**NATIONAL STEEL AND SHIPBUILDING COMPANY**

SPECIAL TERMS AND CONDITIONS

**LHA 8 PROGRAM**

**N00024-13-C-2401**

Rev 0 June 17, 2014

**PRIME CONTRACT CLAUSES – N00024-13-C-2401**

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

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

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

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.

**Section C – Description and Specifications**

DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARS FOR SHIPBUILDING (AT) (NAVSEA) (JAN 1990) [Modified by Buyer]

Attention of the Seller is directed to Public Law 91 596, approved December 29, 1970 (84 Stat. 1590, 29 USC 655) known as the “OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970” and to the “OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIPYARD EMPLOYMENT” promulgated thereunder by the Secretary of Labor (29 CFR. 1910 and 1915). These regulations apply to all shipbuilding and related work, as defined in the regulations. Nothing contained in this Contract shall be construed as relieving Seller from any obligations which it may have for compliance with the aforesaid regulations.

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

1. Specifications. Buyer will furnish the specifications applicable to the Contract Work.
2. Drawings and Data. Buyer will furnish drawings, design agent drawings, ship construction drawings, and/or other design or alteration data cited in the specification as mandatory for use or for performance.
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. Buyer and the Government will not be obligated to furnish Government specifications and standards, including Navy standard and type drawings and other technical documentation, which are referenced directly or indirectly in the specifications. Such referenced documentation may be obtained as described below. (1) From the ASSIST database via the internet at [https://assist.dla.mil/;](https://assist.dla.mil/;%20) 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. (i) A “**zero-tier reference**” is a specification, standard, or drawing that is cited in the Contract (including its attachments). (ii) A “**first-tier reference**” is either: (1) a specification, standard, or drawing cited in a zero-tier reference, or (2) a specification cited in a first-tier drawing.

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

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

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

**Section D - Packaging and Marking**

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 (“NISPOM”), DOD 5220.22-M dated 28 February 2006.

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

All reports delivered by Seller to Buyer for the Government under this Contract shall prominently show on the cover of the report: (1) name and business address of Seller AND NASSCO; (2) Prime Contract number and Seller’s PO number; (3) Contract dollar amount; (4) whether the Contract was competitively or non-competitively awarded; (5) List sponsor [Michael Arnold, PMS 377C, PEO Ships – PMS 377, Washington Navy Yard, DC].

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

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 Contracting Officer’s Representative (COR) or a duly authorized representative thereof.

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) |
| 52.246-4 | INSPECTION OF SERVICES – FIXED PRICE (AUG 1996) |
| 52.246-5 | INSPECTION OF SERVICES – COST REIMBURSEMENT (APR 1984) |

**Section F - Deliveries or Performance**

**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) |

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

**Section H - Special Requirements**

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

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

(b) Whenever the Seller requests or proposes an equitable adjustment of $100,000 or more per vessel in respect to a change made pursuant to a written order designated as a “change order” or in respect to a proposed engineering change and whenever the Seller requests an equitable adjustment in any amount in respect to any other act or omission to act on the part of the Government, the proposal supporting such request shall contain the following information for each individual item or element of the request: (1) A description (i) of the work required by the Contract before the change, which has been deleted by the change, and (ii) of the work deleted by the change which already has been completed. The description is to include a list of components, equipment, and other identifiable property involved. Also, the status of manufacturer, procurement, or installation of such property is to be indicated. Separate description is to be furnished for design and production work. Items of raw material, purchased parts, components and other identifiable hardware, which are made excess by the change and which are not to be retained by the Seller, are to be listed for later disposition; (2) Description of work necessary to undo work already completed which has been deleted by the change; (3) Description of work not required by the terms hereof before the change, which is substituted or added by the change. A list of components and equipment (not bulk materials or items) involved should be included. Separate descriptions are to be furnished for design work and production work; (4) Description of interference and inefficiencies in performing the change; (5) Description of each element of disruption and exactly how work has been, or will be disrupted: (i) The calendar period of time during which disruption occurred, or will occur; (ii) Area(s) aboard the Vessel where disruption occurred, or will occur; (iii) Trade(s) disrupted, with a breakdown of man-hours for each trade; (iv) Scheduling of trades before, during and after period of disruption; (v) Description of measures taken to lessen the disruptive effect of the change; (6) Delay in delivery attributable solely to the change; (7) Other work attributable to the change; (8) Supplementing the foregoing, a narrative statement of the direct “causal” relationship between any alleged Government act or omission and the claimed consequences therefor, cross referenced to the detailed information provided as required above; and (9) A statement setting forth a comparative enumeration of the amounts “budgeted” for the cost elements, including the material costs, labor hours and pertinent indirect costs, estimated by the Seller in preparing its initial and ultimate proposal(s) for this Contract, and the amounts claimed to have been incurred and/or projected to be incurred corresponding to each such “budgeted cost” elements.

