

AWARD/CONTRACT

1 24

1. CONTRACT LINE ITEM NUMBER NRC-02-80-035		2. EFFECTIVE DATE	3. REQUISITION/PURCHASE REQUEST PROJECT NO.	4. CERTIFIED FOR NATIONAL DEFENSE UNDER NSDA REG. 2 AND/OR DMS REG. 1. RATING	
5. ISSUED BY U.S. Nuclear Regulatory Commission Division of Contracts Washington, D.C. 20555		6. ADMINISTERED BY (If other than block 5)		7. DELIVERY FOR DELIVERY LOCATION OTHER (See Block 5)	
8. CONTRACTOR NAME AND ADDRESS Science Applications, Inc. 8400 Westpark Drive McLean, Virginia 22102		FACILITY CODE		9. DISCOUNT FOR PROMPT PAYMENT	
11. SHIP TO/MARK FOR		12. PAYMENT WILL BE MADE BY U.S. Nuclear Regulatory Commission Office of the Controller Washington, D.C. 20555		10. SUBMIT INVOICES (4 copies unless otherwise specified) TO ADDRESS SHOWN IN BLOCK 12	

13. THIS PROCUREMENT WAS ☐ ADVERTISED, ☒ NEGOTIATED, PURSUANT TO:
☐ 10 U.S.C. 2304 (a)(1)
☒ 41 U.S.C. 252 (a)(5)

4. ACCOUNTING AND APPROPRIATION DATA

TO BE SPECIFIED IN EACH ORDER ISSUED HEREUNDER

15. ITEM NO.	16. SUPPLIES/SERVICES	17. QUANTITY	18. UNIT	19. UNIT PRICE	20. AMOUNT
	BASIC ORDERING AGREEMENT EXPIRATION DATE - ONE YEAR FROM THE EFFECTIVE DATE OF THE AGREEMENT LICENSING TECHNICAL ASSISTANCE				

TOTAL AMOUNT OF CONTRACT \$

CONTRACTING OFFICER WILL COMPLETE BLOCK 22 OR 26 AS APPLICABLE

2. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 4 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are included or incorporated by reference herein. (Attachments are listed herein.)		26. <input type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____ including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.	
27. UNITED STATES OF AMERICA BY <i>D. J. Dougherty</i> (Signature of Contracting Officer)		28. NAME OF CONTRACTING OFFICER (Type or Print) D. J. Dougherty	
29. NAME AND TITLE OF OFFER (Type or Print) DIANE E. FINDLEY CONTRACT REPRESENTATIVE		25. DATE SIGNED 5-23-80	
29. NAME AND TITLE OF OFFER (Type or Print) DIANE E. FINDLEY CONTRACT REPRESENTATIVE		26. DATE SIGNED 5-23-80	

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CONTENTS OF BASIC ORDERING AGREEMENT

This Basic Ordering Agreement consists of:

1. Execution Page (Standard Form 26)
2. Contents of Basic Ordering Agreement
3. Special Provisions

ARTICLE I	Description of Agreement
ARTICLE II	Services to be Ordered
ARTICLE III	Placing and processing of Orders
ARTICLE IV	Pricing and Negotiation of Orders
ARTICLE V	Time of Delivery
ARTICLE VI	Reports
ARTICLE VII	Labor Hour Rates
ARTICLE VIII	Pricing of Adjustment
ARTICLE IX	Contractor Notice Regarding Late Delivery
ARTICLE X	Type of Contract
ARTICLE XI	Modification of Basic Ordering Agreement
ARTICLE XII	Conditions for Maintaining Agreement
ARTICLE XIII	Work for Others
ARTICLE XIV	Authorized Representative
ARTICLE XV	Private Use and Protection of Unclassified Government Information
ARTICLE XVI	General Provisions for Time and Material or Labor-Hour Contract
ATTACHMENT A	Billing Instructions for NRC Cost-type Contracts

Article I - DESCRIPTION OF AGREEMENT

This Basic Ordering Agreement (BOA), as defined in Federal Procurement Regulation 1-3.410-3, provides the terms and conditions under which the contractor is required to provide the services identified under Article II. This agreement is primarily used as a means of expediting procurements and is neither intended to restrict competition nor imply that the Government will place future orders for these services.

Article II - SERVICES TO BE ORDERED

The contractor shall provide to the Government technical assistance services as the Government may order hereunder in the manner thereafter provided. Such services shall be as generally described in the following Statement of Work:

STATEMENT OF WORK

The contractor shall furnish the necessary staff, facilities, materials, and services to perform in the area delineated below:

Task 1. Safety Reviews, Analyses and Other Technical Assistance

The contractor shall perform complete or partial reviews of safety analysis reports, other applicant documents and facilities and assess the consequences to employees and the public as a result of the construction, operation and decommissioning of fuel cycle facilities. The adequacy of systems provided for the mitigation of the consequences of accidents may also be addressed.

The scope of the reviews related to applications for spent fuel storage will encompass, but not be limited to, the topics covered in Regulatory Guide 3.44, "Standard Format and Content for the Safety Analysis Report to be Included in a License Application for the Storage of Spent Fuel in an Independent Spent Fuel Storage Installation."

The scope of the reviews related to applications for high level liquid waste processing will encompass, but not be limited to, the topics covered in Regulatory Guide 3.26, "Standard Format and Content of Safety Analysis Reports for Fuel Reprocessing Plants,"* as applicable.

*These Guides are only for identification of topics.

