

STANDARD FORM 26, JULY 1966 GENERAL SERVICES ADMINISTRATION FED. PROC. REG. (41CFR) 1-16.101		AWARD/CONTRACT		PAGE 1	OF 2
1. CONTRACT (Proc. Inst. Ident.) NO. 883-4-4-8(a) 80-C-1031		2. EFFECTIVE DATE MAY 28 1980		3. REQUISITION/PURCHASE REQUEST/PROJECT NO. RFPA No. ADM-80-390	
4. CERTIFIED FOR NATIONAL DEFENSE UNDER BOSA REG. 2 AND/OR DMS REG. 1. RATING:		5. ISSUED BY CODE Small Business Administration Washington District Office 1030 15th Street, N.W., Suite 250 Washington, DC 20417		6. ADMINISTERED BY (If other than block) CODE U.S. Nuclear Regulatory Commission Division of Contracts Washington, DC 20555	
7. DELIVERY FOB DESTINATION <input checked="" type="checkbox"/> OTHER (See below)		8. CONTRACTOR NAME AND ADDRESS CODE Rehab Group Incorporated 5827 Columbia Pike Falls Church, VA 22041 <small>(Street, city, county, State, and ZIP code)</small>		9. DISCOUNT FOR PROMPT PAYMENT N/A	
10. SUBMIT INVOICES (4 copies unless otherwise specified) TO ADDRESS SHOWN IN BLOCK 12 SEE ARTICLE XVII		11. SHIP TO/MARK FOR CODE U.S. Nuclear Regulatory Commission Attn: A.R. Frost, Jr., ADPS Washington, DC 20555		12. PAYMENT WILL BE MADE BY CODE U.S. Nuclear Regulatory Commission Office of the Controller Division of Accounting Washington, DC 20555	
13. THIS PROCUREMENT WAS <input type="checkbox"/> ADVERTISED, <input checked="" type="checkbox"/> NEGOTIATED, PURSUANT TO: <input type="checkbox"/> 10 U.S.C. 2304 (a) ) <input checked="" type="checkbox"/> 41 U.S.C. 252 (c)(15) and 15 U.S.C. 637(a)		14. ACCOUNTING AND APPROPRIATION DATA B&R Symbol: 43-20-25-7-02 Appropriation: 31X0200.400 \$486,648.00			
15. ITEM NO.	16. SUPPLIES/SERVICES	17. QUANTITY	18. UNIT	19. UNIT PRICE	20. AMOUNT
	Conversion, Programming, Implementation and Documentation of NRC Automated Personnel System as specified herein and in accordance with Rehab Group Incorporated's Proposal No. 80-1363, on behalf of SBA, dated April 21, 1980, incorporated herein by reference.			Estimated Cost Fixed Fee	\$450,600.00 36,048.00
				Cost-Plus-Fixed-Fee	\$486,648.00
21. Total Estimated Amount of Contract				\$ 486,648.00	
CONTRACTING OFFICER WILL COMPLETE BLOCK 22 OR 26 AS APPLICABLE					
22. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return <u>6</u> 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 attached 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.		
23. NAME OF CONTRACTOR BY <u>[Signature]</u> (Signature of person authorized to sign)			27. UNITED STATES OF AMERICA BY <u>[Signature]</u> (Signature of Contracting Officer)		
24. NAME AND TITLE OF SIGNER (Type or print) <u>[Signature]</u>		25. DATE SIGNED <u>[Signature]</u>		28. NAME OF CONTRACTING OFFICER (Type or print) Freddie M. Collins Contracting Officer	
				29. DATE SIGNED 28 MAY 1980	

800610003

SPECIAL 8(a) SUBCONTRACT CONDITIONS

The Small Business Administration (SBA) has entered into Contract No. NRC-10-80-390 with the U.S. Nuclear Regulatory Commission (NRC) to furnish the supplies or services as described therein. A copy of said contract is attached hereto and made a part hereof. As used in the subcontract, the reference to "the Secretary or his duly authorized representative" in the "Disputes" clause of this subcontract (Article 12 of Standard Form 32, General Provisions) shall be deemed to mean, respectively, the Chairman of the U.S. Nuclear Regulatory Commission or his duly authorized representative.

Rehab Group, Incorporated hereafter referred to as the subcontractor, agrees and acknowledges as follows:

- a. That he will, for and on the behalf of the SBA fulfill and perform all of the requirements of Contract No. NRC-10-80-390 for the consideration stated therein and that he has read and is familiar with each and every part of said contract.
- b. That the SBA has delegated responsibility for the administration of this subcontract to the NRC with complete authority to take any action on behalf of the Government under the terms and conditions of this subcontract.
- c. That he will not subcontract the performance on any of the requirements of this subcontract to any lower tier subcontractor without the prior written approval of the SBA and the designated Contracting Officer of the NRC.

Payments, including any progress payments, under this subcontract will be made directly to the subcontractor by the NRC.

1. CONTRACT (Proc. Inst. Ident.) NO. **NRC-10-80-390**      2. EFFECT /E DATE      3. REQUISITION/PURCHASE REQUEST/PROJECT NO. **ADM-80-390**      4. CERTIFIED FOR NATIONAL DEFENSE UNDER DDSA REG. 2 AND/OR DMS REG. 1. RATING:

5. ISSUED BY **U.S. Nuclear Regulatory Commission  
Division of Contracts  
Washington, DC 20555**      6. ADMINISTERED BY (If other than block 5)      7. DELIVERY FOR DESTINATION  **OTHER (See below)**

8. CONTRACTOR NAME AND ADDRESS **PRIME [Small Business Administration  
Washington District Office  
1030 15th Street, N.W., Suite 250  
Washington, DC 20417]**      9. DISCOUNT FOR PROMPT PAYMENT **N/A**

CONTRACTOR **SUB Rehab Group, Incorporated  
5827 Columbia Pike  
Falls Church, VA 22041**      10. SUBMIT INVOICES (4 copies unless otherwise specified) TO ADDRESS SHOWN IN BLOCK **12** **SEE ARTICLE XVII**

11. SHIP TO/MARK FOR **U.S. Nuclear Regulatory Commission  
Attn: A.R. Frost, Jr., ADPS  
Washington, DC 20555**      12. PAYMENT WILL BE MADE BY **U.S. Nuclear Regulatory Commission  
Office of the Controller  
Division of Accounting  
Washington, DC 20555**

13. THIS PROCUREMENT WAS  ADVERTISED,  NEGOTIATED, PURSUANT TO:  10 U.S.C. 2304 (a)(1)  41 U.S.C. 252 (c)(15) and 15 U.S.C. 637(a)

14. ACCOUNTING AND APPROPRIATION DATA  
B&R Symbol: **43-20-25-7-02**  
Appropriation Symbol: **31X0200.400**      **\$486,648.00**

15. ITEM NO.	16. SUPPLIES/SERVICES	17. QUANTITY	18. UNIT	19. UNIT PRICE	20. AMOUNT
	Conversion, Programming, Implementation and Documentation of NRC Automated Personnel System as specified herein and in accordance with Rehab Group, Inc.'s Proposal No. 80-1368, dated April 21, 1980.				
				Estimated Cost	\$450,600.00
				Fixed Fee	36,048.00
				Cost-Plus-Fixed-Fee	\$486,648.00

21. **Total Estimated Amount of Contract \$ 486,648.00**  
**CONTRACTING OFFICER WILL COMPLETE BLOCK 22 OR 26 AS APPLICABLE**

22.  CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 6 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 attached or incorporated by reference herein. (Attachments are listed herein.)

26.  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.

23. NAME OF CONTRACTOR BY **Freddie M. Collins** (Signature of person authorized to sign)

27. UNITED STATES OF AMERICA BY **Mary Jo Mattia** (Signature of Contracting Officer)

24. NAME AND TITLE OF SIGNER (Type or print) **Freddie M. Collins  
Contracting Officer**      25. DATE SIGNED **28 MAY 1980**      28. NAME OF CONTRACTING OFFICER (Type or print) **Mary Jo Mattia**      29. DATE SIGNED **MAY 20 1980**

STATEMENT OF WORK

"Conversion, Programming, Implementation and  
Documentation of the NRC Automated Personnel System"

I. BACKGROUND

- A. Rehab Group, Inc. has developed for the NRC Automated Personnel System, "Functional Requirements," "Data Base Design," "System Specifications," and "Program Specifications" under previous contracts.

The equipment to be used for this system is a Data General Eclipse C-330 Computer running under the Advanced Operating System.

B. References

The following documents shall be used by the contractor during the performance of this contract:

Data Base Specifications Document for the Automated Personnel System.  
Prepared by Rehab Group, Inc., June 30, 1978. Revised July 20, 1978.

NRC Automated Personnel Information System Supplemental System  
Documentation as of 21 February 1978. Ten amendments (01 through 10)  
have been included in this supplemental document to date.

Data General Corporation INFOS System Planning Manual, number  
093-000115-01, Revision 01, February 1976.

Data General Corporation IDEA Interactive Data Entry/Access Concepts  
and Facilities, number 045-001-01, 1976.

Data General Corporation IDEA Interactive Data Entry/Access Programmer's  
Reference, number 045-002-01, Revision 01, October 1977.

Data General Corporation INFOS Utilities User's Manual, number 093-000182-01,  
Revision 01, August 1976.

Data General Corporation AOS Operators Guide, number 093-000194-03,  
Revision 03, June 1978.

NRC Manual Appendix 0903 - Data Processing Standards - Automated Systems  
Documentation Handbook. Published by the Division of Automated Data Processing  
Support, Office of Administration, U.S. Nuclear Regulatory Commission,  
August 1979.

Personnel Data Standards, FPM Supplemental 292-1. Published by U.S.  
Civil Service Commission, August 1976.

Personnel Systems Design Document. (As Amended) Prepared by Rehab Group, Inc.,  
dated November 16, 1978.

Data Base Amendments. Prepared by Rehab Group, Inc., dated November 16, 1979.

Program Specifications. Prepared by Rehab Group, Inc., dated November 16, 1979.

Program Specifications, (As Amended) Prepared by Rehab Group, Inc.  
Target Completion date February 1980.

Cross Reference Data. Prepared by Rehab Group, Inc., dated November 16, 1979.

Conversion Plan. Prepared by Rehab Group, Inc., dated November 16, 1979.

Implementation Plan. Prepared by Rehab Group, Inc., dated November 16, 1979 as revised.

## II. SCOPE OF WORK

- A. The Contractor shall provide all necessary personnel facilities and equipment, except as specified herein, required to accomplish the System Analysis, Design, Programming, Implementation and Documentation for the remainder of the development effort on the NRC Automated Personnel System. The NRC Automated Personnel System will be an on-line interactive system, with minimal batch processing, all of which will be under total operational control of the Division of Organization and Personnel.
- B. The effort required herein shall consist of the following tasks:
- A - Program Coding and Debug
  - B - Conversion Implementation
  - C - System Testing
  - D - Training
  - E - Acceptance Processing
  - F - Documentation

### B.1 Task A - Program Coding and Debug

Computer programs shall be coded and unit tested (debugged) in this phase. Program naming conventions as defined in the System Naming/Numbering Section of this document shall be adhered to. Establishment of system libraries shall be coordinated with NRC Systems Programming Staff. All programs shall be sufficiently tested to accomplish program specifications prior to inclusion in overall System Test (Task C). The Contractor shall build test files using fictitious data with assistance of User Personnel, for all program debugging. No live data shall be used at any time.

### B.2 Task B - Conversion and Implementation

The steps necessary for conversion of data contained on existing automated systems shall be accomplished in this task, as well as the collection, evaluation and formatting of data which is not presently contained in automated systems.

Conversion shall be accomplished both prior to System Testing and prior to Acceptance Processing. Formatted File Listings shall be produced by the Contractor for review and approval by the COTR.

### B.3 Task C - System Testing

Once all programs have been thoroughly unit tested (debug), a complete system test shall be run by the Contractor. The results of the System Test shall be reviewed and approved by the COTR. Upon acceptance of those tests, a separate system test shall be accomplished jointly by the Contractor, COTR and User Representative.

These system tests shall include every function to be performed by the System, including backup/recovery procedures.

The Contractor shall provide a test plan prior to the System Test along with a draft User Manual. Upon completion of the testing, the Contractor shall submit a test analysis report and a plan/schedule for resolution of all identified problems.

### B.4 Task D - Training

Various levels of training will be necessary for NRC personnel associated with the System. The Contractor shall develop an adequate training plan and schedule which shall include training for personnel responsible for the following aspects of the System.

- (a) User personnel who will maintain the Data Base via Data Entry and Reports.
- (b) User personnel who only use the System for queries and reports.
- (c) User personnel responsible for operation of the equipment, running system backups, initiating batch jobs, maintaining supplies, etc.
- (d) ADP personnel responsible for System Maintenance.

Adequate training must be accomplished prior to System testing. The Contractor shall provide the COTR with a time phased training plan, in accordance with the schedule specified in Article III, which will identify who will be trained, when and for what purposes.

Training course outlines shall be submitted by the Contractor to the COTR for approval not less than two weeks prior to scheduled training.

### B.5 Task E - Acceptance Processing

Upon satisfactory completion of all system testing, training and data conversions, a period of acceptance processing shall be initiated. This processing shall be run parallel to the current operation of existing systems and manual procedures. The Contractor shall provide the NRC with all necessary information to enable the NRC to evaluate the acceptance processing.

Every function of the System must be accomplished during the acceptance processing period in order for the User to (a) evaluate the results and (b) learn as much as possible about the use and operations of the System. The acceptance process shall include testing of system generated tapes by those systems which have interfaces with the Personnel System.

#### B.6 Task F - Documentation

All documentation specified in Article IX shall be written in accordance with NRC Manual Chapter 0903, attached hereto unless specific deviation from those standards is granted in writing by the COTR.

The documents listed in items 1(b), 3(a), and 3(b) of Article IX shall be provided to the COTR in DRAFT form prior to System Testing. The document shall be revised as necessary due to any problems encountered during the test processes and delivered to the COTR in final form within one month after completion of the Acceptance Processing.

### III. PROGRESS REPORTING

Twice a month, written reports shall be submitted to NRC for review. The progress reports shall be due on the first and fifteenth day of each month. The progress report shall contain the following items:

- (a) Project Name and Contract Number
- (b) Identification of each task and personnel assigned
- (c) Current Status of each task
- (d) Progress since previous report
- (e) Anticipated progress during next reporting period
- (f) Problems encountered or anticipated
- (g) Resolution of any previously reported problems
- (h) Updated Gantt Chart

A project status meeting shall be held within two (2) days after receipt by NRC of the Contractor's written progress report. The Contractor should be prepared to discuss all items covered in the progress report, and should be prepared to give a brief oral presentation of the system's progress.

### IV. GANTT CHART

Contractor shall provide a GANTT Chart one (1) week after the effective date of the contract and fill in all applicable dates for all tasks. Thereafter, the Contractor shall update the chart on a twice monthly basis, reflecting progress as shown on progress report. GANTT Chart should reflect items pertinent to tasks being performed, such as: "cut-off" dates for information to be supplied by NRC, review periods, and final document submission. Any slippage in critical tasks will require the Contractor to demonstrate an approach to recovery of performance.

V. TASK PRIORITY

The Contractor shall identify priority of tasks in his task schedule and note all tasks which cannot be started without acceptance and approval of previously completed tasks.

VI. PERSONNEL QUALIFICATIONS

A. All ADP personnel assigned to this effort must have experience or formal training on the Data General Eclipse C-330 Computer utilizing AOS, INFOS and IDEA. Resumes of proposed personnel must be submitted with the proposal. NRC reserves the right to approve assignment or reassignment of contractor personnel during the period of performance.