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

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

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

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

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

### 5252.227-9113 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>

# **5252.243-9105 NOTIFICATION OF CHANGES (CT) (JAN 1983)** [*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 Vessel(s) have been or might be affected by the potential change; (2) To the extent practicable, labor or materials or both which have been or might be added, deleted, or wasted by the potential change; (3) To the extent practicable, Seller’s preliminary order of magnitude estimate of cost and schedule effect of the potential change; and (4) What and in what manner are the particular technical requirements or Contract requirements regarded as changed.
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’s Response. Buyer shall promptly, and in any event within 21 calendar days after receipt of Seller’s notice, respond thereto in writing. In such response, Buyer shall either: (i) Confirm that the conduct of which Seller gave notice would constitute a change, and when necessary, direct the mode of further performance, or; (ii) Countermand any conduct regarded by Seller as a change, or; (iii) Deny that the conduct of which Seller gave notice would constitute a change and, when necessary, direct the mode of further performance, or; (iv) In the event Seller’s notice information is inadequate to make a decision under (i), (ii), or (iii), above, advise Seller what additional information is required. Failure of Buyer’s Procurement Representative to respond within the time required above shall be deemed a countermand under (d)(ii).
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 TBD quarter of 201\_, Seller shall deliver to Buyer an executed bilateral modification (to be provided by Buyer), covering the 6 month period of time ending with the second and fourth quarters, respectively, of the preceding year, with such specific exceptions, if any, as are identified by Seller. If Seller cites specific exceptions to the release, Seller shall concurrently provide Buyer’s Procurement Representative with notice, containing the information set forth in paragraph (b) of this requirement, for each item excepted from the release. However, the release required by this requirement shall not make unallowable any costs which are otherwise allowable under any other requirement of this Contract. Within 60 days of receipt of the release, Buyer’s Procurement Representative shall sign and return a copy of the release to Seller. If Buyer’s Procurement Representative fails to execute and return the release within the required time, then the release shall be deemed to be void and of no effect for the period involved.
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 contract with Buyer (with this or any other contractor) or any contract between Seller and any third party by reason of any conduct which increases Seller’s cost or time of performance of work under this Contract and meets the following conditions (1) known to Seller, (2) occurred on or before TBD, and (3) Seller failed to give notice prior to date of this release, and (ii) any and all liabilities to Seller for money damages and/or other relief for the impact of any such conduct, upon this Contract or any other contract with Buyer (with this or any other Seller) or any contract between Seller and any third party.

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

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 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).

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

(a) Performance of the work hereunder may be subject to written technical instructions provided by Seller in writing, and may include (1) Directions to the Seller which suggest pursuit of certain lines of inquiry, shift work emphasis, fill in details or otherwise serve to accomplish the contractual statement of work; (2) Guidelines to the Seller which assist in the interpretation of drawings, specifications or technical portions of work description.