Expertise will be required in many areas, e.g., industrial safety and fire protection, health physics, nuclear criticality quality assurance, and structural engineering. The reviewers may be required to prepare and present testimony as expert witnesses for hearings in support of their reviews.

The review shall be coordinated with the NMSS Project Officer. Where licensee information is inadequate to permit competent review a list of questions aimed at eliciting the needed information will be submitted to the NRC. The questions will be discussed with the Project Officer before being transmitted by the NRC to the applicant.

As a result of proposed license modifications or amendments, the contractor shall be required to perform short-term, limited-scope, technical studies related to safety of the construction, operation, and decommissioning of fuel cycle facilities. This work includes compilation and assessment of available accident and testing data, and analysis of facility safety under conditions of normal and accident operation.

Task 2. Environmental Reviews, Analysis and Other Technical Assistance

The Contractor shall perform reviews of environmental reports, other applicant documents, facilities and sites; evaluate the environmental impacts of the proposed actions and prepare environmental impact assessments or draft and final environmental impact statements as selected by the NRC and in conformance with 10 CFR Part 51.

The scope of the reviews will include, but may not be limited to those topics described in NUREG-0158, (Environmental Standard Review Plans, etc.*), suitably modified for the applicable fuel cycle facility. For Final Environmental Impact Statements the contractor will consider and provide appropriate discussion of agency and public comment on the Draft EIS.

Expertise will be required in many areas, e.g., ecological and interrelated earth sciences, socioeconomics and disciplines related to cost-benefit analyses. The reviewers may be required to prepare and present testimony as expert witnesses for hearings in support of their reviews.

The review shall be coordinated with the NMSS Project Officer. Where licensee information is inadequate to permit competent review a list of questions aimed at eliciting the needed information will be submitted to the NRC. The questions will be discussed with the Project Officer before being transmitted by the NRC to the licensee.

*"Environmental Statement Outline used for Preparation of Environmental Standard Review Plans. Single copies of NUREG-0158 may be obtained by writing:

Division of Technical Information and Document Control
Distribution Services Branch
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

As a result of proposed license modifications or amendments, the Contractor may also be required to perform short-term, limited scope, technical studies related to environmental impact of the construction, operation and decommissioning of fuel cycle facilities. This work includes compilation and assessment of available environmental data, measurement or estimation of the environments in which proposed or actual facilities exist, and quantifying the effects of facility/environment interaction.

Meetings and Travel

The Contractor will be required to visit the NRC offices in Silver Spring, Maryland up to three (3) times per task review to confer with the Fuel Cycle and Material Safety staff. The time and occasions for these meetings will be coordinated by the NMSS Project Officer. The Contractor will be required to visit the project sites and other similar government or commercial facilities and to attend other meetings or events at times and places designated by the NMSS Project Officer. It is estimated that up to two (2) visits per task review will be required. In addition, Contractor personnel may be required to travel to hearings to provide testimony as expert witnesses.

NRC Furnished Material

To facilitate the work described in Tasks 1 and 2, and within 10 days after receipt, the NRC will provide the Contractor with pertinent sections of the Safety Analysis Reports and Environmental Reports prepared by applicants for licensing approval and various other documents related to the work described, such as Environmental Impact Statements, Regulatory Guides, technical standards, and topical reports.

If the Government furnished material, suitable for its intended use is not so delivered to the contractor the Contracting Officer shall, upon timely written request made by the contractor, and if the facts warrant such action, equitably adjust any affected provision of this contract pursuant to the procedures of the "Changes" clause hereof.

Article III - PLACING AND PROCESSING OF ORDERS

- (a) Ordering Period: The Government, from time to time, during the period commencing on the date of this agreement and ending one (1) year thereafter (hereinafter called the "ordering period"), may place orders for services hereunder. Each order placed under this agreement shall be issued and processed in the manner hereinafter provided. By mutual agreement of the parties, the ordering period of the BOA may be extended one (1) year.
- (b) Authorized Ordering Activities: Contracting Officers of the Nuclear Regulatory Commission may place orders under this Basic Ordering Agreement. The Contracting Officer has full responsibility for administering all contractual actions arising from any task orders issued and has the sole responsibility and authority to make any changes to the provisions of this Basic Ordering Agreement.

(c) Types of Orders: Orders placed hereunder will be of two types, Unpriced Orders and Priced Orders as defined in subparagraphs (1) and (2) below:

- (1) Unpriced Orders: Unpriced orders are hereby defined as orders hereunder for which price and delivery will be proposed by the contractor as provided in paragraph (f) of this Section.
- (2) Priced Orders: Priced orders are hereby defined as orders for which the parties have agreed upon price, and all other terms and conditions of the order prior to issuance. A Priced Order will be identified as follows:

"This is a Priced Order issued pursuant to Section _____
(c) (2) of Basic Ordering Agreement and (Contractor Name)
offer of (Date) ."

(d) Content of Order: Each order placed under this contract shall include the following:

- (1) The contractor number, the task number, and the appropriate reference to this Basic Ordering Agreement.
- (2) Citation of the negotiation authority pursuant to which the order is negotiated.
- (3) Applicable Appropriation and Accounting Data and special invoicing instructions where applicable.
- (4) For Unpriced Orders: A desired period of performance and/or delivery date and a monetary limitation for all the work covered by the order. (This monetary limitation shall be deleted upon the establishment of contract prices.)
- (5) For Priced Orders: Agreed to, total order price and period of performance and/or delivery dates.
- (6) Such other terms and conditions as may be pertinent to the particular tasks thereby ordered.