B. It is anticipated that the performance under this contract will require the following personnel with minimum requirements as specified:

B.1 System Analyst

Devises and prepares layouts for computer systems requirements and develops procedures to process data by means of ADP/EDP. Confers with other technical personnel to determine problem and type of data to be processed. Analyzes the problem in terms of equipment capability to determine techniques and formulates computer system requirements most feasible for processing data. Individual is adept in preparing a definition of the problem, together with recommendations for equipment needed for its solution from which the programmer prepares flow chart and computer instructions. Writes specifications to the exact requirements for each program which will be written by the programmer, within the system. The detailed written specifications for each program shall be supplied, as a part of his function as an analyst, before any effort is applied to actually begin the individual program effort. Individual may be required to supervise the preparations and implementation of individual programs. Individual may be required to develop and implement applications utilizing mathematical and statistical formulae.

Must have a minimum of four years of experience as an analyst or programmer, and a college degree or the equivalent. The experience must include at least one year as a programmer and one year as an analyst. The equivalent of a college degree is three years of additional experience as an analyst/programmer.

The substitution formula is:

Nine months of programmer/analyst experience is equivalent to one year of college.



Extra credit will be allowed for graduate study. Substitution of graduate study will be on a one-for-one basis. One year of graduate study is equivalent to one additional year of experience.

All Systems Analysts must meet the skill qualifications as indicated plus all those qualifications applicable to the position of Senior Programmer.

B.2 Senior System Analyst

Must meet all qualifications stated for position of System Analyst and, in addition, must have a minimum of ten years data processing experience with proven performance as a lead analyst or project manager.

B.3 Senior Programmer (Class A Programmer)

A Senior computer programmer develops and prepares diagrammatic plans for solution of business, scientific and technical problems by means of ADP equipment. Analyzes programs outlined by a systems analyst in terms of such factors as type and extent of information to be transferred from storage units, variety of items to be processed, extent of sorting, and format of final printed results. Additionally, designs detailed programs, flow charts, and diagrams indicating mathematical computations and sequences of machine operations necessary to copy and process data and print results.

The senior programmer also verifies accuracy and completeness of program by preparing sample data, and testing them by means of systems acceptance test runs made by operating personnel. Corrects program errors by revising instructions or altering sequence of operations. Individual is responsible for system documentation and operating run procedures documented according to established Government methods and operations standards. Evaluates and modifies existing programs to take into account changes in procedure or type of reports desired. Translates detailed flow charts into coded machine instructions, confers with technical personnel in planning programs, and works in programs within the system. Individual may be required to use concepts generally associated with third generation equipment. Mathematical programming techniques may also be required.

Must have a minimum of three years experience as a programmer and a college degree or equivalent.

The equivalent of a college degree is three additional years experience as a programmer.

The substitution formula is:

Nine months programmer/analyst experience is equivalent to one year of college.

Extra credit will be allowed for graduate study. Substitution of graduate study will be on a one-for-one basis. One year of graduate study is equivalent to one additional year of experience.

Additional knowledge of the following is desirable:

Languages: IFPL, COBOL

Software: INFOS, IDEA, AOS

Equipment: BATCH, RJE, DIAL-UP TYPEWRITER TERMINALS  
DATA GENERAL ECLIPSE C330

Minimum of three years COBOL programming experience is necessary.

#### B.4 Junior Programmer (Class B)

A Junior Programmer is an individual who is capable, under general supervision, of analyzing and defining system requirements, and of developing programs for automatic data processing. This programmer conducts detailed analysis, studies of all systems requirements and develops all levels of block diagrams and logic flow charts.

He/she must translate the details into a program of coded instructions used by the computer. He/she tests, checks, debugs, revises and refines the computer program as required to produce the product required by the written specifications. Additionally, the programmer documents all procedures used throughout the program to allow the program to be run as a part of the system by operating computer personnel, and completes systems documentations to enable subsequent programmer to make changes as may be required. The programmer should also be able to revise existing programs to make refinements, reduce operating time or improve techniques. This individual must be able to independently run an entire system or portion thereof; to review and process its output for individual user consumption.

He/she must have a minimum of one year of experience and a college degree or the equivalent.

The equivalent of a college degree is three additional years of programming experience.

The substitution formula is:

Nine months of programming experience is equivalent to one year of college.

Additional knowledge of the following is desirable:

Languages: IFPL, COBOL

Software: INFOS, IDEA, AOS

Equipment: BATCH, RJE, DIAL-UP TYPEWRITER TERMINALS  
DATA GENERAL ECLIPSE C330

Minimum of three years COBOL programming experience is necessary.

B.5 Technical Writer

Minimum of two years experience in data processing technical writing. College degree or equivalent (as previously defined) is required.

VII. Key Personnel

The following individuals are designated as "Key Personnel" under this contract, and as such, are regarded by the Government to be essential to the work being performed thereunder. The Contractor shall notify the Contracting Officer at least thirty (30) days prior to diverting any of the below listed individuals from service under this contract. No diversion shall be made by the Contractor without the written consent of the Contracting Officer.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

VIII. SYSTEM NAMING/NUMBERING CONVENTION

The System naming convention used in development of the System Design Specifications must be changed to comply with the following standard for all future effort in development of this System.

The Contractor will not be required to change the System Design Specification Document. However, all new specifications will use the new standard.

STANDARD NAMING CONVENTION

<u>Position</u>	<u>Field</u>	<u>Values</u>
1	Prefix	P = PROGRAM R = Procedure/Step or Menu B or J = Job (NIH must use Initials) D = Data Set F = File Description U = Utility Parameters T = Tables C = Code (Section of Code to be copied) M = Mark IV N = MACRO (DG)
2 - 3	System ID	31 for Personnel System
4 - 5	Module/ Function	01 = NOA 02 = Table Maintenance 03 = Queries (canned) 04 = File Maintenance 05 = Reports
6 - 8	Sequence	Numeric Identification: 001-099 = files/records 100-299 = Procedures/Menus 300-799 = Programs 800-999 = Miscellaneous, one-time programs
9 - 10	Program Language Extensions for Data General Computers	.SR = Assembler Language Source Code .FR = Fortran " : : .AL = ALGOL

<u>Position</u>	<u>Field</u>	<u>Values</u>
9 - 10	Program Language Extensions for Data General Computers	.CB = CUBOL Language Source Code .CO = CUBOL Copy Files .CC = FPL .MC = MACRO Files .JB = Batch Job File .UP = FPL Language Source Code .DG = UG/L Source Files .RG = RPG II Source Files .OB = Object Files .PR = Executable Programs .ST = Symbol Table Files .CLI = CLI Macro Files .TXT = Text (data) Files .TMP = Temporary Files .SL = Shared Libraries .LB = Unshared Libraries

IX. DELIVERABLES AND TIME OF DELIVERY

Deliverables as a result of the effort on this contract and the time of delivery are as follows:

<u>REPORT/DOCUMENT</u>	<u>NUMBER OF COPIES</u>	<u>TIME OF DELIVERY</u> (No. of weeks (7 calendar days) after effective date of contract)
1. <u>Task A - Program Coding and Debugging:</u>		58 weeks
(a) Hard copy printouts of all IFPL screens.	2	
(b) Draft program documentation including program listings with all options provided by Syntax Macro "SYN".	1	
2. <u>Task B - Conversion:</u>		45 weeks
(a) JCL and program listings required by the conversion.	1	
(b) Error/missing data reports.	5	
(c) Functional draft users conversion manual.	5	
(d) Conversion update reports.	5	
(e) Formatted File Listings.	5	
3. <u>Task C - System Testing:</u>		60 weeks
(a) Draft users manual.	5	
(b) Draft systems maintenance manual.	5	
(c) System test plan.	5	
(d) Test Analysis Report (Schedule for resolution of identified problems).	5	

IX. DELIVERABLES AND TIME OF DELIVERY (Continued)

<u>REPORT/DOCUMENT</u>	<u>NUMBER OF COPIES</u>	<u>TIME OF DELIVERY</u>
4. <u>Task D - Training:</u>		37 weeks
(a) Training plans, schedules, and course outlines.	5	
5. <u>Task E - Acceptance Processing and Task F - Documentation</u>		72 weeks
(a) Final users manual.	5	
(b) Final System Maintenance Manual.	2	
(c) Final program/subroutine/macro copy file listings and documentation.	1	
6. Bi-monthly Progress Reports	5	1st and 15th of each month

The NRC COTR will acknowledge receipt of draft milestone deliverables; however, no formal acceptance or sign-off shall be granted the contractor until receipt of the final task (F) deliverables.

X. PERIOD OF PERFORMANCE

The period of performance under this contract shall commence on the effective date of the contract and shall continue for seventy-two (72) weeks thereafter, at which time all work specified herein shall be completed (Note: See Article IX ).

XI. GOVERNMENT-FURNISHED PROPERTY

All necessary computer time connected with this contract will be supplied by NRC utilizing a Data General Eclipse C-330 Computer running under the Advance Operating System. Access to the NRC computer facility will be provided through the use of eight (8) NRC owned CRT's, four located at Rehab offices and four located at NRC. Upon execution of this contract, NRC will provide four (4) CRT's and one (1) printer to the contractor in accordance with Clause No. 58 of this contract. The contractor shall install the four modems and telephone lines required at the contractor's site. All government equipment shall be returned to NRC at the conclusion of the contract.

The contractor will be provided direct access to the computer facility seven (7) days a week, 24 hours a day on a limited basis. As the computer must occasionally be used by NRC staff for other purposes, the contractor will be guaranteed the availability of the computer for 40 hours (wall clock time, not cpu time) per week during the hours of 7:00 a.m. to 7:00 p.m., Monday through Friday.

XII. DESIGNATION OF CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVES (COTR)

NRC shall designate the representatives who have thorough knowledge of the requirements of the Automated Personnel System and shall represent NRC in the following areas:

- (a) Division of ADP Support - ADP Technical Representative (COTR)
- (b) Division of Organization and Personnel User Representative

The NRC ADP representative shall obtain approval for all project related management decisions at the NRC, and shall make arrangements with the NRC User Representative to provide the Contractor with technical direction and related assistance and information. For the purpose of accepting deliverables, the NRC ADP Representative shall be the final approval authority for the NRC. The Contracting Officer will designate a COTR within seven (7) calendar days of the effective date of this contract. A copy of the letter of designation will be forwarded to the Contractor immediately following designation. The COTR will subsequently designate the User Representative(s).

XIII. PRESERVATION/PACKAGING/PACKING

Material to be delivered under this contract shall be packed for shipment in such a manner that will insure acceptance by common carrier and safe delivery at destination. Containers and closures shall comply with the regulations of the carrier as applicable to the mode of transportation.

XIV. INSPECTION AND ACCEPTANCE

Determination of acceptability on each completed task will be made by the Contracting Officer's Technical Representative. Each Task shall be completed in a responsive and professional manner and in accordance with any specifications, schedules or test plans specified herein.

Any products such as reports, manuals, or other documents will be reviewed by the Government within ten (10) working days after they are received. Any deficiencies shall be corrected within a period of time agreed upon by the Government and the Contractor.

NRC will not review and approve program specifications on an individual basis, but will review specifications in groups of related programs. This review, however, will not constitute final acceptance of any specifications. Final acceptance shall be made by the COTR after satisfactory completion of the tasks specified herein.



XV. SPECIAL PROVISIONS

A. Privacy Act Notification

This procurement action requires the Contractor to do one or more of the following: design, develop, or operate a system of records on individuals to accomplish an agency function in accordance with the Privacy Act of 1974, Public Law 93-579, December 31, 1974, (5 U.S.C. 552a) and applicable agency regulations. Violation of the Act may involve the imposition of criminal penalties.

B. Service Contract Act Wage Determination

The following U.S. Department of Labor Wage Determination Registers are hereby incorporated by reference and attached hereto as Attachment 2:

<u>Wage Determination No.</u>	<u>Date</u>
79 - 642	July 11, 1979

C. Private Use and Protection of Unclassified Government Information

- (i) 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, or information developed by the contractor in the course of the work hereunder, 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, and any copies thereof, furnished by the Commission to the contractor or developed by the contractor in the performance of this contract.
- (ii) 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 the performance of work under this contract. The contractor agrees to conform to all regulations, requirements, and directions of the Commission with respect to such material.
- (iii) 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.

D. Security/Classification (Subject to Security Clearance)

- (i) The Contractor and contractor's personnel will be governed by the provisions of the Security/Classification Requirements, NRC Form 187, incorporated herein by this reference and attached hereto as Attachment 3.
- (ii) Notwithstanding Clause 57 of the General Provisions entitled "Security," to the contrary, and in addition thereto, the parties hereto agree that the NRC contact shall be the Authorized Classifier for all classified information or material delivered under this contract and NRC shall provide classification guidance to the contractor as required in the performance of this contract.
- (iii) The Contractor and contractor's personnel will be governed by, and shall assign classification markings to information or material, originated or generated by the contractor as determined by the Project contact.
- (iv) If subsequent to the date of this contract, the security level under the contract is changed by the Commission and such change causes an increase or decrease in the estimated cost or the time required for performance under this contract the contract cost, delivery schedule, or both and any other provisions of the contract that may be affected shall be subject to an equitable adjustment by reason of such increased or decreased costs.

E. Subcontracts For Work or Services

No contract shall be made by the Contractor with any other party for furnishing any of the work or service herein contracted for without approval of the Contracting Officer, but this provision will not be taken as requiring the approval of contracts of employment between the Contractor and personnel assigned for services hereunder.

ARTICLE XVI CONSIDERATION

Estimated Cost, Fixed Fee, and Obligation

1. It is estimated that the total cost to the Government for full performance of work under this contract will be \$486,648 of which the sum of \$450,600 represents the estimated reimbursable costs, and of which \$36,048 represents the fixed fee.
2. There shall be no adjustment in the amount of the Contractor's fixed fee by reason of differences between any estimate of cost for performance of the work under this contract and the actual cost for performance of that work.
3. The amount presently obligated by the Government with respect to this contract is \$486,648.

XVII. BILLING INSTRUCTIONS

General. The contractor shall submit vouchers for cost-reimbursement in the manner and format described herein and as illustrated in the sample voucher.

Form. Claims shall be submitted on the payee's letterhead, invoice or on the Government Standard Form 1034, "Public Voucher for Purchases and Services Other Than Personal," and "Standard Form 1035, Public Voucher for Purchases Other Than Personal - Continuation Sheet." These forms are available from the Government Printing Office, 710 North Capitol Street, Washington, DC 20801.

Number of Copies. An original and 4 copies should be mailed to the NRC office identified below.

Frequency. The contractor shall submit claims for reimbursement once each month unless otherwise authorized by the Contracting Officer.

Billing of Costs After Expiration of Contract. If cost-reimbursements are incurred during the contract period and claimed after the contract has expired, the period during which these costs were incurred must be cited.

Currency. Billings may be expressed in the currency normally used by the contractor in maintaining his accounting records; payments will be made in that currency. However, the U.S. dollar equivalent for all invoices paid under the contract may not exceed the total U.S. dollars authorized in the contract.

Supersession. These instructions supersede all previous billing instructions.

Preparation and Itemization of the Voucher. The contractor shall furnish the information set forth in the explanatory notes below. These notes are keyed to the entries on the sample voucher.

(a) Payor's Name and Address. (i) Address the original voucher (with 4 copies) to: U.S. Nuclear Regulatory Commission, Division of Accounting, Office of the Controller, ATTN: GOV/COM Accounts Section, Washington, DC 20555.

(b) Voucher Number. Insert the appropriate serial number of the voucher. This is to be in sequential order beginning with 001 as the number to be used for the first voucher submitted under this contract.

