is deleted.*

**252.225-7007 PROHIBITION ON ACQUISITION OF UNITED STATES MUNITIONS LIST** SEP 2006

**ITEMS FROM COMMUNIST CHINESE MILITARY COMPANIES**

*Applies if Seller is supplying items on the U.S. Munitions List. No Note applies.*

252.225-7008 RESTRICTION ON ACQUISITION OF SPECIALTY METALS MAR 2013

**252.225-7009 RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING** JUN 2013

**SPECIALTY METALS**

*Applies if the Contract Work to be furnished contains specialty metals. Note 5 applies to (d)(i).*

**252.225-7012 PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES** FEB 2013

*No Note applies*.

**252.225-7013 DUTY-FREE ENTRY** OCT 2013

*Note 5 applies.*

**252.225-7015 RESTRICTION ON ACQUISITION OF HAND OR MEASURING TOOLS** JUN 2005

*No Note applies*.

**252.225-7016 RESTRICTION ON ACQUISITION OF BALL AND ROLLER BEARINGS** JUN 2011

*No Note applies*.

**252.225-7019 RESTRICTION ON ACQUISITION OF ANCHOR AND MOORING CHAIN** DEC 2009

*No Note applies.*

**252.225-7025 RESTRICTION ON ACQUISITION OF FORGINGS** DEC 2009

*Note 5 applies for (d).*

**252.225-7030 RESTRICTION ON ACQUISITION OF CARBON, ALLOY, AND ARMOR** DEC 2006

STEEL PLATE

*No Note applies*.

**252.225-7041 CORRESPONDENCE IN ENGLISH** JUN 1997

*No Note applies*.

**252.225-7043 ANTITERRORISM/FORCE PROTECTION POLICY FOR DEFENSE CONTRACTORS** MAR 2006

**OUTSIDE THE UNITED STATES**

*Applies where Seller will be performing or traveling outside of the U.S. under this Contract. For paragraph (c), see applicable*

*Information cited in DFARS 252.7401.*

**252.226-7001 UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN-OWNED** SEP 2004

**ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS**

*Applies if this Contract exceeds $500,000. Note 5 applies.*

**252.227-7013 RIGHTS IN TECHNICAL DATA—NONCOMMERCIAL ITEMS** FEB 2014

*Note 5 applies*.

**252.227-7014 RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND** FEB 2014

**NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION**

*Note 5 applies*.

**252.227-7016 RIGHTS IN BID OR PROPOSAL INFORMATION** JAN 2011

*No Note applies*.

**252.227-7019 VALIDATION OF ASSERTED RESTRICTIONS--COMPUTER SOFTWARE** SEP 2011

*Note 5 applies*.

**252.227-7027 DEFERRED ORDERING OF TECHNICAL DATA OR COMPUTER SOFTWARE** APR 1988

*No Note applies.*

**252.227-7030 TECHNICAL DATA--WITHHOLDING OF PAYMENT** MAR 2000

*Note 5 applies*.

**252.227-7037 VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA** JUN 2013

*Note 5 applies*.

**252.227-7039 PATENTS--REPORTING OF SUBJECT INVENTIONS** APR 1990

*Note 5 applies*.

**252.228-7003 CAPTURE AND DETENTION** DEC 1991

*No Note applies*.

**252.231-7000 SUPPLEMENTAL COST PRINCIPLES** DEC 1991

*No Note applies*.

**252.232-7008 ASSIGNMENT OF CLAIMS (OVERSEAS)** JUN 1997

*Note 2 applies*.

**252.233-7001 CHOICE OF LAW (OVERSEAS)** JUN 1997

*No Note applies*.

**252.242-7005 CONTRACTOR BUSINESS SYSTEMS** FEB 2012

*Note 5 applies*.

**252.243-7001 PRICING OF CONTRACT MODIFICATIONS** DEC 1991

*No Note applies*.

**252.243-7002 REQUESTS FOR EQUITABLE ADJUSTMENT** DEC 2012

*Note 5 applies*.

**252.244-7000 SUBCONTRACTS FOR COMMERCIAL ITEMS** JUN 2013

*No Note applies*.

**252.245-7001 TAGGING, LABELING, AND MARKING OF GOVERNMENT-FURNISHED** APR 2012

**PROPERTY**

*No Note applies*.

**252.245-7002 REPORTING LOSS OF GOVERNMENT PROPERTY** APR 2012

*No Note applies; (b)(1) does not apply to Seller*.

**252.245-7003 CONTRACTOR PROPERTY MANAGEMENT SYSTEM ADMINISTRATION** APR 2012

*Note 5 applies*.

**252.245-7004 REPORTING, REUTILIZATION, AND DISPOSAL** MAY 2013

*Note 1 and Note 2 apply*.

**252.246-7001 WARRANTY OF DATA** MAR 2014

*Note 5 applies*.