(e) Authority to Proceed:

- (1) Unpriced Orders: Upon receipt of any unpriced order hereunder, the contractor shall proceed with the work subject to the limitations of paragraph (i) of this Section. However, the contractor shall not proceed in the following circumstances:

(a) Incomplete or Inadequately Described Tasks or Projects: The contractor shall immediately communicate with the Contracting Officer and request an appropriate adjustment in the order for tasks or projects, which are incomplete or inadequately identified, except as applies to typographical errors and other obvious errors.

(b) Orders Which Contain a Monetary Limitation Which is Unreasonably Deficient When Related to the Dollar Value of the Services to be Furnished Thereunder: When the monetary amount is provided with the order the contractor shall notify the Contracting Officer in advance of submission of the proposed price for the effort, the dollar amount of understatement in the monetary limitation contained in the order. The Contracting Officer will notify the contractor in writing of the desired action to be taken.

- (2) Priced Orders: Upon receipt of any Priced Order hereunder, the contractor shall proceed with the tasks specified therein. However, the contractor shall not proceed with any task that does not set forth price and delivery provisions agreed to by the parties. In the event of receipt of Priced Orders which do not reflect the agreed upon provisions, the contractor shall immediately communicate such information to the Contracting Officer. The Contracting Officer will promptly notify the contractor of action to be taken with respect to such order.

(f) Processing of Unpriced Orders by the Contractor:

- (1) Within thirty (30) days after receipt of each Unpriced Order hereunder, or within such period as the Contracting Officer may specify, the Contractor shall submit a proposal containing the proposed price for the effort, period of performance or delivery dates, and such other information as is pertinent to the task.
- (2) When the total of the costs or prices proposed for the unpriced order exceeds \$100,000.00, the contractor shall, unless otherwise a cost breakdown of the total order price on the current edition of Optional Form 60 (Contract Pricing Proposal). Additional cost breakdowns and/or substantiating data shall be made available to the Contracting Officer upon request. Orders priced by the contractor below \$100,000.00 shall be returned to the Contracting Officer with such substantiating data as are reasonably requested to facilitate a pricing review and subsequent negotiation. Such data may be requested by the Contracting Officer at the time of placement of the unpriced order or subsequent to receipt of the contractor's proposal.

(g) Processing of Priced Orders by the Contractor:

- (1) Within fifteen (15) days after receipt of each Priced Order hereunder, or within such additional period as the Contracting Officer may allow, the contractor shall sign and return three (3) copies of the task order to the Contracting Officer, acknowledging receipt of the task order and acknowledging that the task order contains price and delivery provisions agreed to by the contractor.

(h) Processing of Unpriced Orders by the Contracting Officer:

For which the contractor has submitted proposed prices will be processed by the Contracting Officer as follows:

Within thirty (30) days or such additional period as may be mutually agreed upon after receipt by the Contracting Officer of the contractor's Proposal, the Contracting Officer shall either:

(1) Issue a Supplemental Agreement, for execution by both parties specifying the proposed prices thereby signifying approval of the proposed prices;

(2) Terminate the task order in its entirety in accordance with the clause hereof entitled, "Termination for Convenience of the Government".

(3) Notify the contractor of the need for further negotiations. When an agreement on price is reached, the Contracting Office shall issue a supplemental agreement definitizing the unpriced order into a priced order. The agreement shall be executed by both parties.

(i) Disagreement as to Prices: In the event of a failure to agree on price, such failure shall be deemed to be a dispute concerning a question of fact in accordance with the clause of this contract entitled, "Disputes."

(j) Limitation of Liability of the Government: Prior to definitization of an unpriced order, the contractor shall be permitted to stop work on such order at any time it is reasonably estimated that the cost incurred with respect to such order, plus termination expenses and profit, will exceed the dollar limitation set forth in the order. In the event the contractor so stops work on any order he shall promptly notify the Contracting Officer of such fact and advise the Contracting Officer of the amount of increase in monetary limitation which is reasonably required in order to permit the contractor to proceed further with the order. The Government shall not be obligated under any of the provisions of this agreement, including, without limitation, the above provisions of the clause of this agreement entitled, "Termination for Convenience of the Government," to pay to the contractor with respect to task under an order, any amount in excess of the monetary limitation stated in the order.

Article IV - PRICING AND NEGOTIATION OF ORDERS

It is agreed that each proposal submitted and all prices negotiated on orders issued under this Basic Ordering Agreement shall be submitted and shall be negotiated in accordance with the provisions of Part I-XV of the Federal Procurement Regulation as in effect on the date of each such order.

Article V - TIME OF DELIVERY

The contractor shall deliver the completed tasks called for in each order in accordance with the delivery schedule set forth in such order.

Article VI - REPORTS

Monthly Letter Report

Each month, the contractor shall submit 3 copies of a brief letter report which summarizes: (1) the work performed during the previous month; (2) personnel time expenditures during the previous month; and (3) costs: (i) current period, (ii) cumulative to date, and (iii) cost projection by month to completion of the work effort. (The first monthly report shall provide the initial cost projection and subsequent reports shall either

provide revised projections or indicate "no change in the cost projection.") The reports shall be due by the 15th of each month with distribution as follows:

Mr. Peter Loysen, Project Officer, NMSS (1cy)
Office of the Director, NMSS (ATTN: Program Support) (1 cy)
Mr. Dennis Dougherty, Contracting Officer (1 cy)

Safety Review Task Reports

For each facility safety review, the contractor shall provide 3 copies of a draft report to the NMSS Project Officer that discusses in detail the safety aspects related to each of the review topics along with the reviewers results and conclusions.