BILLING INSTRUCTIONS (Continued)

- (c) Date of Voucher. Insert the date the voucher is prepared.
- (d) Contract Number and Date. Insert the contract number and the date of the contract.
- (e) Payee's Name and Address. Show the name of the contractor as it appears in the contract and its correct address; except when an approved assignment has been made by the contractor, or a different payee has been designated, then insert the name and address of the payee.
- (f) Contract Amount. Insert the total estimated cost of the contract, exclusive of fixed-fee. For incrementally funded contracts enter the amount currently obligated and available for payment.
- (g) Fixed Fee. Insert total fixed-fee (where applicable).
- (h) Billing Period. Insert the beginning and ending dates (day, month, and year) of the period in which costs were incurred and for which reimbursement is claimed.
- (i) Direct Costs. Insert the major cost elements
- (i)(1) Direct Labor. This consists of salaries and wages paid (or accrued) for direct performance of the contract.
- (i)(2) Fringe Benefits. This represents fringe benefits applicable to direct labor and billed as a direct cost. Fringe benefits included in direct costs should not be identified here.
- (i)(3) Capitalized Nonexpendable Equipment. For educational institutions list each item costing \$1,000. or more; for contractors other than educational institutions list each item costing \$200. or more and having a life expectancy of more than one year. List only those items of equipment for which reimbursement is requested. A reference shall be made to the following (as applicable): (1) the item number for the specific piece of equipment listed in the Property Schedule; (2) the Contracting Officer's Approval Letter, if the equipment covered by the Property Schedule; or (3) be preceded by an asterisk (\*) if the equipment is below the approval level. Further itemization of vouchers shall only be required for items having specific limitations set forth in the contract.
- (i)(4) Materials, Supplies, and Noncapitalized Equipment. This is consumable materials and supplies and equipment other than that described in (i)(3) above.
- (i)(5) Premium Pay. This is remuneration in excess of the basic hourly rate.
- (i)(6) Consultants' Fee. These are fees paid to consultants.
- (i)(7) Travel. Domestic travel is travel within the United States, its territories, possessions, and Canada; it should be billed

BILLING INSTRUCTIONS (Continued)

- separately from foreign travel.
- (i)(8) Other. List all other direct costs in total unless significant in amount. If significant, list cost elements and dollar amount separately, e.g., subcontracts.
- (j) Indirect Costs--Overhead. Cite the formula (rate and base) in effect during the time the cost was incurred and for which reimbursement is claimed.
- (k) Fixed-Fee. If the contract provides for a fixed-fee, it must be claimed as provided for by the contract. Cite the formula or method of computation.
- (l) Amount Billed for Current Period. Insert the amount billed for the major cost elements, adjustment, and adjusted amounts for the period.
- (m) Cumulative amount from Inception to Date of this Billing. Insert the cumulative amounts billed for the major cost elements and adjusted amounts claimed during this contract.
- (n) Total Amounts Claimed. Insert the total amounts claimed for the current and cumulative periods.
- (o) Adjustments. This includes amounts conceded by the contractor, outstanding suspensions, and disapprovals subject to appeal.
- (p) Grand Totals.

BILLING INSTRUCTIONS (Continued)

SAMPLE VOUCHER																																		
<p>(a) Payor's Name and Address The U. S. Nuclear Regulatory Commission Division of Accounting, CON Attention: Gov/Com Accts Section Washington, DC 20555</p>	<p>(b) Voucher No.</p> <hr/> <p>(c) Date Voucher Prepared</p> <hr/> <p>(d) Contract No. and Date</p> <hr/>																																	
<p>(e) Payee's Name and Address ABC CORPORATION 100 Main Street Anywhere, U.S.A. "or" The National Bank, Anywhere, U.S.A. Assignee for ABC Corporation Anywhere, U.S.A. (When Payments are Assigned)</p>	<p>(f) Total Estimated Cost of Contract</p> <hr/> <p>(g) Total Fixed-Fee</p> <hr/>																																	
<p>(h) This voucher represents reimbursable costs from <u>July 1, 1977</u> through <u>July 31, 1978</u></p>																																		
<p>(i) Direct Costs</p> <p>(i)(1) Direct Labor</p> <p>(i)(2) Fringe Benefits</p> <p>(i)(3) Capitalized Nonexpendable Equipment</p> <p>(i)(4) Materials, Supplies and Noncapitalized Equipment</p> <p>(i)(5) Premium Pay</p> <p>(i)(6) Consultant's Fee</p> <p>(i)(7) Travel -- Domestic Foreign</p> <p>(i)(8) Other</p> <p style="padding-left: 40px;">Total Direct Costs</p>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: center;">(l) Amount Billed for Current Period</th> <th style="text-align: center;">(m) Cumulative Amount From Inception to Date of this Billing</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">\$ 3,400</td> <td style="text-align: right;">\$ 6,800</td> </tr> <tr> <td></td> <td style="text-align: right;">600</td> <td style="text-align: right;">1,200</td> </tr> <tr> <td></td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">8,000</td> </tr> <tr> <td></td> <td style="text-align: right;">2,000</td> <td style="text-align: right;">4,000</td> </tr> <tr> <td></td> <td style="text-align: right;">100</td> <td style="text-align: right;">150</td> </tr> <tr> <td></td> <td style="text-align: right;">100</td> <td style="text-align: right;">100</td> </tr> <tr> <td></td> <td style="text-align: right;">200</td> <td style="text-align: right;">200</td> </tr> <tr> <td></td> <td style="text-align: right;">200</td> <td style="text-align: right;">200</td> </tr> <tr> <td></td> <td style="text-align: right;">-0-</td> <td style="text-align: right;">-0-</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>\$11,600</u></td> <td style="text-align: right;"><u>\$20,650</u></td> </tr> </tbody> </table>		(l) Amount Billed for Current Period	(m) Cumulative Amount From Inception to Date of this Billing		\$ 3,400	\$ 6,800		600	1,200		5,000	8,000		2,000	4,000		100	150		100	100		200	200		200	200		-0-	-0-		<u>\$11,600</u>	<u>\$20,650</u>
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XVIII PRECONTRACT COSTS

Allowable costs under this contract shall include such costs, incurred by the Contractor in connection with the work covered by this contract during the period from and including April 21, 1980 to the date of this contract, as would have been allowable pursuant to the terms of this contract if this contract had been in effect during said period; provided, however, that such costs shall not in the aggregate exceed \$10,000 which amount is included in the estimated cost of this contract.

IX GENERAL PROVISIONS

The Contract shall be subject to the General Provisions for Cost-Type Contracts with Concerns Other than Educational Institutions dated February 15, 1978.

Clause 29 entitled "Utilization of Minority Business Enterprises" is deleted in its entirety.

Clause 56 entitled "Preference for U. S. Flag Air Carriers" is deleted in its entirety.

The Clause entitled, "Special 8(a) Contract Conditions," attached hereto and forming a part hereof, is added as Clause No. 62.

The Clause entitled, "Privacy Act," attached hereto and forming a part hereof, is added as Clause No. 63.

The Clause entitled, "Service Contract Act of 1965, as Amended, attached hereto and forming a part hereof, is added as Clause No. 64.

The Clause entitled, "Security," attached hereto and forming a part hereof, is added as Clause No. 65.

The Clause entitled "Government-Furnished Property", attached hereto and forming a part hereof, is added as Clause No. 66.

LIST OF DOCUMENTS AND ATTACHMENTS

This contract contains the following attachments:

1. General Provisions for Cost-Type Contracts with Concerns Other than Educational Institutions dated February 15, 1978.
2. U. S. Department of Labor Wage Determination No. 79-642 dated July 11, 1979.
3. NRC Form 187, Security/Classification Requirements.
4. NRC Manual Chapter 0903 entitled "Automatic Data Processing Standards Automated systems Documentation Handbook"

SPECIAL CLAUSES FOR PRIME CONTRACTS

Special 8(a) Contract Conditions

It is understood and agreed by and between the parties to this contract that:

- (1.) SBA certifies it is competent to perform the requirement as stated in this contract.
- (2.) SBA will furnish the supplies, services or perform the work required under this contract according to the specifications, drawings, terms and conditions hereof by subcontracting with an eligible concern pursuant to section 8(a) of the Small Business Act, 13 USC 637(a). Such concern shall, for and in the stead of SBA, perform and fulfill all the requirements of this contract.
- (3.) If SBA does not award a subcontract for all or part of the supplies, services or work, this contract shall be terminated in whole or in part without cost to either party.
- (4.) SBA hereby delegates to the (U.S. Nuclear Regulatory Commission) the responsibility for administering the subcontract to be awarded hereunder.
- (5.) Payments to be made under any subcontract awarded under this contract will be made directly to the subcontractor by the procuring agency except where SBA makes an advance payment to the subcontractor, in which event the agency administering the subcontract will be specifically requested in writing to make payments directly into the Special Bank Account.
- (6.) The 8(a) subcontractor shall have the right of appeal from decisions of the contracting officer cognizable under the disputes clause of said subcontract.
- (7.) The subcontract shall include the following provision:

For the purpose of this contract, the reference to "his duly authorized representative" in the "Disputes" clause of this contract shall be deemed to refer to the Secretary or Administrator of the U.S. Nuclear Regulatory Commission and the Board of Contract Appeals of the U.S. Nuclear Regulatory Commission.



The Small Business Administration (SBA) agrees as follows:

1. To furnish the supplies or services set forth in this contract according to the specifications and the terms and conditions hereof by subcontracting with an eligible concern pursuant to the provisions of Section 8(a) of the Small Business Act, as amended (15 U.S.C. 637(a)).
2. That in the event SBA does not award a subcontract for all or a part of the work hereunder, this contract may be terminated either in whole or in part without cost to either party.
3. SBA hereby delegates to the U.S. Nuclear Regulatory Commission (NRC) the responsibility for administering the subcontract to be awarded hereunder with complete authority to take any action on behalf of the Government under the terms and conditions of the subcontract: Provided, however, that the NRC shall give advance notice to the SBA before it issues a final notice terminating the right of a subcontractor to proceed with further performance, either in whole or in part, under the subcontract for default or for the convenience of the Government.
4. Payments to be made under any subcontract awarded under this contract will be made directly to the subcontractor by NRC.
5. That the subcontractor awarded a subcontract hereunder shall have the right to appeal from decisions of the Contracting Officer cognizable under the "Disputes" clause of said subcontract, which clause shall be identical with that set out in Article 12 of Standard Form 32. It is further understood and agreed that the subcontract to be executed between the SBA and SBA's subcontractor shall also include a clause as follows:

For the purpose of this subcontract, the reference to the "Secretary or his duly authorized representative" in the "Disputes" clause of this subcontract (Article 12 of Standard Form 32, General Provisions) shall be deemed to mean, respectively, the Chairman of the U.S. Nuclear Regulatory Commission or his duly authorized representative.

(a) The Contractor agrees:

(1) To comply with the Privacy Act of 1974 and the rules and regulations issued pursuant to the Act in the design, development, or operation of any system of records on individuals in order to accomplish an agency function when the contract specifically identifies (i) the system or systems of records and (ii) the work to be performed by the contractor in terms of any one or combination of the following: (A) design, (B) development, or (C) operation;

(2) to include the solicitation notification contained in this contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation when the statement of work in the proposed subcontract requires the design, development, or operation of a system of records on individuals to accomplish an agency function; and

(3) to include this clause, including this paragraph (3), in all subcontracts awarded pursuant to this contract which require the design, development, or operation of such a system of records.

(b) In the event of violations of the Act, a civil action may be brought against the agency involved when the violation concerns the design, development, or operation of a system of records on individuals to accomplish an agency function, and criminal penalties may be imposed upon the officers or employees of the agency where the violation concerns the operation of a system of records on individuals to accomplish an agency function. For purposes of the Act when the contract is for the operation of a system of records on individuals to accomplish an agency function, the contractor and any employee of the contractor is considered to be an employee of the agency.

(c) The terms used in this clause have the following meanings:

(1) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records including the collection, use, and dissemination of records.

(2) "Record" means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.

(3) "System of records" on individuals means a group of any records under the control of any agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.

Clause No. 64

SERVICE CONTRACT ACT OF 1965, AS AMENDED (FPR 1-12.904-1)  
(Contracts in Excess of \$2,500)

This contract, to the extent that it is of the character to which the Service Contract Act of 1965, as amended (41 U.S.C. 351-357) applies, is subject to the following provisions and to all other applicable provisions of the Act and regulations of the Secretary of Labor thereunder.

(a) Compensation. Each service employee employed in the performance of this contract by the Contractor or any subcontractor shall be paid not less than the minimum monetary wage and shall be furnished fringe benefits in accordance with the wages and fringe benefits determined by the Secretary of Labor or his authorized representative, as specified in any attachment to this contract. If there is such an attachment, any class of service employees which is not listed therein, but which is to be employed under this contract, shall be classified by the Contractor so as to provide a reasonable relationship between such classifications and those listed in the attachment, and shall be paid such monetary wages and furnished such fringe benefits as are determined by agreement of the interested parties, who shall be deemed to be the contracting agency, the Contractor, and the employees who will perform on the contract or their representatives. If the interested parties do not agree on a classification or reclassification which is, in fact, conformable, the Contracting Officer shall submit the question, together with his recommendation, to the Office of Special Wage Standards, Employment Standards Administration (ESA), Department of Labor for final determination. Failure to pay such employees the compensation agreed upon by the interested parties or finally determined by the Administrator or his authorized representative shall be a violation of this contract. No employee engaged in performing work on this contract shall in any event be paid less than the minimum wage specified under Section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended.

(b) Adjustment. If, as authorized pursuant to Section 4(d) of the Service Contract Act of 1965, as amended, the term of this contract is more than 1 year, the minimum monetary wages and fringe benefits required to be paid or furnished thereunder to service employees shall be subject to adjustment after 1 year and not less often than once every 2 years, pursuant to wage determinations to be issued by the Employment Standards Administration, Department of Labor as provided in the Act.

(c) Obligation to furnish fringe benefits. The Contractor or subcontractor may discharge the obligation to furnish fringe benefits specified in the attachment or determined conformably thereto by furnishing any equivalent combinations of fringe benefits, or by making equivalent or differential payments in cash in accordance with the applicable rules set forth in 29 CFR Part 4, Subparts B and C, and not otherwise.

(d) Minimum wage. In the absence of a minimum wage attachment for this contract, neither the Contractor nor any subcontractor under this contract shall pay any of his employees performing work under the contract (regardless of whether they are service employees) less than the minimum wage specified by Section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended. Nothing in this provision shall relieve the Contractor or any subcontractor of any other obligation under law or contract for the payment of a higher wage to any employee.

(e) Obligations attributable to predecessor contracts. If this contract succeeds a contract, subject to the Service Contract Act of 1965, as amended, under which substantially the same services were furnished and service employees were paid wages and fringe benefits provided for in a collective bargaining agreement, then in the absence of a minimum wage attachment for this contract neither the Contractor nor any subcontractor under this contract shall pay any service employee performing any of the contract work less than the wages and fringe benefits, provided for in such collective bargaining agreements, to which such employee would be entitled if employed under the predecessor contract, including accrued wages and fringe benefits and any prospective increases in wages and fringe benefits provided for under such agreement. No Contractor or subcontractor under this contract may be relieved of the foregoing obligation unless the Secretary of Labor or his authorized representative determines that the collective bargaining agreement applicable to service employees employed under the predecessor contract was not entered into as a result of arm's-length negotiations, or finds, after a hearing as provided in Department of Labor regulations, 29 CFR 4.10, that the wages and fringe benefits provided for in such agreement are substantially at variance with those which prevail for services of a similar character in the locality.

(f) Notification to employees. The Contractor and any subcontractor under this contract shall notify each service employee commencing work on this contract of the minimum wage and any fringe benefits required to be paid pursuant to this contract, or shall post a notice of such wages and benefits in a prominent and accessible place at the worksite, using such poster as may be provided by the Department of Labor.