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

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

**Section I - Contract Clauses**

In interpreting the requirements of these clauses, “Contracting Officer” should be considered to be Buyer’s Procurement Representative and “Government” should be considered to be Buyer, unless the context indicates otherwise. Reasonable efforts have been used to convert the terminology used in the Government’s solicitation clauses to the terms used in NASSCO’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”.**

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

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

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

**Note 5 – Communication/notification required under this clause from/to the Seller and to/from the Contracting Officer should flow through Buyer, when applicable and/or practical.**

**Note 6 – Insert “and Buyer” after “Contracting Officer”.**

**Note 7 – Insert “or Buyer’s Procurement Representative” after “Contracting Officer”.**

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

**NUMBER TITLE DATE & NOTE**

52.202-1 DEFINITIONS JAN 2012   
*No Note applies.*

52.203-3 GRATUITIES APR 1984   
*No Note applies.*

52.203-5 CONVENANT AGAINST CONTINGENT FEES APR 1984   
*No Note applies. NASSCO shall have the right to annul this Contract or recover from the Seller if Seller is held to have violated this clause*.

52.203-6 RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT SEPT 2006   
*No Note applies.*

52.203-7 ANTI-KICKBACK PROCEDURES OCT 2010  
*Note 2 applies for (c)(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 JAN 1997  
*No Note applies. NASSCO shall have the right to rescind the contract and recover from Seller in the event Seller is in violation of this clause*.

52.203-10 PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY JAN 1997   
*NASSCO shall exercise its remedies against Seller in the event is in violation of this clause*.

52.203-12 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS OCT 2010   
*Note 5 applies. Seller is to provide a declaration and certification for Seller and all of its subcontractors or suppliers at any tier to Buyer so that Buyer can fulfill the obligations under the Prime Contract.*

52.204-2 SECURITY REQUIREMENTS AUG 1996  
*No Note applies.*

52.204-4 PRINTED OR COPIED DOUBLE-SIDED ON POST CONSUMER FIBER CONTENT PAPER MAY 2011  
*Note 4 applies to (b).*

52.204-7 SYSTEM FOR AWARD MANAGEMENT JUL 2013

*No Note applies*.

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

*Note 5 applies if Seller is a first-tier subcontractor to NASSCO. Seller is obligated to also report in the Government’s SAM database.*

52.209-6 PROTECTING THE GOVERNMENT’S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS   
DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT AUG 2013

*Note 5 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  
*Seller can elect to either give either Seller or DCAA direct access to the relevant records necessary to comply with this clause.*

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

*Note 5 applies*.

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

*Note 5 applies.*

52.215-12 SUBCONTRACTOR CERTIFIED COST OR PRICING DATA OCT 2010  
*No Note applies.*

52.215-13 SUBCONTRACTOR CERTIFIED COST OR PRICING DATA—MODIFICATIONS OCT 2010  
*No Note applies.*

52.215-15 PENSION ADJUSTMENTS AND ASSET REVERSIONS OCT 2010  
*Note 5 applies.*

52.215-18 REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB)  
OTHER THAN PENSIONS JUL 2005  
*Note 5 applies.*

52.215-21 REQUIREMENTS FOR CERTIFIED COST OR PRICING DATA AND OTHER THAN CERTIFIED COST OR   
PRICING DATA-MODIFICATIONS OCT 2010  
*Note 5 applies.*

52.215-23 LIMITATIONS ON PASS-THROUGH CHARGES OCT 2009

*Note 4 and Note 6 apply.*

52.216-7 ALLOWABLE COST AND PAYMENT JUN 2011

Note 1 applies except in (a)(3) and (b)(2)(F) where Note 3 applies. Note 2 applies except in (g) because Note 7 applies. Note 5 applies for all communications.

52.219-8 UTLIZATION OF SMALL BUSINESS CONCERNS JAN 2011

*Note 5 applies*.