Within 30 days of receipt of each draft task report, the NMSS Project Officer shall provide comments to the contractor to be considered in the preparation of the final task report. These comments will identify problem areas, discrepancies and technical insights on the draft report. These comments will be for the purpose of clarification only and will not be construed as to prejudice the contractor's work or technical findings. Final task reports may provide a basis for the NRC Safety Evaluation Report.

Environmental Review Task Reports

Three draft copies of Draft and Final Environmental Impact Statements prepared under Task 2 shall be submitted to the NMSS Project Officer. The Impact Statements shall discuss each of the topics of NUREG-0150, as discussed in Task 2 above, using the EIS outline of NUREG-0158.

For Environmental Assessments a similar draft report shall be submitted in three copies which addresses each of the topics of NUREG-0158 through Section 7.0.

The Project Officer will furnish comments on drafts of the reports within four weeks after receipt of a draft. These comments will identify problem areas, discrepancies and technical insights concerning the work performed. These comments will be for the purpose of clarification only and will not be construed as to prejudice the contractor's work or technical findings. The contractor shall revise the draft and submit a camera-ready copy of the final report that incorporates resolution of appropriate comments within four more weeks. (Project Officer's comments are separate from agency and public comments anticipated in Draft Environmental Impact Statements.)

TASK REPORT FORMAT

For task reports prepared under the provisions of this contract, the format shall be in accordance with the provisions as stated in NRC Manual Appendix 3202 for either "Formal Contractor Documents" or "Interim Contractor Documents" as appropriate.

Article VII - LABOR HOUR RATES

- A. In consideration of the satisfactory performance of work called for in individual task orders issued hereunder, the contractor shall be paid for each man-hour of performance in accordance with the following fixed rates which include a base hourly rate, all indirect costs and profit. Ceiling hours, which are not to be exceeded, for each category of labor shall be negotiated on an individual basis for each Task Order.

<u>Labor Category</u>	<u>Fixed Hourly Billing Rate</u>
Scientist 43.2	\$73.40
Scientist 43.1	63.13
Scientist 42.2	61.75
Scientist 42.1	53.83
Scientist 41.2	51.58
Scientist 41.1	44.96
Scientist 32.2	43.33
Scientist 32.1	37.58
Scientist 31.2	36.91
Scientist 31.1	31.60
Scientist 22.0	28.67
Scientist 21.0	24.71
Scientist 12.0	20.89
Scientist 11.0	17.43
Technical Support 7.0	16.83
Technical Support 6.1	17.64
Technical Typist 6.0	13.20

- B. For all travel, supplies, report production costs, graphics, communications and other direct charges, the contractor shall be reimbursed at actual cost plus indirect expenses at a fixed rate of 12.5% G&A.

Article VIII - PRICING OF ADJUSTMENT

When costs are a factor in any determination of a contract price adjustment pursuant to the "Changes" clause or any other provisions of this agreement, such costs shall be in accordance with Part I-XV of the Federal Procurement Regulation as in effect on the date of the order.

Article IX - CONTRACTOR NOTICE REGARDING LATE DELIVERY

In the event the contractor encounters difficulty in meeting performance requirements, or when he anticipates difficulty in complying with the task order delivery schedule or date, he shall immediately notify the Contracting Officer in writing, giving pertinent details; provided, however, that this data shall be information only in character and that this provision shall not be construed as a waiver by the Government of any delivery schedule or date of any rights or remedies provided by law or under this agreement.

Article X - TYPE OF CONTRACT

Each task order will be issued on a time/material basis.

Article XI - MODIFICATION OF BASIC ORDERING AGREEMENT

The agreement may be modified at any time by mutual agreement of the parties.

Article XII - CONDITIONS FOR MAINTAINING AGREEMENT

This agreement shall be reviewed at least annually prior to the anniversary of its effective date to assure conformance with all requirements of law and pertinent regulations and shall be revised, if necessary, to conform thereto. Any modification or revision shall be evidenced by a supplement agreement modifying this Basic Ordering Agreement or by the issuance of a superceding Basic Ordering Agreement.

This agreement may be terminated upon thirty (30) days written notice by either party to the other, except that the Government may immediately terminate this agreement at any time after the parties fail to agree to any deletion, addition, or modification to this agreement which is required by statute, Executive Order, or the Federal Procurement Regulation. No deletion, addition, or modification to or termination of this agreement shall affect any orders therefore entered into between the parties in which this agreement has been incorporated, by reference.

Article XIII - WORK FOR OTHERS

Notwithstanding any other provision of the Basic Ordering Agreement, during the term of any task order issued thereunder, the Contractor agrees to forego entering into consulting or other contractual arrangements with any firm or organization, the result of which may give rise to an actual or apparent conflict of interest with respect to the work being performed under the task order. The contractor shall insure that all employees who are employed full time under any task order abide by the provision of this clause. If the contractor believes with respect to itself or any such employee that any proposed consultant or other contractual arrangement with any firm or organization may involve a possible conflict of interest, the contractor shall obtain the written approval of the Contracting Officer prior to execution of such contractual arrangement.