(g) Safe and sanitary working conditions. The Contractor or subcontractor shall not permit any part of the services called for by this contract to be performed in buildings or surroundings or under working conditions provided by or under the control or supervision of the Contractor or subcontractor which are unsanitary or hazardous or dangerous to the health or safety of service employees engaged to furnish these services, and the Contractor or subcontractor shall comply with the safety and health standards applied under 29 CFR Part 1925.

(h) Records. The Contractor and each subcontractor performing work subject to the Act shall make and maintain for 3 years from the completion of the work records containing the information specified in subparagraphs (1) through (5) of this paragraph for each employee subject to the Act and shall make them available for inspection and transcription by authorized representatives of the Employment Standards Administration (ESA), Department of Labor.

(1) His name and address.

(2) His work classification or classifications, rate or rates of monetary wages and fringe benefits provided, rate or rates of fringe benefit payments in lieu thereof, and total daily and weekly compensation.

(3) His daily and weekly hours so worked.

(4) Any deductions, rebates, or refunds from his total daily or weekly compensation.

(5) A list of monetary wages and fringe benefits for those classes of service employees not included in the minimum wage attachment to this contract, but for which such wage rates or fringe benefits have been determined by the interested parties or by the Administrator as defined in 41 CFR 1-12.902-2(c) or his authorized representative pursuant to the Labor Standards Clause in paragraph (a) of this clause. A copy of the report required in paragraph (m)(1) of this clause shall be deemed to be such a list.

(i) Withholding of payment and termination of contract. The Contracting Officer shall withhold or cause to be withheld from the Government Prime Contractor under this or any other Government contract with the prime Contractor such sums as he, or an appropriate officer of the Department of Labor, decides may be necessary to pay underpaid employees. Additionally, any failure to comply with the requirements of this clause relating to the Service Contract Act of 1965 may be grounds for termination of the right to proceed with the contract work. In such event, the Government may enter into other contracts or arrangements for completion of the work, charging the Contractor in default with any additional cost.

(j) Subcontractors. The Contractor agrees to insert this clause relating to the Service Contract Act of 1965 in all subcontracts. The term "Contractor" as used in this clause in any subcontract, shall be deemed to refer to the subcontractor, except in the term "Government Prime Contractor."

(k) Service employee. As used in this clause relating to the Service Contract Act of 1965, as amended, the term "service employee" means any person engaged in the performance of a contract entered into by the United States and not exempted under Section 7, whether negotiated or advertised, the principal purpose of which is to furnish services in the United States (other than any person employed in a bona fide executive, administrative, or professional capacity, as those terms are defined in Part 541 of Title 29, Code of Federal Regulations, as of July 30, 1976, and any subsequent revision of those regulations); and shall include all such persons regardless of any contractual relationship that may be alleged to exist between a contractor or subcontractor and such persons.

(l) Comparable rates. The following classes of service employees expected to be employed under the contract with the Government would be subject, if employed by the contracting agency, to the provisions of 5 U.S.C. 5341 and would, if so employed, be paid not less than the following rates of wages and fringe benefits:

Employee class: \_\_\_\_\_  
Monetary wage--fringe benefits: \_\_\_\_\_  
\_\_\_\_\_

(m) Contractor's report. (1) If there is a wage determination attachment to this contract and one or more classes of service employees which are not listed thereon are to be employed under the contract, the Contractor shall report to the Contracting Officer the monetary wages to be paid and the fringe benefits to be provided each such class of service employee. Such report shall be made promptly as soon as such compensation has been determined, as provided in paragraph (a) of this clause.

(2) If wages to be paid or fringe benefits to be furnished any service employees employed by the Government Prime Contractor or any subcontractor under the contract are provided for in a collective bargaining agreement which is or will be effective during any period in which the contract is being performed, the Government Prime Contractor shall report such fact to the Contracting Officer, together with full information as to the application and accrual of such wages and fringe benefits, including any prospective increases, to service employees engaged in work on the contract, and a copy of the collective bargaining agreement. Such report shall be made upon commencing performance of the contract, in the case of collective bargaining agreements effective at such time, and in the case of such agreements or provisions or amendments thereof effective at a later time during the period of contract performance, such agreements shall be reported promptly after negotiation thereof.

(n) Regulations incorporated by reference. All interpretations of the Service Contract Act of 1965 expressed in 29 CFR Part 4, Subpart C, are hereby incorporated by reference in this contract.

(o) Exemptions. This clause relating to the Service Contract Act of 1965 shall not apply to the following:

(1) Any contract of the United States or District of Columbia for construction, alteration, and/or repair, including painting and decorating of public buildings or public works;

(2) Any work required to be done in accordance with the provisions of the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45);

(3) Any contract for the carriage of freight or personnel by vessel, airplane, bus, truck, express, railway line, or oil or gas pipeline where published tariff rates are in effect, or where such carriage is subject to rates covered by Section 22 of the Interstate Commerce Act;

(4) Any contract for the furnishing of services by radio, telephone, telegraph, or cable companies, subject to the Communications Act of 1934;

(5) Any contract for public utility services, including electric light and power, water, steam, or gas;

(6) Any employment contract providing for direct services to a Federal agency by an individual or individuals;

(7) Any contract with the Post Office Department (U.S. Postal Service), the principal purpose of which is the operation of postal contract stations;

(8) Any services to be furnished outside the United States. For geographic purposes, the "United States" is defined in Section 8(d) of the Service Contract Act of 1965 to include any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Outer Continental Shelf lands, as defined in the Outer Continental Shelf Lands Act, American Samoa, Guam, Wake Island, Eniwetok Atoll, Kwajalein Atoll, Johnston Island, and Canton Island. It does not include any other territory under the jurisdiction of the United States or any United States base or possession within a foreign country;

(9) Any of the following contracts exempted from all provisions of the Service Contract Act of 1965, pursuant to Section 4(b) of the Act, which exemptions the Secretary of Labor, prior to amendment of such section by Pub. L. 92-473, found to be necessary and proper in the public

interest or to avoid serious impairment of the conduct of Government business;

(i) Contracts entered into by the United States with common carriers for the carriage of mail by rail, air (except air star routes), bus, and ocean vessel, where such carriage is performed on regularly scheduled runs of the trains, airplanes, buses, and vessels over regularly established routes and accounts for an insubstantial portion of the revenue therefrom;

(ii) Any contract entered into by the U.S. Postal Service with an individual owner-operator for mail service where it is not contemplated at the time the contract is made that such owner-operator will hire any service employee to perform the services under the contract except for short periods of vacation time or for unexpected contingencies or emergency situations such as illness or accident.

(p) Special employees. Notwithstanding any of the provisions in paragraphs (a) through (n) of this clause relating to the Service Contract Act of 1965, the following employees may be employed in accordance with the following variations, tolerances, and exemptions, which the Secretary of Labor, pursuant to Section 4(b) of the Act prior to its amendment by Pub. L. 92-473, found to be necessary and proper in the public interest or to avoid serious impairment of the conduct of Government business:

(1)(i) Apprentices, student-learners, and workers whose earning capacity is impaired by age, physical, or mental deficiency or injury may be employed at wages lower than the minimum wages otherwise required by Section 2(a)(1) or 2(b)(1) of the Service Contract Act of 1965, without diminishing any fringe benefits or cash payments in lieu thereof required under Section 2(a)(2) of that Act, in accordance with the procedures prescribed for the employment of apprentices, student-learners, handicapped persons, and handicapped clients of sheltered workshops under Section 14 of the Fair Labor Standards Act of 1938, (29 U.S.C. 201 et seq.) in the regulations issued by the Administrator (29 CFR Parts 520, 521, 524, and 525).

(ii) The Administrator will issue certificates under the Service Contract Act of 1965 for the employment of apprentices, student-learners, handicapped persons, or handicapped clients of sheltered workshops not subject to the Fair Labor Standards Act of 1938, or subject to different minimum rates of pay under the two Acts, authorizing appropriate rates of minimum wages (but without changing requirements concerning fringe benefits or supplementary cash payments in lieu thereof), applying procedures prescribed by the applicable regulations issued under the Fair Labor Standards Act of 1938 (29 CFR Parts 520, 521, 524, and 525);



(iii) The Administrator will also withdraw, annul, or cancel such certificates in accordance with the regulations in Parts 525 and 528 of Title 29 of the Code of Federal Regulations.

(2) Any employee engaged in an occupation in which he customarily and regularly receives more than \$30 a month in tips may have the amount of his tips credited by his employer against the minimum wage required by Section 2(a)(1) or Section 2(b)(1) of the Act, in accordance with the regulations in 29 CFR Part 531; Provided, however, That the amount of such credit may not exceed \$1.325 per hour beginning January 1, 1978, \$1.305 per hour beginning January 1, 1979, \$1.24 per hour beginning January 1, 1980 and \$1.34 per hour after December 31, 1980. If the employer pays in full cents the \$1.325 figure must be rounded down to \$1.32 and the \$1.305 figure to \$1.30, in order that the employer will not be crediting more than the permissible percentage. [End of clause.]

65. SECURITY (9-7.5004-11 MODIFIED) .

(a) Contractor's duty to safeguard Restricted Data, Formerly Restricted Data, and other classified information. The Contractor shall, in accordance with the Nuclear Regulatory Commission's security regulations and requirements, be responsible for safeguarding Restricted Data, Formerly Restricted Data, and other classified information and protecting against sabotage, espionage, loss and theft, the classified documents and material in the contractor's possession in connection with the performance of work under this contract. Except as otherwise expressly provided in this contract, the contractor shall, upon completion or termination of this contract, transmit to the Commission any classified matter in the possession of the contractor or any person under the contractor's control in connection with the performance of this contract.

If retention by the Contractor of any classified matter is required after the completion or termination of the contract and such retention is approved by the Contracting Officer the contractor will complete a certificate of possession to be furnished to the Nuclear Regulatory Commission specifying the classified matter to be retained. The certification shall identify the items and types or categories of matter retained, the conditions governing the retention of the matter and the period of retention, if known. If the retention is approved by the Contracting Officer, the security provisions of the contract will continue to be applicable to the matter retained.

(b) Regulations. The Contractor agrees to conform to all security regulation and requirements of the Commission.

(c) Definition of Restricted Data. The term "Restricted Data," as used in this clause, means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy; but shall not include data declassified or removed from the Restricted Data category pursuant to section 142 of the Atomic Energy Act of 1954, as amended.

(d) Definition of Formerly Restricted Data. The term "Formerly Restricted Data," as used in this clause, means all data removed from the Restricted Data category under section 142d of the Atomic Energy Act of 1954, as amended.

(e) Security clearance of personnel. The Contractor shall not permit any individual to have access to Restricted Data, Formerly Restricted Data, or other

66. Government-Furnished Property (short form) (FPR 1-7.303-7(c))

(a) The Government shall deliver to the Contractor, for use only in connection with this contract, the property described in the schedule or specifications (hereinafter referred to as "Government-furnished property"), at the times and locations stated therein. If the Government-furnished property, 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.

(b) Title to Government-furnished property shall remain in the Government. The Contractor shall maintain adequate property control records of Government-furnished property in accordance with sound industrial practice.

(c) Unless otherwise provided in this contract, the Contractor, upon delivery to him of any Government-furnished property, assumes the risk of, and shall be responsible for, any loss thereof or damage thereto except for reasonable wear and tear, and except to the extent that such property is consumed in the performance of this contract.

(d) The Contractor shall, upon completion of this contract, prepare for shipment, deliver f.o.b. origin, or dispose of all Government-furnished property not consumed in the performance of this contract or not theretofore delivered to the Government, as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the contract price or paid in such other manner as the Contracting Officer may direct.

U.S. DEPARTMENT OF LABOR  
 EMPLOYMENT STANDARDS ADMINISTRATION  
 WAGE AND HOUR DIVISION  
 WASHINGTON, D.C. 20210

REGISTER OF WAGE DETERMINATIONS UNDER  
 THE SERVICE CONTRACT ACT

By direction of the Secretary of Labor

Xavier M. Vela  
 Administrator, Wage and Hour Division

LOCALITY	State: <u>Maryland *</u>	- 21 -
	Area: <u>Counties of Charles (017), Montgomery (031), and Prince Georges (033)</u>	
Wage determination number: <u>78-624</u>		Date: <u>July 11 1978</u>

Class of service employee	Minimum hourly wage	Fringe benefit payments			
		Health & Welfare	Vacation	Holiday	Other

Supersedes 78-624 dated June 30, 1978

ATTACHMENT NO. 2

1. Clerk, accounting, class A	\$5.76
2. Clerk, accounting, class B	4.61
3. Clerk, file, class A	4.93
4. Clerk, file, class B	4.55
5. Clerk, file, class C	4.09
6. Clerk, order	5.05
7. Clerk, payroll	5.43
8. Keypunch operator, class A	4.92
9. Keypunch operator, class B	4.46
10. Messenger	4.73
11. Secretary, class A	7.23
12. Secretary, class B	6.77
13. Secretary, class C	6.21
14. Secretary, class D	6.07
15. Stenographer, general	5.21
16. Stenographer, senior	6.17
17. Switchboard operator	3.86
18. Switchboard operator - receptionist	4.70
19. Transcribing - machine operator	5.45
20. Typist, class A	4.70
21. Typist, class B	4.43
22. Computer operator, class A	7.15
23. Computer operator, class B	6.36
24. Computer operator, class C	5.25

U.S. DEPARTMENT OF LABOR  
EMPLOYMENT STANDARDS ADMINISTRATION  
WAGE AND HOUR DIVISION  
WASHINGTON, D.C. 20210

REGISTER OF WAGE DETERMINATIONS UNDER  
THE SERVICE CONTRACT ACT  
By direction of the Secretary of Labor

Xavier M. Vela  
Administrator, Wage and Hour Division

LOCALITY	State: Maryland *	21
	Area: Counties of Charles (017), Montgomery (031), and Prince Georges (033)	

Wage determination number: 79-642-4 Date: Dec 11 1979

Class of service employee	Minimum hourly wage	Fringe benefit payments			
		Health & Welfare	Vacation	Holiday	Other
25. Computer programmer, class A	\$9.60 1/				
26. Computer programmer, class B	7.88 1/				
27. Computer programmer, class C	6.60 1/				
28. Drafter, class A	8.53				
29. Drafter, class B	6.79				
30. Drafter, class C	5.47				
31. Electronics technician, class A	8.92				
32. Electronics technician, class B	7.18				
33. Electronics technician, class C	6.30				
34. Technical Illustrator	7.18				

Fringe benefits applicable to classes of service employees engaged in contract performance:

- 1/ Does not apply to employees employed in a bona fide executive, administrative, or professional capacity, as defined and delineated in 29 CFR Part 541. (See section 4.156, 29 CFR Part 4.)
- 2/ \$.21 an hour or \$8.40 a week or \$36.40 a month.
- 3/ 2 weeks paid vacation after 1 year of service with a contractor or successor. Length of service includes the whole span of continuous service with the present (successor) contractor wherever employed, and with predecessor contractors in the performance of similar work at the Federal facility. (Reg. 4.171(b)(2).)
- 4/ 9 paid holidays per year: New Year's Day, Washington's Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving Day, and Christmas Day. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved.)

\* This wage determination also applicable to:  
Virginia - Arlington, Fairfax, Loudoun and Prince William Counties; and independent cities of Alexandria, Fairfax, and Falls Church  
District of Columbia

U.S. DEPARTMENT OF LABOR  
 EMPLOYMENT STANDARDS ADMINISTRATION  
 WAGE AND HOUR DIVISION  
 WASHINGTON, D.C. 20210

REGISTER OF WAGE DETERMINATIONS UNDER  
 THE SERVICE CONTRACT ACT  
 By direction of the Secretary of Labor

*[Signature]*  
 Xavier M. Vela  
 Administrator, Wage and Hour Division

LOCALITY	State: <u>Maryland</u> *	21
	Area: Counties of Charles (017), Montgomery (031) and Prince Georges (033)	
Wage determination number: <u>W-642</u>		Date: <u>11 1979</u>

Class of service employee	Minimum hourly wage	Fringe benefit payments			
		Health & Welfare	Vacation	Holiday	Other

NOTE: In accordance with Section 4(c) of the Service Contract Act, as amended, the wage rates and fringe benefits set forth in this wage determination are based on a collective bargaining agreement(s) under which the incumbent contractor is operating. The wage determination sets forth the wage rates and fringe benefits provided by the collective bargaining agreement and applicable to performance of the service contract. However, failure to include any job classification, wage rate or fringe benefit encompassed in the collective bargaining agreement does not relieve the successor contractor of the statutory requirement to comply as a minimum with the terms of the collective bargaining agreement insofar as wages and fringe benefits are concerned.