52.219-9 SMALL BUSINESS SUBCONTRACTING PLAN JUL 2013  
*Note 2 applies to (c).*

52.222-1 NOTICE TO THE GOVERNMENT OF LABOR DISPUTES FEB 1997  
*Note 5 applies.*

52.222-3 CONVICT LABOR JUN 2003  
*No Note applies.*

52.222-19 CHILD LABOR—COOPERATION WITH AUTHORITIES AND REMEDIES MAR 2012  
*Note 3 applies for (c) and Note 2 for (d) when the Government exercises its rights and remedies against Buyer for Seller’s violations.*

52.222-20 WALSH-HEALEY PUBLIC CONTRACTS ACT OCT 2010  
*No Note applies.*

52.222-21 PROHIBITION OF SEGREGATED FACILITIES FEB 1999  
*No Note applies.*

52.222-26 EQUAL OPPORTUNITY MAR 2007  
*Note 7 applies to (c)(3), (c)(5) and (c)(11).*

52.222-35 EQUAL OPPORTUNITY FOR VETERANS SEP 2010

Note 5 applies.

52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES OCT 2010  
*No Note applies.*

52.222-37 EMPLOYMENT REPORTS ON VETERANS SEP 2010

*No Note applies.*

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.*

52.223-6 DRUG-FREE WORKPLACE MAY 2001  
*Note 5 applies except Note 4 applies in (d).*

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

*No Note 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.*

52.227-1 ALT 1 AUTHORIZATION AND CONSENT (DEC 2007) ALT I APR 1984

*No Note applies.*

52.227-2 NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT DEC 2007  
*Note 5 applies to (a) and (b).*

52.227-10 FILING OF PATENT APPLICATIONS—CLASSIFIED SUBJECT MATTER DEC 2007  
*Note 5 applies to (a), (b) and (c).*

52.230-2 COST ACCOUNTING STANDARDS MAY 2012  
*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

*Note 2 and Note 4 apply*.

52.232-22 LIMITATION OF FUNDS APR 1984  
*Note 2 and Note 4 apply.*

52.232-23 ASSIGNMENT OF CLAIMS JAN 1986  
*Note 2 applies for (c).*

52.233-3 ALT I PROTEST AFTER AWARD (AUG 1996) ALT I JUN 1985  
*Note 2 applies except in (e) where Note 4 applies.*

52.233-4 APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM OCT 2004  
*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 2001  
*No Note applies.*

52.242-13 BANKRUPTCY JUL 1995  
*Note 1 and 2 apply.*

52.243-1 CHANGES—FIXED PRICE AUG 1987  
*Note 1 and Note 2 apply.*

52.243-2 ALT V CHANGES – COST REIMBURSEMENT (AUG 1987) ALT V APR 1984   
*Note 1 and Note 2 apply.*

52.243-6 CHANGE ORDER ACCOUNTING APR 1984

*Note 5 applies*.

52.244-5 COMPETITION IN SUBCONTRACTING DEC 1996

*No Note applies*.

52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS JUL 2013  
*No Note applies.*

52.245-1 GOVERNMENT PROPERTY APR 2012  
ALT I (APR 1984)

*Note 5 applies.*

52.245-9 USE AND CHARGES APR 2012  
*Note 5 applies*.

52.247-68 REPORT OF SHIPMENT (REPSHIP) FEB 2006  
*Note 2 applies to (b).*

52.248-1 VALUE ENGINEERING OCT 2010  
*Note 5 applies.*

52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) APR 2012  
*Clause is applicable when Government terminates the Prime Contract. Note 5 applies.*

52.249-6 TERMINATION (COST-REIMBURSEMENT) MAY 2004  
*Clause is applicable when Government terminates the Prime Contract. Note 5 applies.*

52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) APR 1984  
*Clause is applicable when Government terminates the Prime Contract. Note 5 applies.*

52.249-14 EXCUSABLE DELAYS APR 1984  
*Note 2 applies to (b)(2) and Note 7 applies for (c).*

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 DEC 2008  
CONTRACT-RELATED FELONIES

*Note 5 applies*.

252.203-7002 REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS JAN 2009

*No Note applies.*

252.203-7003 AGENCY OFFICE OF THE INSPECTOR GENERAL DEC 2012  
*No Note applies.*

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

*No Note applies*.

252.204-7000 DISCLOSURE OF INFORMATION AUG 2013  
*Note 5 applies.*

252.204-7003 CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT APR 1992

*No Note applies.*

252.204-7004 ALT A CENTRAL CONTRACTOR REGISTRATION ALT A SEP 2007

*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*.