Article XIV - AUTHORIZED REPRESENTATIVE

The Contracting Officer may designate an authorized representative under each task order for the purpose of assuring that services required under the agreement are ordered and delivered in accordance therewith. Such representative as may be appointed will be specifically designated in writing to the contractor from the Contracting Officer, including the extent of such designee's authority.

Article XV - Private Use and Protection of Unclassified Government Information

- a. Except as specifically authorized by this contract, or as otherwise approved by the Contracting Officer, records or other information, documents and material furnished by the Commission to the contractor in the performance of this contract shall be used only in connection with the work performed under this contract. The contractor shall, upon completion or termination of this contract, transmit to the Commission all records or other information, documents, and material, in the performance of this contract.
- b. The contractor shall be responsible for safeguarding from unauthorized disclosure any information or other documents and material exempt from public disclosure by the Commission's regulations and made available to the contractor in connection with performance of work under this contract. The contractor agrees to conform to all regulations, requirements and direction of the Commission with respect to such material.
- c. The contractor's duties under this clause shall not be construed to limit or affect in any way the contractor's obligation to conform to all security regulations and requirements of the Commission pertaining to classified information and material.

Article XVI

The following clauses are a part of this agreement if a Time and Material or Labor-Hour type order is issued hereunder:

Clause 1 - Changes

The Contracting Officer may at any time, by a written order, and without notice to the sureties, if any, make changes, within the general scope of this contract. If any such change requires an increase or decrease in any hourly rate or in the ceiling price provided for in this contract, or in the time required for the performance of any part of the work under this contract, whether changed or not changed by any such order, or otherwise affects any other provision of this contract, an equitable adjustment shall be made in the (i) ceiling price, (ii) hourly rates, (iii) delivery schedule, and (iv) in such other provisions of the contract as may be so affected, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within thirty (30) days from the date of receipt by the Contractor of the notification of change; provided, however, that the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

Clause 2 - Termination

(a) The performance of work under the contract may be terminated by the Government in accordance with this clause in whole, or from time to time, in part:

- (i) whenever the Contractor shall default in performance of this contract in accordance with its terms (including in the term "default" any such failure by the Contractor to make progress in the prosecution of the work hereunder as endangers such performance), and shall fail to cure such default within a period of ten (10) days (or such longer periods as the Contracting Officer may allow) after receipt from the Contracting Officer of a notice specifying the default; or
- (ii) whenever for any reason the Contracting Officer shall determine that such termination is in the best interest of the Government.

Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying whether termination is for the default of the Contractor or for the convenience of the Government. the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective. If after notice of termination of this contract for default under (i) above, it is determined for any reason that the Contractor was not in default pursuant to (i), or that the Contractor's failure to perform or to make progress in performance is due to causes beyond the control and without the fault or negligence of the Contractor pursuant to the provisions of the clause of this contract relating to excusable delays, the Notice of Termination shall be deemed to have been issued under (ii) above, and the rights and obligations of the parties hereto shall in such event be governed accordingly.

(b) After receipt of a Notice of Termination and except as otherwise directed by the Contracting Officer, the Contractor shall:

- (i) stop work under the contract on the date and to the extent specified in the Notice of Termination;
- (ii) Place no further orders or subcontracts for materials, services or facilities, except as may be necessary for completion of such portion of the work under the contract as is not terminated;
- (iii) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by Notice of Termination;
- (iv) assign to the Government, in the manner and to the extent directed by the Contracting Officer, all right, title, and interest of the Contractor under the orders or subcontracts so terminated, in which case the Government shall have the right in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- (v) with the approval or ratification of the Contracting Officer, to the extent he may require, which approval or ratification shall be final and conclusive for all purposes of this clause, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be payable by the Government in whole or in part, in accordance with the provisions of this contract;
- (vi) transfer title (to the extent that title has not already been transferred) and in the manner, to the extent, and at the times directed by the Contracting Officer, deliver to the Government (A) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in respect of the performance of, the work terminated by the Notice of Termination, (B) the complete or partially completed plans, drawings, information, and other property which, if the contract had been completed, would be required to be furnished to the Government, and (C) the jugs, dies, fixtures, and other special tools and tooling acquired or manufactured for the performance of this contract for the cost of which the Contractor has been or will be reimbursed under this contract;
- (vii) use his best efforts to sell in the manner, at the times, to the extent, and at the price or prices directed or authorized by the Contracting Officer, any property of the types referred to in (vi) above; provided, to any purchaser, and (B) may acquire any such property under the condition prescribed by and at the price or prices approved by the Contracting Officer; and provided further that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract or shall otherwise be credited to the price or cost of the work covered by this contract or paid in such other manner as the Contracting Officer may direct;
- (viii) complete performance of such part of the work as shall not have been terminated by the Notice of Termination; and
- (ix) take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation of the property related to this contract, which is the possession of the Contractor and in which the Government has or may acquire an interest.

The Contractor shall proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting any amount due or owing under this clause.

(c) After receipt of a Notice of Termination, the Contractor shall submit to the Contracting Officer his termination claim in the form and with the certification prescribed by the Contracting Officer. Such claim shall be submitted promptly but in no event later than one year from the effective date of termination, unless one or more extensions in writing are granted by the Contracting Officer, upon request of the Contractor made in writing within such one year period of authorized extension thereof. However, if the Contracting Officer determines that the facts justify such action, he may receive and act upon any such termination claim at any time after such one year period or any extension thereof. Upon failure of the Contractor to submit his termination claim within the time allowed, the Contracting Officer may, subject to any Settlement Review Board approvals in effect as of the date of execution of this contract, determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall thereupon pay to the Contractor the amount so determined.