*[Faint, illegible text]*

# Appendix B. Occupational Descriptions

The primary purpose of preparing job descriptions for the Bureau's wage surveys is to assist its field staff in classifying into appropriate occupations workers who are employed under a variety of payroll titles and different work arrangements from establishment to establishment and from area to area. This permits the grouping of occupational wage rates representing comparable job content. Because of this emphasis on interestablishment and interarea comparability of occupational content, the Bureau's job descriptions may differ significantly from those in use in individual establishments or those prepared for other purposes. In applying these job descriptions, the Bureau's field economists are instructed to exclude working supervisors; apprentices; learners; beginners; and part-time, temporary, and probationary workers. Handicapped workers whose earnings are reduced because of their handicap are also excluded. Trainees are excluded from the survey except for those receiving on-the-job training in some of the lower level professional and technical occupations.

## Office

### SECRETARY

Assigned as a personal secretary, normally to one individual. Maintains a close and highly responsive relationship to the day-to-day activities of the supervisor. Works fairly independently receiving a minimum of detailed supervision and guidance. Performs varied clerical and secretarial duties requiring a knowledge of office routine and understanding of the organization, programs, and procedures related to the work of the supervisor.

#### Exclusions

Not all positions that are titled "secretary" possess the above characteristics. Examples of positions which are excluded from the definition are as follows:

### SECRETARY—Continued

#### Exclusions—Continued

- a. Positions which do not meet the "personal" secretary concept described above;
- b. Stenographers not fully trained in secretarial-type duties;
- c. Stenographers serving as office assistants to a group of professional, technical, or managerial persons;
- d. Assistant-type positions which entail more difficult or more responsible technical, administrative, or supervisory duties which are not typical of secretarial work, e.g., Administrative Assistant, or Executive Assistant;

Listed below are several occupations for which revised descriptions or titles are being introduced in this survey:

Order clerk  
Payroll clerk  
Secretary  
Switchboard operator  
Switchboard operator-receptionist  
Transcribing-machine typist  
Machine tool operator (toolroom)

Tool and die maker  
Guard  
Shipper and receiver  
(previously surveyed  
as shipping and  
receiving clerk)  
Truckdriver

The Bureau has discontinued collecting data for tabulating-machine operator. Workers previously classified as watchmen are now classified as guards under the revised description.

Exclusions—Continued

- e. Positions which do not fit any of the situations listed in the sections below titled "Level of Supervisor," p. 2., secretary to the president of a company that employs, in all, over 5,000 persons;
- f. Trainees.

Classification by Level

Secretary jobs which meet the above characteristics are matched at one of five levels according to (a) the level of the secretary's supervisor within the company's organizational structure and, (b) the level of the secretary's responsibility. The chart following the explanations of these two factors indicates the level of the secretary for each combination of the factors.

Level of Secretary's Supervisor (LS)

Secretaries should be matched at one of the four LS levels described below according to the level of the secretary's supervisor within the company organizational structure.

- LS-1**
  - a. Secretary to the supervisor or head of a small organizational unit (e.g., fewer than about 25 or 30 persons); or
  - b. Secretary to a nonsupervisory staff specialist, professional employee, administrative officer or assistant, skilled technician or expert. (NOTE: Many companies assign stenographers, rather than secretaries as described above, to this level of supervisory or nonsupervisory worker.)
- LS-2**
  - a. Secretary to an executive or managerial person whose responsibility is not equivalent to one of the specific level situations in the definition for LS-3, but whose organizational unit normally numbers at least several dozen employees and is usually divided into organizational segments which are often, in turn, further subdivided. In some companies, this level includes a wide range of organizational echelons; in others, only one or two; or
  - b. Secretary to the head of an individual plant, factory, etc., (or other equivalent level of official) that employs, in all, fewer than 5,000 persons.
- LS-3**
  - a. Secretary to the chairman of the board or president of a company that employs, in all, fewer than 100 persons; or
  - b. Secretary to a corporate officer (other than chairman of the board or president) of a company that employs, in all, over 100 but fewer than 5,000 persons; or
  - c. Secretary to the head (immediately below the officer level) over either a major corporatewide functional activity (e.g., marketing, research, operations, industrial relations, etc.) or a major geographic or organizational segment (e.g., a regional headquarters; a major division) of a company that employs, in all, over 5,000 but fewer than 25,000 employees; or
  - d. Secretary to the head of an individual plant, factory, etc., (or other equivalent level of official) that employs, in all, over 5,000 persons; or

Classification by Level—Continued

- c. Secretary to the head of a large and important organizational segment (e.g., a middle management supervisor of an organizational segment often involving as many as several hundred persons) of a company that employs, in all, over 25,000 persons.
- LS-4**
  - a. Secretary to the chairman of the board or president of a company that employs, in all, over 100 but fewer than 5,000 persons; or
  - b. Secretary to a corporate officer (other than the chairman of the board or president) of a company that employs, in all, over 5,000 but fewer than 25,000 persons; or
  - c. Secretary to the head, immediately below the corporate officer level, of a major segment or subsidiary of a company that employs, in all, over 25,000 persons.

**NOTE:** The term "corporate officer" used in the above LS definition refers to those officials who have a significant corporatewide policy-making role with regard to major company activities. The title "vice president," though normally indicative of this role, does not in all cases identify such positions. Vice presidents whose primary responsibility is to act personally on individual cases or transactions (e.g., approve or deny individual loan or credit actions; administer individual trust accounts; directly supervise a clerical staff) are not considered to be "corporate officers" for purposes of applying the definition.

Level of Secretary's Responsibility (LR)

This factor evaluates the nature of the work relationship between the secretary and the supervisor, and the extent to which the secretary is expected to exercise initiative and judgment. Secretaries should be matched at LR-1 or LR-2 described below according to their level of responsibility.

Level of Responsibility 1 (LR-1)

Performs varied secretarial duties including or comparable to most of the following:

- a. Answers telephones, greets personal callers, and opens incoming mail.
- b. Answers telephone requests which have standard answers. May reply to requests by sending a form letter.
- c. Reviews correspondence, memoranda, and reports prepared by others for the supervisor's signature to ensure procedural and typographical accuracy.
- d. Maintains supervisor's calendar and makes appointments as instructed.
- e. Types, takes and transcribes dictation, and files.



## Level of Responsibility 2 (LR-2)

Performs duties described under LR-1 and, in addition performs tasks requiring greater judgment, initiative, and knowledge of office functions including or comparable to most of the following:

- Screens telephone and personal callers, determining which can be handled by the supervisor's subordinates or other offices.
- Answers requests which require a detailed knowledge of office procedures or collection of information from files or other offices. May sign routine correspondence in own or supervisor's name.
- Compiles or assists in compiling periodic reports on the basis of general instructions.
- Schedules tentative appointments without prior clearance. Assembles necessary background material for scheduled meetings. Makes arrangements for meetings and conferences.
- Explains supervisor's requirements to other employees in supervisor's unit. (Also, pos, takes dictation, and files.)

The following chart shows the level of the secretary for each LS and LR combination.

Level of secretary's supervisor	Level of secretary's responsibility	
	LR-1	LR-2
LS-1	Class E	Class D
LS-2	Class D	Class C
LS-3	Class C	Class B
LS-4	Class B	Class A

## STENOGRAPHER

Primary duty is to take dictation using shorthand, and to transcribe the dictation. May also type from written copy. May operate from a stenographic pool. May occasionally transcribe from voice recordings (if primary duty is transcribing from recordings, see Transcribing-Machine Typist).

**NOTE:** This job is distinguished from that of a secretary in that a secretary normally works in a confidential relationship with only one manager or executive and performs more responsible and discretionary tasks as described in the secretary job definition.

Stenographer, General

Dictation involves a normal routine vocabulary. May maintain files, keep simple records, or perform other relatively routine clerical tasks.

Stenographer, Senior

Dictation involves a varied technical or specialized vocabulary, such as in legal briefs or reports on scientific research. May also set up and maintain files, keep records, etc.

OR

Performs stenographic duties requiring significantly greater independence and responsibility than stenographer, general, as evidenced by the following: Work requires a high degree of stenographic speed and accuracy; a thorough working knowledge of general business and office procedure; and of the specific business operations, organization, policies, procedures, files, workflow, etc. Uses this knowledge in performing stenographic duties and responsible clerical tasks such as maintaining follow-up files; assembling material for reports, memoranda, and letters; composing simple letters from general instructions; reading and routing incoming mail; and answering routine questions, etc.

## TRANSCRIBING-MACHINE TYPIST

Primary duty is to type copy of voice recorded dictation which does not involve varied technical or specialized vocabulary such as that used in legal briefs or reports on scientific research. May also type from written copy. May maintain files, keep simple records, or perform other relatively routine clerical tasks. (See Stenographer definition for workers involved with shorthand dictation.)

## TYPIST

Uses a typewriter to make copies of various materials or to make out bills after calculations have been made by another person. May include typing of stencils, mats, or similar materials for use in duplicating processes. May do clerical work involving little special training, such as keeping simple records, filing records and reports, or sorting and distributing incoming mail.

Class A. Performs one or more of the following: Typing material in final form when it involves combining material from several sources; or responsibility for correct spelling, syllabification, punctuation, etc., of technical or unusual words or foreign language material; or planning layout and typing of complicated statistical tables to maintain uniformity and balance in spacing. May type routine form letters, varying details to suit circumstances.

Class B. Performs one or more of the following: Copy typing from rough or clear drafts; or routine typing of forms, insurance policies, etc.; or setting up simple standard tabulations; or copying more complex tables already set up and spaced properly.

## FILE CLERK

Files, classifies, and retrieves material in an established filing system. May perform clerical and manual tasks required to maintain files. Positions are classified into levels on the basis of the following definitions.

## CLERK--Continued

**Class A.** Classifies and indexes file material such as correspondence, reports, technical documents, etc., in an established filing system using a number of varied subject matter files. May also file this material. May keep records of various types in conjunction with the files. Lead a small group of lower level file clerks.

**Class B.** Sorts, codes, and files unclassified material by simple subject matter headings or partly classified material by finer subheadings. Makes simple related index and cross-reference aids. As requested, files clearly identified material in files and forwards material. May perform related clerical tasks required to maintain and service files.

**Class C.** Performs routine filing of material that has already been classified or which is easily classified in a simple serial classification system (e.g., alphabetical, chronological, or numerical). As requested, files readily available material in files and forwards material; and may make out withdrawal charge. May perform simple clerical and manual tasks required to maintain and service files.

## MESSSENGER

Performs various routine duties, such as running errands, operating office machines such as sealers or mailers, opening and distributing mail, and other minor clerical work. Exclude positions that require operation of a motor vehicle as a significant duty.

## SWITCHBOARD OPERATOR

Operates a telephone switchboard or console used with a private branch exchange (PBX) system to relay incoming, outgoing, and intrasystem calls. May provide information to callers, record and transmit messages, keep record of calls placed and toll charges. Besides operating a telephone switchboard or console, may also type or perform routine clerical work. Some routine clerical work may occupy the major portion of the worker's time. This is usually performed while at the switchboard or console. Chief or head operators in establishments employing more than one operator are excluded. For an operator who also acts as a receptionist, see Switchboard Operator-Receptionist.

## SWITCHBOARD OPERATOR-RECEPTIONIST

At a single-position telephone switchboard or console, acts both as an operator—see Switchboard Operator—and as a receptionist. Receptionist's work involves such duties as greeting visitors; determining nature of visitor's business and providing appropriate information; referring visitor to appropriate person in the organization or contacting that person by telephone and arranging an appointment; keeping a log of visitors.

## ORDER CLERK

Receives written or verbal customers' purchase orders for material or merchandise from customers or sales people. Work typically involves some combination of the following duties: Quoting prices; determining availability of ordered items and suggesting substitutes when necessary; advising expected delivery date and method of delivery; recording order and customer information on order sheets; checking order sheets for accuracy and

## ORDER CLERK--Continued

adequacy of information recorded; ascertaining credit rating of customer; furnishing customer with acknowledgement of receipt of order; following-up to see that order is delivered by the specified date or to let customer know of a delay in delivery; maintaining order file; checking shipping invoice against original order.

Exclude workers paid on a commission basis or whose duties include any of the following: Receiving orders for services rather than for material or merchandise; providing customers with consultative advice using knowledge gained from engineering or extensive technical training; emphasizing selling skills; handling material or merchandise as an integral part of the job.

Positions are classified into levels according to the following definitions:

**Class A.** Handles orders that involve making judgments such as choosing which specific product or material from the establishment's product lines will satisfy the customer's needs, or determining the price to be quoted when pricing involves more than merely referring to a price list or making some simple mathematical calculations.

**Class B.** Handles orders involving items which have readily identified uses and applications. May refer to a catalog, manufacturer's manual, or similar document to insure that proper item is supplied or to verify price of ordered item.

## ACCOUNTING CLERK

Performs one or more accounting clerical tasks such as posting to registers and ledgers; reconciling bank accounts; verifying the internal consistency, completeness, and mathematical accuracy of accounting documents; assigning prescribed accounting distribution codes; examining and verifying for clerical accuracy various types of reports, lists, calculations, postings, etc.; or preparing simple or assisting in preparing more complicated journal vouchers. May work in either a manual or automated accounting system.

The work requires a knowledge of clerical methods and office practices and procedures which relates to the clerical processing and recording of transactions and accounting information. With experience, the worker typically becomes familiar with the bookkeeping and accounting terms and procedures used in the assigned work, but is not required to have a knowledge of the formal principles of bookkeeping and accounting.

Positions are classified into levels on the basis of the following definitions:

**Class A.** Under general supervision, performs accounting clerical operations which require the application of experience and judgment, for example, clerically processing complicated or nonrepetitive accounting transactions, selecting among a substantial variety of prescribed accounting codes and classifications, or tracing transactions through previous accounting actions to determine source of discrepancies. May be assisted by one or more class B accounting clerks.

**Class B.** Under close supervision, following detailed instructions and standardized procedures, performs one or more routine accounting clerical operations, such as posting to ledgers, cards, or worksheets.

where identification of items and locations of postings are clearly indicated; checking accuracy and completeness of standardized and repetitive records or accounting documents; and coding documents using a few prescribed accounting codes.

### BOOKKEEPING-MACHINE OPERATOR

Operates a bookkeeping machine (with or without a typewriter keyboard) to keep a record of business transactions.

**Class A.** Keeps a set of records requiring a knowledge of and experience in basic bookkeeping principles, and familiarity with the structure of the particular accounting system used. Determines proper records and distribution of debit and credit items to be used in each phase of the work. May prepare consolidated reports, balance sheets, and other records by hand.

**Class B.** Keeps a record of one or more phases or sections of a set of records usually requiring little knowledge of basic bookkeeping. Phases or sections include accounts payable, payroll, customers' accounts (not including a simple type of billing described under machine biller), cost distribution, expense distribution, inventory control, etc. May check or assist in preparation of trial balances and prepare control sheets for the accounting department.