252.205-7000 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 DEC 2006

*Note 5 applies for (b)*.

252.209-7009 ORGANIZATIONAL CONFLICT OF INTEREST – MAJOR DEFENSE ACQUISITION PROGRAM DEC 2010

*Note 4 applies*.

252.211-7000 ACQUISITION STREAMLINING OCT 2010

*Note 1 applies for (c)*.

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

*Note 5 applies for (e)(2)*.

252.211-7007 REPORTING OF GOVERNMENT-FURNISHED EQUIPMENT IN THE DoD ITEM UNIQUE IDENTIFICATION

(IUID) REGISTRY NOV 2008

*Note 5 applies*.

252.215-7000 PRICING ADJUSTMENTS DEC 2012  
*No Note applies.*

252.215-7002 COST ESTIMATING SYSTEM REQUIREMENTS DEC 2012  
*Note 5 applies.*

252.219-7003 SMALL BUSINESS SUBCONTRACTING PLAN (DOD CONTRACTS) AUG 2012  
*Note 5 applies.*

252.223-7004 DRUG FREE WORK FORCE SEP 1988  
*No Note applies*.

252.225-7012 PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES FEB 2013  
*No Note applies*.

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 JUN 2013  
*Note 5 applies.*

252.227-7014 RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND MAY 2013  
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 1 and Note 2 apply to (a); Note 4 applies to (b).*

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

*Note 5 applies*.

252.227-7038 PATENT RIGHTS—OWNERSHIP BY THE CONTRACTOR (LARGE BUSINESS) JUN 2012

*No Note applies*.

252.231-7000 SUPPLEMENTAL COST PRINCIPLES DEC 1991

*No Note applies*.

252.235-7010 ACKNOWLEDGEMENT OF SUPPORT AND DISCLAIMER MAY 1995

*No Note applies*.

252.243-7002 REQUESTS FOR EQUITABLE ADJUSTMENT DEC 2012

*Note 5 applies*.

252.244-7000 SUBCONTRACTORS FOR COMMERCIAL ITEMS AND COMMERCIAL JUN 2013  
COMPONENTS (DoD CONTRACTS)

*No Note applies*.

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

*No Note applies*.

252.245-7002 REPORTING LOSS OF GOVERNMENT PROPERTY APR 2012

*Note 5 applies*.

252.245-7004 REPORTING, REUTILIZATION, AND DISPOSAL APR 2012

252.249-7002 NOTIFICATION OF ANTICIPATED CONTRACT TERMINATION OR OCT 2010  
REDUCTION  
*Note 2 applies. Delete paragraph (d)(1) and the first five words of paragraph (d)(2).*

252.251-7000 ORDERING FROM GOVERNMENT SUPPLY SOURCES AUG 2012   
*Note 5 applies.*

52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

(a) The Seller shall make the following notifications in writing: (1) When the Seller becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Seller shall within 30 days, notify the Buyer, who is then obligated to notify the Administrative Contracting Officer (ACO). (2) The Seller shall, within 30 days, notify the Buyer, who is obligated to notify the ACO, whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Seller shall – (1) Maintain current, accurate, and complete inventory records of assets and their costs; (2) Provide the Buyer, who is obligated to provide the ACO or his/her designated representative ready access to the records upon request; (3) Ensure that all individuals and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Seller’s ownership changes; and (4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Seller ownership change.

The Seller shall include the substance of this clause in all subcontractors under this Contract that meet the applicability requirements of FAR 15.408(k).

52.243-7 NOTIFICATION OF CHANGES (APR 1984) [Modified by NASSCO]

1. Definitions.

"Contracting Officer," as used in this clause, does not include any representative of the Contracting Officer. "Specifically authorized

representative (SAR)," as used in this clause, means any person the Contracting Officer has so designated by written notice (a copy of

which shall be provided to the Seller) which shall refer to this subparagraph and shall be issued to the designated representative before the

SAR exercises such authority.