(d) Subject to the provisions of paragraph (c), the subject to any Settlement Review Board approvals in effect as of the date of execution of this contract, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount or amounts to be paid to the Contractor by reason of the total or partial termination of work pursuant to this clause. The contract shall be amended accordingly, and the Contractor shall be paid the agreed amount.

(e) In the event of the failure of the Contractor and the Contracting Officer to agree in whole or in part, as provided in paragraph (d) above, as to the amounts to be paid to the Contractor in connection with the termination of work pursuant to this clause, the Contracting Officer shall, subject to any Settlement Review Board approvals in effect as of the date of execution of this contract, determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination; and shall pay to the Contractor the amount determined as follows:

- (A) Any amount for the preparation of the Contractor's settlement proposal;
or
- (B) The portion of the hourly rate allocable to profit for any direct labor hours expended in furnishing materials and services not delivered to and accepted by the Government.

(f) The Contractor shall have the right to appeal, under the "Disputes" clause of this contract, from any determination made by the Contracting Officer under paragraphs (c) or (e), above, except that if the Contractor has failed within the time provided in paragraph (c), above, to request extension of such time, he shall have no such right of appeal. In any case where the Contracting Officer has made a determination of the amount due under paragraph (c) or (e), above, the Government shall pay to the Contractor the following: (i) if there is no right to appeal

hereunder, or if no timely appeal has been taken, the amount so determined by the Contracting Officer; or (ii) if an appeal has been taken, the amount finally determined on such appeal.

(g) In arriving at the amount due the Contractor under this clause, there shall be deducted (i) all unliquidated advance or other payments theretofore made to the Contractor, applicable to the terminated portion of this contract; (ii) any claim which the Government may have against the Contractor in connection with this contract; and (iii) the agreed price for, or the proceeds of sale of, any materials, supplies, or other things acquired by the Contractor or sold pursuant to the provisions of this clause and not otherwise recovered by or credited to the Government.

(h) In the event of a partial termination, the hourly rates for direct labor hours with respect to the work under the continued portion of the contract shall be equitably adjusted by agreement between the Contractor and the Contracting Officer, and such adjustment shall be evidenced by an amendment to the contract.

(i) The Government under such terms and conditions as it prescribed may make partial payments and payments on account against costs incurred by the Contractor in connection with the terminated portion of the contract, whenever in the opinion of the Contracting Officer the aggregate of such payments shall be within the amount to which the Contractor will be entitled hereunder. If the total of such payments is in excess of the amount finally determined to be due under this clause, such excess shall be payable by the Contractor to the Government upon demand, together with interest computed at the rate of six (6) percent per annum, for the period from the date such excess payment is received by the Contractor to the date on which such excess is repaid to the Government; provided, however, that no interest shall be charged with respect to any such excess payment attributable to a reduction in the Contractor's claim by reason of retention or other disposition of termination inventory until ten (10) days after the date of such retention or disposition, or such later date as determined by the Contracting Officer by reason of the circumstances.

Clause 3 - Payments

The Contractor shall be paid as follows upon the submission of invoices or vouchers approved by the Contracting Officer.

(a) Hourly Rate

(1) The amounts computed by multiplying the appropriate hourly rate, or rates, set forth in the Schedule by the number of direct labor hours performed, which rates shall include wages, overhead, general and administrative expense and profit. Fractional parts of an hour shall be payable on a prorated basis. Vouchers may be submitted once each month (or at more frequent intervals, if approved by the Contracting Officer), to the Contracting Officer or his designee. The Contractor will substantiate vouchers by evidence of actual payment and by individual daily job timecards, or such other substantiation approved by the Contracting Officer. Promptly after receipt of each substantiated voucher, the Government shall, except as otherwise provided in this contract, and subject to the provisions of (e) below, make payment thereon as approved by the Contracting Officer.

(2) Unless otherwise set forth in the Schedule, five percent (5%) of the amount due under this paragraph (a) shall be withheld from each payment by the Contracting Officer but the total amount withheld shall not exceed \$50,000. Such amounts withheld shall be retained until the execution and delivery of a release by the Contractor as provided in paragraph (f) hereof.

(3) Unless provisions of the Schedule hereof otherwise specify, the hourly rate or rates set forth in the Schedule shall not be varied by virtue of the Contractor having performed work on an overtime basis. If no overtime rates are provided in the Schedule and overtime work is approved in advance by the Contracting Officer, overtime rates will be negotiated. Failure to agree upon these overtime rates will be treated as a dispute under the "Disputes" clause of this contract. If the Schedule provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by the Contracting Officer.

(b) Subcontracts

(1) The cost of subcontracts which are authorized pursuant to the "Subcontracts" clause hereof shall be reimbursable costs hereunder, provided such costs are consistent with subparagraph (2) below. Reimbursable cost in connection with subcontracts shall be limited to the amounts actually required to be paid by the Contractor to the subcontractor and shall not include any costs arising from the letting, administration or supervision of performance of the subcontract, which costs are included in the hourly rate or rates payable under (a)(1) above.

(2) The Contractor shall, to the extent of his ability, procure materials at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials, and take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other benefits. When unable to take advantage of such benefits, it shall promptly notify the Contracting Officer to that effect, and give the reason therefore. Credit shall be given to the Government for cash and trade discounts, rebates, allowances, credits, salvage, the value of resulting scrap when the amount of such scrap is appreciable, commissions, and other amounts which have been accrued to the benefit of the Contractor, or would have so accrued except for the fault or neglect of the Contractor. Such benefits lost through no fault or neglect on the part of the Contractor, or lost through fault of the Government, shall not be deducted from gross costs.