### MACHINE BILLER

Prepares statements, bills, and invoices on a machine other than an ordinary or electromatic typewriter. May also keep records as to billings or shipping charges or perform other clerical work incidental to billing operations. For wage study purposes, machine billers are classified by type of machine, as follows:

**Billing-machine biller.** Uses a special billing machine (combination typing and adding machine) to prepare bills and invoices from customers' purchase orders, internally prepared orders, shipping memoranda, etc. Usually involves application of predetermined discounts and shipping charges and entry of necessary extensions, which may or may not be computed on the billing machine, and totals which are automatically accumulated by machine. The operation usually involves a large number of carbon copies of the bill being prepared and is often done on a fanfold machine.

## Professional and Technical

### COMPUTER SYSTEMS ANALYST, BUSINESS

Analyzes business problems to formulate procedures for solving them by use of electronic data processing equipment. Develops a complete description of all specifications needed to enable programmers to prepare required digital computer programs. Work involves most of the following: Analyzes subject-matter operations to be automated and identifies conditions and criteria required to achieve satisfactory results; specifies number and types of records, files, and documents to be used; outlines actions to be performed by personnel and computers in sufficient detail for presentation to management and for programming (typically this involves preparation of work and data flow charts); coordinates the development of test problems and

**Bookkeeping-machine biller.** Uses a bookkeeping machine (with or without a typewriter keyboard) to prepare customers' bills as part of the accounts receivable operation. Generally involves the simultaneous entry of figures on customers' ledger record. The machine automatically accumulates figures on a number of vertical columns and computes and usually prints automatically the debit or credit balances. Does not involve a knowledge of bookkeeping. Works from uniform and standard types of sales and credit slips.

### PAYROLL CLERK

Performs the clerical tasks necessary to process payrolls and to maintain payroll records. Work involves most of the following: Processing workers' time or production records; adjusting workers' records for changes in wage rates, supplementary benefits, or tax deductions; editing payroll listings against source records; tracing and correcting errors in listings; and assisting in preparation of periodic summary payroll reports. In a non-automated payroll system, computes wages. Work may require a practical knowledge of governmental regulations, company payroll policy, or the computer system for processing payrolls.

### KEYPUNCH OPERATOR

Operates a keypunch machine to record or verify alphabetic and/or numeric data on tabulating cards or on tape.

Positions are classified into levels on the basis of the following definitions:

**Class A.** Work requires the application of experience and judgment in selecting procedures to be followed and in searching for, interpreting, selecting, or coding items to be keypunched from a variety of source documents. On occasion may also perform some routine keypunch work. May train inexperienced keypunch operators.

**Class B.** Work is routine and repetitive. Under close supervision or following specific procedures or instructions, works from various standardized source documents which have been coded, and follows specified procedures which have been prescribed in detail and require little or no selecting, coding, or interpreting of data to be recorded. Refers to supervisor problems arising from erroneous items or codes or missing information.

### COMPUTER SYSTEMS ANALYST, BUSINESS—Continued

participates in trial runs of new and revised systems; and recommends equipment changes to obtain more effective overall operations. (NOTE: Workers performing both systems analysis and programming should be classified as systems analysts if this is the skill used to determine their pay.)

Does not include employees primarily responsible for the management or supervision of other electronic data processing employees, or systems analysts primarily concerned with scientific or engineering problems.

## COMPUTER SYSTEMS ANALYST, BUSINESS—Continued

For wage study purposes, systems analysts are classified as follows:

**Class A.** Works independently or under only general direction on complex problems involving all phases of systems analysis. Problems are complex because of diverse sources of input data and multiple-use requirements of output data. (For example, develops an integrated production scheduling, inventory control, cost analysis, and sales analysis record in which every item of each type is automatically processed through the full run of records and appropriate followup actions are initiated by the computer.) Confers with persons concerned to determine the data processing needs and advises subject-matter personnel on the implications of new or revised systems of data processing operations. Makes recommendations, if needed, for approval of major systems installations or changes and for buying equipment.

May provide functional direction to lower level systems analysts who are assigned to assist.

**Class B.** Works independently or under only general direction on problems that are relatively uncomplicated to analyze, plan, program, and operate. Problems are of limited complexity because sources of input data are homogeneous and the output data are closely related. (For example, develops systems for maintaining depositor accounts in a bank, maintaining accounts receivable in a retail establishment, or maintaining inventory accounts in a manufacturing or wholesale establishment.) Confers with persons concerned to determine the data processing problems and advises subject-matter personnel on the implications of the data processing systems to be applied.

OR

Works on a segment of a complex data processing scheme or system, as described for class A. Works independently on routine assignments and receives instruction and guidance on complex assignments. Work is reviewed for accuracy of judgment, compliance with instructions, and to insure proper alignment with the overall system.

**Class C.** Works under immediate supervision, carrying out analyses assigned, usually of a single activity. Assignments are designed to develop and expand practical experience in the application of procedures and skills required for systems analysis work. For example, may assist a higher level systems analyst by preparing the detailed specifications required by programmers from information developed by the higher level analyst.

## COMPUTER PROGRAMMER, BUSINESS

Converts statements of business problems, typically prepared by a systems analyst, into a sequence of detailed instructions which are required to solve the problems by automatic data processing equipment. Working from charts or diagrams, the programmer develops the precise instructions which, when entered into the computer system in coded language, cause the manipulation of data to achieve desired results. Work involves most of the following: Applies knowledge of computer capabilities, mathematics, logic employed by computers, and particular subject matter involved to analyze charts and diagrams of the problem to be programmed; develops sequence of program steps; writes detailed flow charts to show order in which data will be processed; converts these charts to coded instructions for machine to follow; tests and corrects

## COMPUTER PROGRAMMER, BUSINESS—Continued

programs; prepares instructions for operating personnel during production run; analyzes, reviews, and alters programs to increase operating efficiency or adapt to new requirements; maintains records of program development and revisions. (NOTE: Workers performing both systems analysis and programming should be classified as systems analysts if this is the skill used to determine their pay.)

Does not include employees primarily responsible for the management or supervision of other electronic data processing employees, or programmers primarily concerned with scientific and/or engineering problems.

For wage study purposes, programmers are classified as follows:

**Class A.** Works independently or under only general direction on complex problems which require competence in all phases of programming concepts and practices. Working from diagrams and charts which identify the nature of desired results, major processing steps to be accomplished, and the relationships between various steps of the problem solving routine; plans the full range of programming actions needed to efficiently utilize the computer system in achieving desired end products.

At this level, programming is difficult because computer equipment must be organized to produce several interrelated but diverse products from numerous and diverse data elements. A wide variety and extensive number of internal processing actions must occur. This requires such actions as development of common operations which can be re-used, establishment of linkage points between operations, adjustments to data when program requirements exceed computer storage capacity, and substantial manipulation and resequencing of data elements to form a highly integrated program.

May provide functional direction to lower level programmers who are assigned to assist.

**Class B.** Works independently or under only general direction on relatively simple programs, or on simple segments of complex programs. Programs (or segments) usually process information to produce data in two or three varied sequences or formats. Reports and listings are produced by refining, adapting, arraying, or making minor additions to or deletions from input data which are readily available. While numerous records may be processed, the data have been refined in prior actions so that the accuracy and sequencing of data can be tested by using a few routine checks. Typically, the program deals with routine recordkeeping operations.

OR

Works on complex programs (as described for class A) under close direction of a higher level programmer or supervisor. May assist higher level programmer by independently performing less difficult tasks assigned, and performing more difficult tasks under fairly close direction.

May guide or instruct lower level programmers.

**Class C.** Makes practical applications of programming practices and concepts usually learned in formal training courses. Assignments are designed to develop competence in the application of standard procedures to routine problems. Receives close supervision on new aspects of assignments; and work is reviewed to verify its accuracy and conformance with required procedures.

#### COMPUTER OPERATOR

Monitors and operates the control console of a digital computer to process data according to operating instructions, usually prepared by a programmer. Work includes most of the following: Studies instructions to determine equipment setup and operations; loads equipment with required tapes (tape reels, cards, etc.); switches necessary auxiliary equipment into circuit, and starts and operates computer; makes adjustments to computer to correct operating problems and meet special conditions; reviews errors made during operation and determines cause or refers problem to supervisor or programmer; and maintains operating records. May test and assist in correcting program.

For wage study purposes, computer operators are classified as follows:

**Class A.** Operates independently, or under only general direction, a computer running programs with most of the following characteristics: New programs are frequently tested and introduced; scheduling requirements are of critical importance to minimize downtime; the programs are of complex design so that identification of error source often requires a working knowledge of the total program, and alternate programs may not be available. May give direction and guidance to lower level operators.

**Class B.** Operates independently, or under only general direction, a computer running programs with most of the following characteristics: Most of the programs are established production runs, typically run on a regularly recurring basis; there is little or no testing of new programs required; alternate programs are provided in case original program needs major change or cannot be corrected within a reasonably short time. In common error situations, diagnoses cause and takes corrective action. This usually involves applying previously programmed corrective steps, or using standard correction techniques.

OR

Operates under direct supervision a computer running programs or segments of programs with the characteristics described for class A. May assist a higher level operator by independently performing less difficult tasks assigned, and performing difficult tasks following detailed instructions and with frequent review of operations performed.

**Class C.** Works on routine programs under close supervision. Is expected to develop working knowledge of the computer equipment used and ability to detect problems involved in running routine programs. Usually has received some formal training in computer operation. May assist higher level operator on complex programs.

#### DRAFTER

**Class A.** Plans the graphic presentation of complex items having distinctive design features that differ significantly from established drafting precedents. Works in close support with the design originator, and may recommend minor design changes. Analyzes the effect of each change on the details of form, function, and positional relationships of components and parts. Works with a minimum of supervisory assistance. Completed work is reviewed by design originator for consistency with prior engineering determinations. May either prepare drawings or direct their preparation by lower level drafters.

**Class B.** Performs nonroutine and complex drafting assignments that require the application of most of the standardized drawing techniques regularly used. Duties typically involve such work as: Prepares working drawings of subassemblies with irregular shapes, multiple functions, and precise positional relationships between components; prepares architectural drawings for construction of a building including detail drawings of foundations, wall sections, floor plans, and roof. Uses accepted formulas and manuals in making necessary computations to determine quantities of materials to be used, load capacities, strengths, stresses, etc. Receives initial instructions, requirements, and advice from supervisor. Completed work is checked for technical adequacy.

**Class C.** Prepares detail drawings of single units or parts for engine, ring, construction, manufacturing, or repair purposes. Types of drawings prepared include isometric projections (depicting three dimensions in accurate scale) and sectional views to clarify positioning of components and convey needed information. Consolidates details from a number of sources and adjusts or transposes scale as required. Suggested methods of approach, applicable precedents, and advice on source materials are given with initial assignments. Instructions are less complete when assignments recur. Work may be spot-checked during progress.

#### DRAFTER-TRACER

Copies plans and drawings prepared by others by placing tracing cloth or paper over drawings and tracing with pen or pencil. (Does not include tracing limited to plans primarily consisting of straight lines and a large scale not requiring close delineation.)

AND/OR

Prepares simple or repetitive drawings of easily visualized items. Work is closely supervised during progress.

#### ELECTRONICS TECHNICIAN

Works on various types of electronic equipment and related devices by performing one or a combination of the following: Installing, maintaining, repairing, overhauling, troubleshooting, modifying, constructing, and testing. Work requires practical application of technical knowledge of electronics principles, ability to determine malfunctions, and skill to put equipment in required operating condition.

The equipment—consisting of either many different kinds of circuits or multiple repetition of the same kind of circuit—includes, but is not limited to, the following: (a) Electronic transmitting and receiving equipment (e.g., radar, radio, television, telephones, sonar, navigational aids), (b) digital and analog computers, and (c) industrial and medical measuring and controlling equipment.

This classification excludes repairers of such standard electronic equipment as common office machines and household radio and television sets; production assemblers and testers; workers whose primary duty is servicing electronic test instruments; technicians who have administrative supervisory responsibility; and drafters, designers, and professional engineers.

Positions are classified into levels on the basis of the following limitations:

**Class A.** Applies advanced technical knowledge to solve unusually complex problems (i.e., those that typically cannot be solved solely by reference to manufacturers' manuals or similar documents) in working on electronic equipment. Examples of such problems include location and density of circuitry, electromagnetic radiation, isolating malfunctions, and equipment engineering changes. Work involves: A detailed understanding of the interrelationships of circuits; exercising independent judgment in performing such tasks as making circuit analyses, calculating wave forms, seeing relationships in signal flow; and regularly using complex test instruments (e.g., dual trace oscilloscopes, Q-meters, deviation meters, sine generators).

Work may be reviewed by supervisor (frequently an engineer or designer) for general compliance with accepted practices. May provide technical guidance to lower level technicians.

**Class B.** Applies comprehensive technical knowledge to solve complex problems (i.e., those that typically can be solved solely by properly interpreting manufacturers' manuals or similar documents) in working on electronic equipment. Work involves: A familiarity with the interrelationships of circuits; and judgment in determining work sequence and in selecting tools and testing instruments, usually less complex than those used by the class A technician.

## Maintenance, Toolroom, and Powerplant

### MAINTENANCE CARPENTER

Performs the carpentry duties necessary to construct and maintain in good repair building woodwork and equipment such as bins, cribs, counters, benches, partitions, eaves, floors, stairs, casings, and trim made of wood in an establishment. Work involves most of the following: Planning and laying out of work from blueprints, drawings, models, or verbal instructions; using a variety of carpenter's handtools, portable power tools, and standard measuring instruments; making standard shop computations relating to dimensions of work; and selecting materials necessary for the work. In general, the work of the maintenance carpenter requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience.

### MAINTENANCE ELECTRICIAN

Performs a variety of electrical trade functions such as the installation, maintenance, or repair of equipment for the generation, distribution, or utilization of electric energy in an establishment. Work involves most of the following: Installing or repairing any of a variety of electrical

equipment; receiving technical guidance, as required, from supervisor or higher level technician, and work is reviewed for specific compliance with accepted practices and work assignments. May provide technical guidance to lower level technicians.

**Class C.** Applies working technical knowledge to perform simple or routine tasks in working on electronic equipment, following detailed instructions which cover virtually all procedures. Work typically involves such tasks as: Assisting higher level technicians by performing such activities as replacing components, wiring circuits, and taking test readings; repairing simple electronic equipment; and using tools and common test instruments (e.g., multimeters, audio signal generators, tube testers, oscilloscopes). Is not required to be familiar with the interrelationships of circuits. This knowledge, however, may be acquired through assignments designed to increase competence (including classroom training) so that worker can advance to higher level technician.

Receives technical guidance, as required, from supervisor or higher level technician. Work is typically spot checked, but is given detailed review when new or advanced assignments are involved.

### REGISTERED INDUSTRIAL NURSE

A registered nurse who gives nursing service under general medical direction to ill or injured employees or other persons who become ill or suffer an accident on the premises of a factory or other establishment. Duties involve a combination of the following: Giving first aid to the ill or injured; attending to subsequent dressing of employees' injuries; keeping records of patients treated; preparing accident reports for compensation or other purposes; assisting in physical examinations and health evaluations of applicants and employees; and planning and carrying out programs involving health education, accident prevention, evaluation of plant environment, or other activities affecting the health, welfare, and safety of all personnel. Nursing supervisors or head nurses in establishments employing more than one nurse are excluded.

### MAINTENANCE ELECTRICIAN—Continued

equipment such as generators, transformers, switchboards, controllers, circuit breakers, motors, heating units, conduit systems, or other transmission equipment; working from blueprints, drawings, layouts, or other specifications; locating and diagnosing trouble in the electrical system or equipment; working standard computations relating to load requirements of wiring or electrical equipment; and using a variety of electrician's handtools and measuring and testing instruments. In general, the work of the maintenance electrician requires rounded training and experience usually acquired through a formal apprenticeship or equivalent training and experience.