1. Notice. The primary purpose of this clause is to obtain prompt reporting of NASSCO or Government conduct that the Seller considers to constitute a change to this Contract. Except for changes identified as such in writing and signed by NASSCO’s Procurement Representative, the Seller shall notify NASSCO’s Procurement Representative in writing, within 5 calendar days from the date that the Seller identifies any NASSCO or Government conduct (including actions, inactions, and written or oral communications) that the Seller regards as a change to the Contract terms and conditions. On the basis of the most accurate information available to the Seller, the notice shall state--
   1. The date, nature, and circumstances of the conduct regarded as a change;
   2. The name, function, and activity of each NASSCO or Government individual and Seller official or employee involved in or knowledgeable about such conduct;
   3. The identification of any documents and the substance of any oral communication involved in such conduct;
   4. In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;
   5. The particular elements of Contract performance for which the Seller may seek an equitable adjustment under this clause, including--
      1. What Contract line items have been or may be affected by the alleged change;
      2. What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;
      3. To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;
      4. What adjustments to Contract Price, delivery schedule, and other provisions affected by the alleged change are estimated; and
   6. The Seller's estimate of the time by which NASSCO must respond to the Seller's notice to minimize cost, delay or disruption of performance.
2. Continued performance. Following submission of the notice required by (b) above, the Seller shall diligently continue performance of this Contract to the maximum extent possible in accordance with its terms and conditions as construed by the Seller, unless the notice reports a direction of NASSCO’s Procurement Representative, in either of which events the Seller shall continue performance; provided, however, that if the Seller regards the direction or communication as a change as described in (b) above, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of NASSCO’s Procurement Representative shall be reduced to writing and copies furnished to the Seller. NASSCO’s Procurement Representative shall countermand any action which exceeds the authority of the SAR.
3. NASSCO response. NASSCO’s Procurement Representative shall promptly, within 30 calendar days after receipt of notice, respond to the notice in writing. In responding, NASSCO’s Procurement Representative shall either--
   1. Confirm that the conduct of which the Seller gave notice constitutes a change and when necessary direct the mode of further performance;
   2. Countermand any communication regarded as a change;
   3. Deny that the conduct of which the Seller gave notice constitutes a change and when necessary direct the mode of further performance; or
   4. In the event the Seller's notice information is inadequate to make a decision under (1), (2), or (3) above, advise the Seller what additional information is required, and establish the date by which it should be furnished and the date thereafter by which NASSCO’s Procurement Representative will respond.
4. Equitable adjustments.
   1. If NASSCO’s Procurement Representative confirms that NASSCO or Government conduct effected a change as alleged by the Seller, and the conduct causes an increase or decrease in the Seller's cost of, or the time required for, performance of any part of the work under this Contract, whether changed or not changed by such conduct, an equitable adjustment shall be made--
      1. In the Contract Price or delivery schedule or both; and
      2. In such other provisions of the Contract as may be affected.
   2. The Contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which NASSCO or the Government is responsible, the equitable adjustment shall include the cost and time extension for delay reasonably incurred by the Seller in attempting to comply with the defective drawings, designs or Specifications before the Seller identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by NASSCO’s Procurement Representative under this clause is included in the equitable adjustment, NASSCO’s Procurement Representative shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Seller's failure to provide notice or to continue performance as provided, respectively, in (b) and (c) above.

Note: The phrases “Contract Price” and “cost” wherever they appear in the clause, may be appropriately modified to apply to cost-reimbursement or incentive contracts, or to combinations thereof.

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

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

FAR Clauses & Provisions: <http://farsite.hill.af.mil/vffara.htm> DFARS Clauses & Provisions: <http://farsite.hill.af.mil/vfdfara.htm> NMCARS Clauses & Provisions: <http://farsite.hill.af.mil/vfnapsa.htm>

52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)

1. The use in this solicitation or Contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of “(DEVIATION)” after the date of the clause.
2. The use in this solicitation or Contract of any Defense Federal Acquisition Regulation Supplement (“DFARS”) (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of “(DEVIATION)” after the name of the regulation.