(c) It is estimated that the total cost to the Government for the performance of this contract will not exceed the ceiling price set forth in the Schedule, and the Contractor agrees to use his best efforts to perform the work specified in the Schedule and all obligations under this contract within such ceiling price. If at any time the Contractor has reason to believe that the hourly rate payments and other approved costs which will accrue in the performance of this contract in the next succeeding thirty (30) days, when added to all other payments and costs previously accrued, will exceed eighty-five percent (85%) of the ceiling price then set forth in the Schedule, the Contractor shall notify the Contracting Officer to that effect giving his revised estimate of the total price to the Government for the performance of this contract, together with supporting reasons and documentation. If at any time during the performance of this contract, the Contractor has reason to believe that the total price to the Government for the performance of this contract will be substantially greater or less than the then stated ceiling price, the Contractor shall so notify the Contracting Officer.

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

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

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

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

- (i) specified claims in stated amounts, or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor;
- (ii) claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Contractor to third parties arising out of the performance of this contract, which are not known to the Contractor on the date of the execution of the release, and of which the Contractor gives notice in writing to the Contracting Officer not more than six (6) years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier; and

- (iii) claims for reimbursement of costs (other than expenses of the Contractor by reason of its indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents.

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

Clause 4 - Overtime

No overtime or double time will be used on the work without the prior written approval of the Contracting Officer.

Clause 5 - Audit

The Contractor agrees that the representatives of the Government will have access to inspect and audit the books and records of the vendor and will have the right to determine the correctness and propriety of the costs charged. Any overcharge found shall be promptly refunded to the Government by the Contractor.

Clause 6 - Stop Work Order

(a) The Contracting Officer may, at any time, by written order to the Contractor require the Contractor to stop all, or any part, of the work called for by this contract for a period of ninety (90) days after the order is delivered to the Contractor, and for any further period to which the parties may agree. Any such order shall be specifically identified as a Stop Work Order issued pursuant to this clause. Upon receipt of such an order, the Contractor shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of ninety (90) days after a stop work order is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Contracting Officer shall either:

- (i) cancel the stop work order or,
- (ii) terminate the work covered by such order as provided in the "Termination for Convenience" clause of this contract.

(b) If a stop work order issued under this clause is cancelled or the period of the order or any extension thereof expires, the Contractor shall resume work. An equitable adjustment shall be made in the delivery schedule or contract price, or both, and the contract shall be modified in writing accordingly, if:

- (i) the stop work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this contract and;

(ii) the Contractor asserts a claim for such adjustment within thirty (30) days after the end of the period of work stoppage; provided that, if the Contracting Officer decides the facts justify such action, he may receive and act upon any such claim asserted at any time prior to final payment under this contract.

(c) If a stop work order is not cancelled and the work covered by such order is terminated for the convenience of the Government. The reasonable costs resulting from the stop work order shall be allowed in arriving at the termination settlement.

Clause 7

SUBCONTRACTS (1-7.402-8)

(a) The Contractor shall notify the Contracting Officer reasonably in advance of entering into any subcontract which (1) is cost-reimbursement type, time and materials, or labor-hour, or (2) is fixed-price type and exceeds in dollar amount either \$25,000 or 5 percent of the total estimated cost of this contract, or (3) provides for the fabrication, purchase, rental, installation, or other acquisition of special test equipment having a value in excess of \$1,000 or of any items of industrial facilities, or (4) has experimental, developmental or research work as one of its purposes.

(b) In the case of a proposed subcontract which is (1) cost-reimbursement type, time and materials, or labor-hour which would involve an estimated amount in excess of \$10,000, including any fee, (2) is proposed to exceed \$100,000, or (3) is one of a number of subcontracts under this contract with a single subcontractor for the same or related supplies or services which, in the aggregate are expected to exceed \$100,000, the advance notification required by (a), above, shall include:

(1) A description of the supplies or services to be called for by the subcontract;

(2) Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including the degree of competition obtained;

(3) The proposed subcontract price, together with the Contractor's cost or price analysis thereof;

(4) The subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data when such data and certificate are required by other provisions of this contract to be obtained from the subcontractor;

(5) Identification of the type of subcontract to be used;

(6) A memorandum of negotiation which sets forth the principal elements of the subcontract price negotiations. A copy of this memorandum shall be retained in the Contractor's file for the use of Government reviewing authorities. The memorandum shall be in sufficient detail to reflect the most significant considerations controlling the establishment of initial or revised prices. The memorandum should include an explanation of why cost or pricing data was, or was not required, and, if it was not required in the case of any price negotiation in excess of \$100,000, a statement of the basis for determining that the price resulted from or was based on adequate price competition, established pricing or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. If cost or pricing data was submitted and a certificate of cost or pricing data was required, the memorandum shall reflect the extent to which reliance was not placed upon the factual cost or pricing data submitted and the extent to which this data was not used by the Contractor in determining the total price objective and in negotiating the final price. The memorandum shall also reflect the extent to which it was recognized in the negotiation that any cost or pricing data submitted by the subcontractor was not accurate, complete, or current; the action taken by the Contractor and the subcontractor as a result; and the effect, if any, of such defective data on the total price negotiated. Where the total price negotiated differs significantly from the Contractor's total price objective, the memorandum shall explain this difference;

(7) When incentives are used, the memorandum of negotiation shall contain an explanation of the incentive fee/profit plan identifying each critical performance element, management decisions used to quantify each incentive element, reasons for incentives on particular performance characteristics, and a brief summary of trade-off possibilities considered as to cost, performance, and time; and

(8) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract to be obtained from the subcontractor.