### MAINTENANCE PAINTER

Paints and redecorates walls, woodwork, and fixtures of an establishment. Work involves the following: Knowledge of surface peculiarities and types of paint required for different applications; preparing surface for painting by removing old finish or by placing putty or filler in nail holes

ATTACHMENT No. 3

NRC FORM 187  
(2-76)  
NRCM 2101 (Pending Issuance)

U. S. NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

1. The policies, procedures and criteria of NRCM 2101, NRC Security Program, apply to performance of this contract.

**SECURITY/CLASSIFICATION REQUIREMENTS**

**COMPLETE CLASSIFIED ITEMS BY SEPARATE CORRESPONDENCE.**

2. THIS SPECIFICATION IS FOR:	3. CONTRACT NUMBER OR OTHER IDENTIFYING NUMBER (Prime contracts must be shown for all subcontracts)	DATE TO BE COMPLETED (Estimated)	4. THIS SPECIFICATION IS (See note below)	EFFECTIVE DATE
a. INVITATION FOR BID OR REQUEST FOR PROPOSAL	a. INVITATION FOR BID, REQUEST FOR PROPOSAL OR REQUEST FOR QUOTE		a. ORIGINAL	
X b. PRIME CONTRACT	b. PRIME		b. REVISED (Supersedes all previous specifications)	
c. SUBCONTRACT	c. FIRST TIER SUBCONTRACT			
d. OTHER (Specify)	d. (Specify)		c. OTHER (Specify)	

5. FOR FOLLOW-ON CONTRACT, ENTER PRECEDING CONTRACT NUMBER AND DATE COMPLETED.  DOES NOT APPLY

CONTRACT NUMBER	DATE COMPLETED
-----------------	----------------

6a. NAME AND ADDRESS OF PRIME CONTRACTOR, OFFEROR, OTHER (Specify; Include Zip Code)  Rehab Group, Inc. 5827 Columbia Pike Falls Church, Virginia 22041	b. NAME AND ADDRESS OF RESPONSIBLE COGNIZANT SECURITY OFFICE (Include Zip Code)
---------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------

7a. NAME AND ADDRESS OF SUBCONTRACTOR (Include Zip Code) (if applicable)	b. NAME AND ADDRESS OF RESPONSIBLE COGNIZANT SECURITY OFFICE (Include Zip Code)
--------------------------------------------------------------------------	---------------------------------------------------------------------------------

8. PROJECT TITLE AND OTHER IDENTIFYING INFORMATION

9. PERFORMANCE WILL REQUIRE:	YES	NO	TS	S	C	NSI	RD
a. ACCESS TO NRC SECURITY AREAS ONLY.	X						
b. ACCESS TO CLASSIFIED INFORMATION OR MATTER AT GOVERNMENT FACILITIES ONLY.		X					
c. RECEIPT, GENERATION, STORAGE OR SAFEGUARDING OF CLASSIFIED DOCUMENTS.		X					
d. MANUFACTURE, PROCESSING OR SAFEGUARDING OF CLASSIFIED MATERIAL.		X					
e. ACCESS TO CLASSIFIED COMSEC INFORMATION OR MATERIAL.		X					
f. ACCESS TO CLASSIFIED INFORMATION OR MATERIAL CURRENTLY POSSESSED BY ANOTHER AGENCY.		X					
g. USE OF AN AUTOMATIC DATA PROCESSING SYSTEM.	X						
h. OTHER (Specify) Access to sensitive (Privacy Act) data	X						

10. INFORMATION PERTAINING TO THIS REQUIREMENT OR PROJECT, EVEN THOUGH SUCH INFORMATION IS CONSIDERED UNCLASSIFIED, SHALL NOT BE RELEASED FOR DISSEMINATION EXCEPT AS APPROVED BELOW.

PROPOSED DISSEMINATION SHALL BE SUBMITTED FOR APPROVAL PRIOR TO RELEASE  DIRECT  THROUGH (Specify)

11. SECURITY/CLASSIFICATION REQUIREMENTS ARE SET FORTH BELOW (Check which are applicable)

- GUIDES ATTACHED (hereby made a part of this requirement).
- DOCUMENT(S) LISTED BELOW (hereby made part of this requirement).
- AS STATED BELOW:

Contractor will not require access to classified matter during the normal course of work. Contractor will not receive, originate or otherwise safeguard classified matter during the course of this contract.

The Contractor shall submit a plan in response to this solicitation describing the procedures and methods to be used in protecting any sensitive data that will be accessed, received, handled, stored or processed both on NRC premises and at the Contractor's facilities. Such a plan should have the objective of meeting the requirements of the Privacy Act of 1974, Public Law 93-579, December 31, 1974 (5 U.S.C. 552a.) and NRC Bulletin 2101-15, dated January 10, 1980, "Automated Information Systems Security Program for Sensitive Data."

12. REQUIRED DISTRIBUTION OF NRC FORM 137

- SPONSORING NRC OFFICE OR DIVISION
- PRIME CONTRACTOR (Item 6a)
- DIVISION OF SECURITY (Item 13c)
- SUBCONTRACTOR (Item 7a)
- DIVISION OF CONTRACTS (Item 13d)
- RESPONSIBLE/COGNIZANT SECURITY OFFICE (Items 7a and 7b)

ADDITIONAL DISTRIBUTION

SECURITY/CLASSIFICATION REQUIREMENTS FOR SUBCONTRACTS RESULTING FROM THIS CONTRACT WILL BE APPROVED BY THE OFFICIALS NAMED IN ITEM 13c AND d BELOW.

13. THIS SECURITY/CLASSIFICATION REQUIREMENT AND ATTACHMENTS REFERENCED HEREIN WILL BE APPROVED BY THE FOLLOWING, WITH FINAL APPROVAL BY THE CONTRACTING OFFICER OR HIS REPRESENTATIVE NAMED IN ITEM 13d BELOW.

NAME	SIGNATURE	DATE
a. OFFICE OR DIVISION AUTHORIZED CLASSIFIER Daniel J. Donoghue, Director, ADM	<i>Daniel J. Donoghue</i>	1-29-80
b. DIRECTOR, OFFICE OR DIVISION Charles R. Troutman, Director/ADPS/ADM	<i>Charles R. Troutman</i>	1-27-80
c. DIRECTOR, DIVISION OF SECURITY Raymond J. Brady	<i>Raymond J. Brady</i>	3/18/80
d. DIRECTOR, DIVISION OF CONTRACTS Edward L. Halman	<i>Edward L. Halman</i>	3/18/80



APPENDIX A - GENERAL PROVISIONS

Cost-Type  
Contracts with Concerns Other Than Educational Institutions

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APPENDIX A  
U. S. NUCLEAR REGULATORY COMMISSION  
GENERAL PROVISIONS FOR COST-TYPE CONTRACTS

Contracts with Concerns Other Than Educational Institutions

1. DEFINITIONS (1-7.102-1 and 9-7.5005-4)

As used throughout this contract, the following terms shall have the meaning set forth below:

(a) The term, "head of the agency" or "Secretary" as used herein means the Secretary, the Under Secretary, and Assistant Secretary, or any other head or assistant head of the executive or military department or other Federal agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the head of the agency or the secretary.

(b) The term "Commission" means the United States Nuclear Regulatory Commission or any duly authorized representative thereof, including the Contracting Officer except for the purpose of deciding an appeal under the article entitled "Disputes."

(c) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(d) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

2. CHANGES (1-7.404-5)

(a) 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 in any one or more of the following:

- (i) Drawings, designs, or specifications;
- (ii) Method of shipment or packing; and
- (iii) Place of inspection, delivery, or acceptance.

(b) If any such change causes an increase or decrease in the estimated cost of, or 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:

- (i) In the estimated cost or delivery schedule, or both;

(ii) In the amount of any fixed fee to be paid to the Contractor; and

(iii) In such other provisions of the contract as may be 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 clause of this contract entitled "Disputes." However, except as provided in paragraph (c) below, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

(c) Notwithstanding the provisions of paragraphs (a) and (b) above, the estimated cost of this contract and, if this contract is incrementally funded, the funds allotted for the performance thereof, shall not be increased or deemed to be increased except by specific written modification of the contract indicating the new contract estimated cost and, if this contract is incrementally funded, the new amount allotted to the contract. Until such modification is made, the Contractor shall not be obligated to continue performance or incur costs beyond the point established in the clause of this contract entitled "Limitation of Cost" or "Limitation of Funds."

### 3. LIMITATION OF FUNDS (1-7.202-3(b) and 1-7.402-2(c))

(Applicable to Contracts which are incrementally funded)

(a) It is estimated that the cost to the Government for the performance of this contract will not exceed the estimated cost 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 estimated cost.

(b) The amount presently available for payment and allotted to this contract, the items covered thereby, the period of performance which it is estimated the allotted amount will cover, are specified in the Schedule. It is contemplated that from time to time additional funds will be allotted to this contract up to the full estimated cost set forth in the Schedule, exclusive of any fee. The Contractor agrees to perform or have performed work on this contract up to the point at which the total amount paid and payable by the Government pursuant to the terms of this contract approximates but does not exceed the total amount actually allotted to the contract.

(c) If at any time the Contractor has reason to believe that the costs which he expects to incur in the performance of this contract in the next succeeding 60 days, when added to all costs previously incurred, will exceed

75 percent of the total amount then allotted to the contract, the Contractor shall notify the Contracting Officer in writing to that effect. The notice shall state the estimated amount of additional funds required to continue performance for the period set forth in the Schedule. Sixty days prior to the end of the period specified in the Schedule the Contractor will advise the Contracting Officer in writing as to the estimated amount of additional funds, if any, that will be required for the timely performance of the work under the contract or for such further period as may be specified in the Schedule or otherwise agreed to by the parties. If, after such notification, additional funds are not allotted by the end of the period set forth in the Schedule or an agreed date substituted therefor, the Contracting Officer will, upon written request by the Contractor, terminate this contract pursuant to the provisions of the Termination clause on such date. If the Contractor, in the exercise of his reasonable judgment, estimates that the funds available will allow him to continue to discharge his obligations hereunder for a period extending beyond such date, he shall specify the later date in this request and the Contracting Officer, in his discretion, may terminate this contract on that later date.

(d) Except as required by other provisions of this contract specifically citing and stated to be an exception from this clause, the Government shall not be obligated to reimburse the Contractor for costs incurred in excess of the total amount from time to time allotted to the contract and the Contractor shall not be obligated to continue performance under the contract (including actions under the Termination clause) or otherwise to incur costs in excess of the amount allotted to the contract, unless and until the Contracting Officer has notified the Contractor in writing that such allotted amount has been increased and has specified in such notice an increased amount constituting the total amount then allotted to the contract. To the extent the amount allotted exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. No notice, communication, or representation in any other form or from any person other than the Contracting Officer shall affect the amount allotted to this contract. In the absence of the specified notice, the Government shall not be obligated to reimburse the Contractor for any costs in excess of the total amount then allotted to the contract, whether those excess costs were incurred during the course of the contract or as a result of termination. When and to the extent that the amount allotted to the contract has been increased, any costs incurred by the Contractor in excess of the amount previously allotted shall be allowable to the same extent as if such costs had been incurred after such increase in the amount allotted; unless the Contracting Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

(e) Change orders issued pursuant to the Changes clause of this contract shall not be considered an authorization to the Contractor to exceed the amount allotted in the Schedule in the absence of a statement in the change order, or other contract modification, increasing the amount allotted.

(f) Nothing in this clause shall affect the right of the Government to terminate this contract. In the event this contract is terminated, the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the contract based upon the share of costs incurred by each.

(g) In the event that sufficient funds are not allotted to this contract to allow completion of the work contemplated by this contract, the Contractor shall be entitled to that percentage of the fee set forth in the Schedule equivalent to the percentage of completion of the work contemplated by this contract.

4. LIMITATION OF COST (1-7.202-3(a) and 1-7.402-2(a))

(Applicable to Contracts which are fully funded only)

(a) It is estimated that the total cost to the Government for the performance of this contract, exclusive of any fee, will not exceed the estimated cost 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 estimated cost. If, at any time, the Contractor has reason to believe that the costs which he expects to incur in the performance of this contract in the next succeeding 60 days, when added to all costs previously incurred, will exceed 75 percent of the estimated cost then set forth in the Schedule, or if, at any time, the Contractor has reason to believe that the total cost of the Government for the performance of this contract, exclusive of any fee, will be greater or substantially less than the then estimated cost hereof, the Contractor shall notify the Contracting Officer in writing to that effect, giving the revised estimate of such total cost for the performance of this contract.

(b) Except as required by other provisions of this contract specifically citing and stated to be an exception from this clause, the Government shall not be obligated to reimburse the Contractor for costs incurred in excess of the estimated cost set forth in the Schedule, and the Contractor shall not be obligated to continue performance under the contract (including actions under the Termination clause) or otherwise to incur costs in excess of the estimated cost set forth in the Schedule, unless and until the Contracting Officer shall have notified the Contractor in writing that such estimated cost has been increased and shall have specified in such notice a revised estimated cost which shall thereupon constitute the estimated cost of performance of this contract. No notice, communication, or representation in any other form or from any person other than the Contracting Officer shall affect the estimated cost of this contract. In the absence of the specified notice, the Government shall not be obligated to reimburse the Contractor for any costs in excess of the estimated cost set forth in the Schedule, whether those excess costs were incurred during the course of the contract or as a result of termination. When and to the extent that the estimated cost set forth in the Schedule has been increased, any costs incurred by the Contractor in excess of the estimated cost prior to such increase shall be allowable to the same extent as if such costs had been incurred after the increase; unless the Contracting Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

(c) Change orders issued pursuant to the Changes clause of this contract shall not be considered an authorization to the Contractor to exceed the estimated cost set forth in the Schedule in the absence of a statement in the change order, or other contract modification, increasing the estimated cost.

(d) In the event that this contract is terminated or the estimated cost not increased, the Government and the Contractor shall negotiate and equitable distribution of all property produced or purchased under the contract based upon the share of costs incurred by each.

5. ALLOWABLE COST, FIXED-FEE AND PAYMENT. (1-7.202-4) and (1-7.402-3)

(a) For the performance of this contract, the Government shall pay to the Contractor:

(1) The cost thereof (hereinafter referred to as "allowable cost") determined by the Contracting Officer to be allowable in accordance with:

(i) Subpart 1.15.2 of the Federal Procurement Regulations (41 CFR 1-15.2), as in effect on the date of this contract; and

(ii) The terms of this contract; and

(2) Such fixed-fee, if any, as may be provided for in the Schedule.

(b) Payments shall be made to the Contractor when requested as work progresses, but not more frequently than bi-weekly, in amounts approved by the Contracting Officer. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as such representative may require, an invoice or public voucher supported by a statement of cost for the performance of this contract and claimed to constitute allowable cost. For this purpose, except as provided herein with respect to pension contributions, the term "costs" shall include only those recorded costs which result, at the time of the request for reimbursement, from payment by cash, check, or other form of actual payment for items or services purchased directly for the contract, together with (when the Contractor is not delinquent in payment of costs of contract performance in the ordinary course of business) costs incurred, but not necessarily paid, for materials which have been issued from the Contractor's stores inventory and placed in the production process for use on the contract, for direct labor, for direct travel, for other direct inhouse costs, and for properly allocable and allowable indirect costs, as is shown by records maintained by the Contractor for purposes of obtaining reimbursements under Government contracts plus the amount of progress payments which have been paid to the Contractor's subcontractors under similar cost standards. In addition, when pension contributions are paid by the Contractor to the retirement fund less frequently than quarterly, accrued costs therefore shall be excluded from indirect costs therefore for payment purposes until such costs are paid. If pension contributions are paid on a quarterly or more frequent basis, accruals therefor may be included in indirect costs for payment purposes provided that they are paid to the fund within 30 days after the close of the period covered. If payments are not made to the fund within such 30-day period, pension contribution costs shall be excluded from indirect cost for payment purposes until payment has been made. The restriction on payment more frequently than bi-weekly and the requirement of prior payment for items or services purchased directly for the contract shall not apply when the Contractor is a small business concern.