**252.246-7003 NOTIFICATION OF POTENTIAL SAFETY ISSUES** JUN 2013

*Note 5 applies*.

**252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA** APR 2014

*Note 5 applies*.

**252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA** MAR 2000

*Notes 1 and 2 apply*.

**252.247-7028 APPLICATION FOR U.S. GOVERNMENT SHIPPING** JUN 2012

**DOCUMENTATION/INSTRUCTIONS**

*No Note applies*.

**252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR**  OCT 2010

**REDUCTION**

*Applies if this Contract exceeds $650,000. Note 2 applies. Delete paragraph (d)(1) and the first five words*

*of paragraph (d)(2).*

52.246-18 WARRANTY OF SUPPLIES OF A COMPLEX NATURE (MAY 2001) (NAVSEA VARIATION) (MAY 1993) (MODIFIED) (DEC 2012)

1. Definitions. As used in this clause –
   1. Acceptance means the act of an authorized representative of Buyer’s Procurement Representative and the Government’s representative by which the Government takes delivery of the supply, which is the repaired, mission-ready Vessel that is the subject of the availability.
   2. Defect means any condition or characteristic in any warranted supplies or related incidental services furnished by Seller that are not in compliance with the requirements of the Contract, as determined by the Regional Maintenance Center’s Code 100, Code 200, Code 300 or Code 300 PM.
   3. Warranted supplies mean the critical systems and work items specified in paragraph (b)(3) below, on which Seller or its subcontractors worked, and the related incidental services performed by Seller or its subcontractors under this Contract. This term does not include “data.”
2. Seller’s obligations.
   1. Seller warrants that, for 90 days after the Government’s acceptance of the Vessel with Buyer, all of the warranted supplies identified in paragraph (b)(3) below will be free from defects in material and workmanship, will conform with all design and manufacturing specifications and requirements of this Contract, and will conform to the essential performance requirements of the Contract; provided, however, that with respect to Government-furnished property relating to such warranted supplies, Seller’s warranty shall extend only to its proper installation, unless Seller performs some modification or other work on the property, in which case, Seller’s warranty shall extend to the modification or other work.
   2. Any warranted supply or parts thereof corrected or furnished in replacement shall be subject to the conditions of this clause to the same extent as the warranted supply initially delivered. This warranty shall be equal in duration to that set forth in paragraph (b)(1) of this clause and shall run from the date of delivery of the corrected or replaced warranted supply.
   3. This special warranty applies only to the following specified critical systems and work items on which Seller or its subcontractors have worked under this Contract and which are identified and discussed during the pre-availability conference and effected by a bilateral modification to this Contract:

[List the relevant critical systems and work items covered by the special warranty]

* 1. Seller shall apply a permanent warrant notification stamping or marking on each warranted deliverable end item and its container. The notification shall be placed in close proximity to other required stamping or markings so as to be easily readable by personnel. The warranty notification shall read:

THIS ITEM WARRANTED UNDER CONTRACT N00024- \_\_\_\_\_\_\_TO CONFORM TO DESIGN, MANUFACTURING, AND PERFROMANCE REQUIREMENTS AND BE FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP FOR \_\_\_\_\_\_\_ FROM DATE OF ACCEPTANCE. IF ITEM IS DEFECTIVE NOTIFY \_\_\_\_\_\_\_\_\_\_\_\_ AND PCO.

* 1. If Seller or any subcontractor has a warranty for work performed or materials furnished relating to a warranted supply that exceeds the 90 day period, Seller warrants that Buyer and the Government shall be entitled to rely upon the longer warranty until its expiration. Seller shall promptly notify Buyer’s Procurement Representative, in writing, of such longer period and applicable warranted supply.
  2. With respect to any warranted supply, and any individual work item related thereto, identified by either party as incomplete at the time of redelivery of the Vessel, the special warranty period shall run from the date the item is completed.
  3. Seller shall not be obligated to correct or replace warranted supplies if the facilities, tooling, drawings, or other equipment or supplies necessary to accomplish the correction or replacement have been made unavailable to Seller by action of Buyer or the Government. In the event that correction or replacement has been directed, Seller shall promptly notify Buyer’s Procurement Representative, in writing, of the non-availability.
  4. Seller shall also prepare and furnish to Buyer data and/or reports applicable to any correction required on a warranted supply (including revision and updating of all affected data called for under this Contract) at no additional expense to Buyer or the Government. If Seller fails to prepare and furnish such data and/or reports or should Buyer or the Government elect not to secure such data and/or reports from Seller or another source, Seller shall pay costs reasonably incurred by Buyer or the Government in acquiring such data and/or reports, or Buyer shall be entitled to an equitable adjustment to the Contract.
  5. When warranted supplies are returned to Seller, Seller shall bear the transportation costs from the place of delivery specified in the Contract (irrespective of the f.o.b. point or the point of acceptance) to Seller’s plant and return.
  6. This special warranty does not limit Buyer’s or the Government’s rights under the Inspection clause in relation to latent defects, fraud, or gross mistakes that amount to fraud; furthermore, this warranty does not include damage caused by Buyer or the Government.
  7. All implied warranties of merchantability and “fitness for a particular purpose” relating to the warranted supplies are excluded from any obligation contained in this Contract.
  8. In determining whether the failure was discovered prior to the expiration of the specified period, conditional acceptance shall not be considered to be acceptance. Rather, conditionally accepted supplies shall be considered to have been accepted as of the date Seller is notified by Buyer’s Procurement Representative, in writing, that the condition has been satisfied or waived.