(c) The Contractor shall obtain the written consent of the Contracting Officer prior to placing any subcontract for which advance notification is required under (a) above. The Contracting Officer may, in his discretion, ratify in writing any such subcontract; such action shall constitute the consent of the Contracting Officer as required by this paragraph (c).

(d) The Contractor agrees that no subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

(e) The Contracting Officer may, in his discretion, specifically approve in writing any of the provisions of a subcontract. However, such approval or the consent of the Contracting Officer obtained as required by this clause shall not

be construed to constitute a determination of the allowability of any cost under this contract, unless such approval specifically provides that it constitutes a determination of the allowability of such cost.

(f) The Contractor shall give the Contracting Officer immediate notice in writing of any action or suit filed, and prompt notice of any claim made against the Contractor by any subcontractor or vendor which in the opinion of the Contractor, may result in litigation, related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(g) Notwithstanding (c) above, the Contractor may enter into subcontracts within (i) or (ii) of (a) above, without the consent of the Contracting Officer, if the Contracting Officer has approved in writing the Contractor's procurement system and the subcontract is within the scope of such approval. (This subparagraph (g) however, shall not be applicable to those subcontracts subject to paragraph (d) below, if any.)

(h) To facilitate small business participation in subcontracting under this contract, the Contractor agrees to provide progress payments on the fixed-price types of subcontracts of those subcontractors which are small business concerns, in conformity with the standards for customary progress payments stated in the Federal Acquisition Regulations, Subpart 1-30.5, as in effect on the date of this contract. The Contractor further agrees that the need for such progress payments will not be considered as a handicap or adverse factor in the award of subcontracts.

(i) The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum extent consistent with the objectives and requirements of this Contract.

Clause 8

DISPUTES (1-7.102-12)

(a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his

decision to writing and mail or otherwise furnish a copy thereof to the contractor. The decision of the Contracting Officer shall be final and conclusive unless within 30 days from the date of receipt of such copy, the contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Commission. The decision of the Commission or its duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above: Provided, That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

Clause 9

- UTILIZATION OF SMALL BUSINESS CONCERNS AND SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS

(a) It is the policy of the United States that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunities to participate in the performance of contracts let by any federal agency.

- (b) The contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with the efficient performance of this contract. The contractor further agrees to cooperate in any studies or surveys that may be conducted by the Small Business Administration or the contracting agency which may be necessary to determine the extent of the contractor's compliance with this clause.
- (c) (1) The term "small business concern" shall mean a small business as defined pursuant to Section 3 of the Small Business Act and in relevant regulations promulgated pursuant thereto.
- (2) The term "small business concern owned and controlled by socially and economically disadvantaged individuals" shall mean a small business concern
- (i) which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; or in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and
- (ii) whose management and daily business operations are controlled by one or more of such individuals.

The contractor shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, and other minorities, or any other individual found to be disadvantaged by the Small Business Administration pursuant to section 8(a) of the Small Business Act.

-) Contractors acting in good faith may rely on written representations by their subcontractors as either a small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals.

Clause 10 DRAWINGS, DESIGNS, SPECIFICATIONS (S-7.5006-13)

All drawings, sketches, designs, design data, specifications, notebooks, technical and scientific data, and all photographs, negatives, reports, findings, recommendations, data and memoranda of every description relating thereto, as well as all copies of the foregoing relating to the work or any part thereof, shall be subject to inspection by the Commission at all reasonable times (for which inspection the proper facilities shall be afforded the Commission by the contractor and its subcontractors), shall be the property of the Government and may be used by the Government for any purpose whatsoever without any claim on the part of the contractor and its subcontractors and vendors for additional compensation and shall, subject to the right of the contractor to retain a copy of said material for its own use, be delivered to the Government, or otherwise disposed of by the contractor either as the Contracting Officer may from time to time direct during the progress of the work or in any event as the Contracting Officer shall direct upon completion or termination of this contract. The contractor's right of retention and use shall be subject to the security, patent, and use of information provisions, if any, of this contract.

Clause 11

DISSEMINATION OF CONTRACT INFORMATION

The Contractor shall not publish, permit to be published, or distribute for public consumption, any information, oral or written, concerning the results of conclusions made pursuant to the performance of this contract, without the prior written consent of the Contracting Officer. (Two copies of any material proposed to be published or distributed shall be submitted to the Contracting Officer.) Failure to comply with this clause shall be grounds for termination of this contract.

Clause 12

WORK FOR OTHERS

Notwithstanding any other provision of this contract, during the term of this contract, the contractor agrees to forego entering into consulting or other contractual arrangements with any firm or organization, the result of which may give rise to an actual or apparent conflict of interest with respect to the work being performed under this contract. The contractor shall insure that all employees designated as key personnel if any, under this contract abide by the provisions of this clause. If the contractor believes with respect to itself or any such employee that any proposed consultant or other contractual arrangement with any firm or organization may involve a possible conflict of interest, the contractor shall obtain the written approval of the Contracting Officer prior to execution of such contractual arrangement.