1. Remedies available to Buyer.
   1. Notwithstanding any other clause, term or condition of this Contract, including those pertaining to inspection and acceptance of supplies or services by Buyer or the Government, in the event Buyer or the Government determines that Seller has breached the special warranty in paragraph (b)(1) of this clause, Buyer may do the following as required by its Prime Contract with the Government:
      1. Require Seller, at the place of performance specified in the Contract (irrespective of the f.o.b. point or the point of acceptance) or at Seller’s plant, to correct or replace, at Buyer Procurement Representative’s election, defective or nonconforming warranted supplies, at Seller’s own expense, but only to the limits stated in paragraph (b)(3) of this clause; or
      2. Require Seller to furnish, at the place of delivery specified by Buyer’s Procurement Representative (irrespective of the f.o.b. point or the point of acceptance) or at Seller’s plant, the materials or parts and installation instructions required to successfully accomplish the correction, at Seller’s own expense, but only to the limits stated in paragraph (b)(3) of this clause.
   2. If Buyer’s Procurement Representative does not require correction or replacement of the defective or nonconforming warranted supplies by Seller, but instead has the correction or replacement performed by another source, Buyer’s Procurement Representative shall be entitled to an equitable reduction in the total allowable costs reflecting the correction or replacement costs, but only to the limits stated in paragraph (b)(3) of this clause. Failure of the parties to agree upon an equitable reduction shall constitute a dispute under the Disputes clause of this Contract.
   3. In fulfilling performance under this special warranty, Seller shall bear the costs incurred on corrective or replacement actions for the specific availability on which the corrective or replacement actions were taken under this special warranty. Seller’s obligation to correct or replace the defective warranted supply, or to agree to an equitable reduction in the total allowable costs, shall include responsibility for the costs of furnishing all labor and material to: (i) re-inspect warranted supplies that Buyer and the Government reasonably expected to be defective;

(ii) accomplish the required correction or replacement; and (iii) test, inspect, and mark repaired or replaced warranted supplies.

* 1. The Contracting Officer will notify the Ship’s Commanding Officer to prepare a list of defective or deficient items covered by this Special Warranty. The Contracting Officer will specify the acceptable turnaround times for warranty corrective actions to be taken by Buyer, who shall in turn, pass on the same requirements to Seller. When these specified turnaround times are not met by Seller, Buyer, as obligated by the terms of its Prime Contract, shall charge Seller for product replacement costs [or the following liquidated damages for each defective item not corrected by Seller within the specified turnaround time] when Buyer is charged under its Prime Contract for defective items provided by Seller.
  2. Under Buyer’s Prime Contract, the Contracting Officer shall notify Buyer in writing of any breach of the warranty in paragraph (b)(1) of this clause within 100 days after the Government’s acceptance of the Vessel. Buyer will notify seller as soon as practical after it receives any notice relevant to Contract Work provided by seller. Buyer is obligated to submit to the Contracting Officer a written recommendation within 5 days after receipt of this notice of breach as to the corrective action required to remedy the breach. Seller will provide a response to Buyer to enable Buyer to meet its contract obligations with respect to the forgoing obligation. After the notice of breach, but not later than 5 days after receipt of Buyer’s and/or Seller’s recommendation for corrective action, the Contracting Officer may, in writing, direct correction or replacement as in paragraph (c)(1) of this clause, and Buyer together with Seller shall, notwithstanding any disagreement regarding the existence of a breach of warranty, comply with this direction. The failure of the Government’s Contracting Officer to so provide timely notice of the breach, however, shall not diminish the rights the Government would otherwise have under this clause or any other term or condition of this Contract.
  3. If warranted supplies are corrected or replaced, the period of notification of a breach of Seller’s warranty in paragraph (b)(2) of this clause shall be 100 days after the date of delivery of the corrected or replaced warranted supply.
  4. The rights and remedies of Buyer and the Government provided in this clause are in addition to, and do not limit, any rights afforded to Buyer or the Government by any other clause of the Contract.
  5. The failure of Buyer or the Government to assert its right under this clause with respect to any particular breach or breaches of a warranty provided herein shall not waive or otherwise diminish Buyer’s or the Government’s rights with respect to any subsequent breach of a warranty.