(c) Promptly after receipt of each invoice or voucher and statement of cost, the Government shall, except as otherwise provided in this contract

subject to the provisions of (d), below, make payment thereon as approved by the Contracting Officer. Payment of the fixed-fee, if any, shall be made to the Contractor as specified in the Schedule: Provided, however, That after payment of 85 percent of the fixed-fee set forth in the Schedule, the Contracting Officer may withhold further payment of fee until a reserve shall have been set aside in an amount which he considers necessary to protect the interests of the Government, but such reserve shall not exceed 15 percent of the total fixed-fee, or \$100,000, whichever is less.

(d) At any time or times prior to final payment under this contract the Contracting Officer may have the invoices or vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices or vouchers.

(e) On receipt and approval of the invoice or voucher designated by the Contractor as the "completion invoice" or "completion voucher" and upon compliance by the Contractor with all the provisions of this contract (including without limitation, the provisions relating to patents and the provisions of (f), below), the Government shall promptly pay to the Contractor any balance of allowable cost, and any part of the fixed-fee, which has been withheld pursuant to (c), above, or otherwise not paid to the Contractor. The completion invoice or voucher shall be submitted by the Contractor promptly following completion of the work under this contract but in no event later than 1 year (or such longer periods as the Contracting Officer may in his discretion approved in writing) from the date of such completion.

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

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

(2) A release discharging the Government its officers, agents, and employees 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 liabilities of the Contractor to third parties arising out of the performance of this contract: provided, however, that such claims are not known to the Contractor on the date of the execution of the release; and provided further, that the Contractor gives notice of such claims in writing to the Contracting Officer not more than 6 years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier; 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) Any costs incurred by the Contractor under the terms of this contract which would constitute allowable cost under the provisions of this clause shall be included in determining the amount payable under this contract, notwithstanding any provisions contained in the specifications or other documents incorporated in the contract by reference, designating services to be performed or materials to be furnished by the Contractor at his expense or without cost to the Government.

#### 6. STANDARDS OF WORK (1-7.402-4)

The Contractor agrees that the performance of work and services pursuant to the requirements of this contract shall conform to high professional standards.

#### 7. INSPECTION AND CORRECTION OF DEFECTS (1-7.402-5)

(a) All work under this contract shall be subject to inspection and test by the Government (to the extent practicable) at all times (including the period of performance) and places, and in any event prior to acceptance. The Contractor shall provide and maintain an inspection system acceptable to the Government covering the work hereunder. The Government, through any authorized representative, may inspect the plant or plants of the Contractor or of any of his subcontractors engaged in the performance of this contract. If any inspection or test is made by the Government on the premises of the Contractor or a subcontractor the Contractor shall provide and shall require subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the Government inspectors in the performance of their duties. All inspections and tests by the Government shall be performed in such a manner as will not unduly delay the work. Except as otherwise provided in this contract, final inspection and acceptance shall be made at the place of delivery as promptly as practicable after delivery and shall be deemed to have been made no later than 90 days after the date of such delivery, if acceptance has not been made earlier within such period.

(b) At any time during performance of this contract, but not later than 6 months (or such other time as may be provided in the Schedule) after acceptance of all of the end items (other than designs, drawings, or reports) to be delivered under this contract, the Government may require the Contractor to remedy by correction or replacement, as directed by the Contracting Officer, any failure by the Contractor to comply with the requirements of this contract. Any time devoted to such correction or replacement shall not be included in the computation of the period of time specified in the preceding sentence, except as provided in (d), below, except as otherwise provided in paragraph (c), below, the allowability of the cost of any such replacement or correction shall be determined as provided in the clause of this contract entitled "Allowable Cost, Fixed Fee, and Payment," but no additional fee shall be payable with respect thereto. Corrected articles shall not be tendered again for acceptance unless the former tender and the requirement of correction is disclosed. If the Contractor fails to proceed with reasonable promptness to perform such replacement or correction, the Government (1) may by contract or otherwise perform such replacement or correction and charge to the Contractor any increased cost occasioned the Government thereby..or may reduce any fixed fee payable under the contract (or require repayment of any fixed fee theretofore paid) in such amount as may be equitable under the circumstances, or (2) in the case of articles not delivered, may require the delivery of such articles, and shall have the right to reduce any fixed fee payable under this contract (or to require repayment of any fixed fee theretofore paid) in such amount as may be equitable under the circumstances, or (3) may terminate this contract for default. Failure to agree to the amount of any such increased cost to be charged to the Contractor or to such reduction in, or repayment of, the fixed fee, shall be deemed to be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(c) Notwithstanding the provisions of paragraph (b), above, the Government may at any time require the Contractor to remedy by correction or replacement, without cost to the Government, any failure by the Contractor to comply with the requirements of this contract, if such failure is due to fraud, lack of good faith, or willful misconduct on the part of any of the Contractor's directors or officers, or on the part of any of his managers, superintendents, or other equivalent representatives, who has supervision or direction of (1) all or substantially all of the Contractor's business, or (2) all or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed, or (3) a separate and complete major industrial operation in connection with the performance of this contract. The Government may at any time also require the Contractor to remedy by correction or replacement, without cost to the Government, any such failure caused by one or more individual employees selected or retained by the Contractor after any such supervisory personnel has reasonable grounds to believe that any employee is habitually careless or otherwise unqualified.

(d) The provisions of paragraph (b), above, shall apply to any corrected or replacement end item or component until 6 months after its acceptance.

(e) The Contractor shall make his records of all inspection work available to the Government during the performance of this contract and for such longer period as may be specified in this contract.

(f) Except as provided in this clause and as may be provided in the Schedule, the Contractor shall have no obligation or liability to correct or replace articles which at the time of delivery are defective in material or workmanship or otherwise not in conformity with the requirements of this contract.

(g) Except as otherwise provided in the Schedule, the Contractor's obligation to correct or replace Government-furnished property (which is property in the possession of or acquired directly by the Government and delivered or otherwise made available to the Contractor) shall be governed by the provisions of the clause of this contract entitled "Government Property."

8. ASSIGNMENT (9-7.5006-46)

Neither this contract nor an interest therein nor claim thereunder shall be assigned or transferred by the contractor except as expressly authorized in writing by the Contracting Officer.

9. EXAMINATION OF RECORDS BY COMPTROLLER GENERAL (1-7. 103-3 and 9-7.5004-10)

(a) This clause is applicable if the amount of this contract exceeds \$10,000 and was entered into by means of negotiation, including small business restricted advertising, but is not applicable if this contract was entered into by means of formal advertising.

(b) The contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under this contract unless the Commission authorizes their prior disposition, have access to and the right to examine any directly pertinent books, documents, papers, and records of the contractor involving transactions related to this contract.

(c) The contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of 3 years after final payment under the subcontract unless the Commission authorizes their prior disposition, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (1) purchase orders not exceeding \$10,000 and (2) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

(d) The periods of access and examination described in (b) and (c), above, for records which relate to (1) appeals under the "Disputes" clause of this contract, (2) litigation or the settlement of claims arising out of the performance of this contract, or (3) costs and expenses of this contract as to which exception has been taken by the Comptroller General or any of his duly authorized representatives, shall continue until such appeals, litigation, claims, or exceptions have been disposed of.

(e) Nothing in this contract shall be deemed to preclude an audit by the General Accounting Office of any transaction under this contract.

#### 10. 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 catalog 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 (j) 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 Procurement 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.

#### 11. UTILIZATION OF SMALL BUSINESS CONCERNS (1-1.710-3(a))

(Applicable to contracts exceeding \$10,000)

(a) It is the policy of the Government as declared by the Congress that a fair proportion of the purchases and contracts for supplies and services for the Government be placed with small business concerns.

(b) The contractor agrees to accomplish the maximum amount of subcontracting to small business concerns that the contractor finds to be consistent with the efficient performance of this contract.

#### 12. TERMINATION FOR DEFAULT OR FOR CONVENIENCE OF THE GOVERNMENT (1-8.702)

(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:

(1) 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 days (or such longer period as the Contracting Officer may allow) after receipt from the Contracting Officer of a notice specifying the default; or

(2) 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 (1) above, it is determined for any reason that the contractor was not in default pursuant to (1), 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 (2) 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:

(1) Stop work under the contract on the date and to the extent specified in the Notice of Termination;

(2) 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;

(3) Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination;

(4) Assign to the Government, in the manner and to the extent directed by the Contracting Officer, all of the 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;

(5) 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 reimbursable in whole or in part, in accordance with the provisions of this contract;

(6) Transfer title to the Government (to the extent that title has not already been transferred) and deliver in the manner, at the times and to the extent directed by the Contracting Officer, (i) 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; (ii) the completed 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 (iii) the jigs, dies, and 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;

(7) 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 (6) above: Provided, however, That the contractor (i) shall not be required to extend credit to any purchaser, and (ii) may acquire any such property under the conditions prescribed by and at a 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;

(8) Complete performance of such part of the work as shall not have been terminated by the Notice of Termination; and

(9) 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 in 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 the amount of the fee, or any item of reimbursable cost, under this clause. At any time after expiration of the plant clearance period, as defined in Subpart 1-8.1 of the Federal Procurement Regulations (41 CFR 1-8.1), as the definition may be amended from time to time, the contractor may submit to the Contracting Officer a list, certified as to quantity and quality, of any or all items of termination inventory not previously disposed of, exclusive of items the disposition of which has been directed or authorized by the Contracting Officer, and may request the Government to remove such items or enter into a storage agreement covering them. Not later than fifteen (15) days thereafter, the Government will accept such items and remove them or enter into a storage agreement covering the same: Provided, That the list submitted shall be subject to verification by the Contracting Officer upon removal of



the items or, if the items are stored, within forty-five (45) days from the date of submission of the list, and any necessary adjustment to correct the list as submitted shall be made prior to final settlement.

(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 or 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 review required by the contracting agency's procedures 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), and subject to any review required by the contracting agency's procedures 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 (including an allowance for the fee) 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), as to the amounts with respect to costs and fee, or as to the amount of the fee, to be paid to the contractor in connection with the termination of work pursuant to this clause, the Contracting Officer shall, subject to any review required by the contracting agency's procedures 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:

(1) If the settlement includes cost and fee--

(i) There shall be included therein all costs and expenses reimbursable in accordance with this contract, not previously paid to the contractor for the performance of this contract prior to the effective date of the Notice of Termination, and such of these costs and may continue for a reasonable time thereafter with the approval of or as directed by the Contracting Officer: Provided, however, That the contractor shall proceed as rapidly as practicable to discontinue such costs;

(ii) There shall be included therein so far as not included under (i) above, the cost of settling and paying claims arising out of the termination of work under subcontracts or orders, as provided in paragraph (b)(5) above, which are properly chargeable to the terminated portion of the contract;

(iii) There shall be included therein the reasonable costs of settlement, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract and for the termination and settlement of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of termination inventory: Provided, however, That if the termination is for default of the contractor there shall not be included any amounts for the preparation of the contractor's settlement proposal; and

(iv) There shall be included therein a portion of the fee payable under the contract determined as follows--

(A) In the event of the termination of this contract for the convenience of the Government and not for the default of the contractor, there shall be paid a percentage of the fees equivalent to the percentage of the completion of work contemplated by the contract, but exclusive of subcontract effort included in subcontractors' termination claims, less fee payments previously made hereunder; or

(B) In the event of the termination of this contract for the default of the contractor, the total fee payable shall be such proportionate part of the fee (or, if this contract calls for articles of different types, of such part of the fee as is reasonably allocable to the type of article under consideration) as the total number of articles delivered to and accepted by the Government bears to the total number of articles of a like kind called for by this contract.

If the amount determined under this subparagraph (1) is less than the total payment theretofore made to the contractor, the contractor shall repay to the Government the excess amount.

(2) If the settlement includes only the fee, the amount thereof will be determined in accordance with subparagraph (1)(iv) above.

(f) Costs claimed, agreed to, or determined pursuant to paragraphs (c), (d), and (e) of this clause shall be in accordance with the contract cost principles and procedures in FPR 1-15.2.

(g) The contractor shall have the right of appeal, under the clause of this contract entitled "Disputes," from any determination made by the Contracting Officer under paragraph (c) or (e) above, except that, if the contractor has failed

to submit his claim within the time provided in paragraph (c) above and has failed 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: (1) If there is no right of appeal hereunder or if no timely appeal has been taken, the amount so determined by the Contracting Officer, or (2) if an appeal has been taken, the amount finally determined on such appeal.

(h) In arriving at the amount due the contractor under this clause there shall be deducted (1) all unliquidated advance or other payments theretofore made to the contractor, applicable to the terminated portion of this contract, (2) any claim which the Government may have against the contractor in connection with this contract, and (3) the agreed price for, or the proceeds for 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.

(i) In the event of a partial termination, the portion of the fee which is payable with respect to the work under the continued portion of the contract shall be equitably adjusted by agreement between the contractor and Contracting Officer and such adjustment shall be evidenced by an amendment of this contract.

(j) The Government may from time to time, under such terms and conditions as it may prescribe, 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 6 percent per annum, for the period from the date such excess payment is received by the contractor to the date on which 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 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.

(k) The provisions of this clause relating to the fee shall be inapplicable if this contract does not provide for payment for a fee.

### 13. 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.

14. BUY AMERICAN ACT (1-6.104-5) (9-7.5004-16).

(a) In acquiring end products, the Buy American Act (41 U.S. Code 10a-10d) provides that the Government give preference to domestic source end products. For the purpose of this clause:

(i) "Components" means those articles, materials, and supplies which are directly incorporated in the end products;

(ii) "End products" means those articles, materials, and supplies which are to be acquired under this contract for public use; and

(iii) A "domestic source end product" means (A) an unmanufactured end product which has been mined or produced in the United States and (B) an end product manufactured in the United States if the cost of the components thereof which are mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. For the purposes of this (a) (iii) (B), components of foreign origin of the same type of kind as the products referred to in (b) (i) or (iii) of this clause shall be treated as components mined, produced, or manufactured in the United States.

(b) The Contractor agrees that there will be used under this contract (by the Contractor, subcontractor, materialmen and suppliers) only domestic source end products, except end products:

(i) Which are for use outside the United States;

(ii) Which the Government determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality;

(iii) As to which the Commission determines the domestic preference to be inconsistent with the public interest; or

(iv) As to which the Commission determines the cost to the Government to be unreasonable.

15. CONVICT LABOR (1-12.204)

In connection with the performance of work under this contract the Contractor agrees not to employ any person undergoing sentence of imprisonment except as provided by Public Law 89-176, September 10, 1965 (18 U.S.C. 4082(c) (2)) and Executive Order 11755, December 29, 1973.

16. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT - OVERTIME COMPENSATION (1-12.302)

This contract, to the extent that it is of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), is subject to the following provisions and to all other applicable provisions and exceptions of such act and the regulations of the Secretary of Labor thereunder.

(a) Overtime Requirement. No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers, mechanics, apprentices, trainees, watchmen, and guards shall require or permit any laborer, mechanic, apprentice, trainee, watchman, or guard in any workweek in which he is employed on such work to work in excess of 8 hours in any calendar day or in excess of 40 hours in such workweek on work subject to the provisions of the Contract Work Hours and Safety Standards Act unless such laborer, mechanic, apprentice, trainee, watchman, or guard receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of 8 hours in any calendar day or in excess of 40 hours in such workweek, whichever is the greater number of overtime hours.

(b) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the provisions of paragraph (a), the Contractor and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer, mechanic, apprentice, trainee, watchman, or guard employed in violation of the provisions of paragraph (a) in the sum of \$10 for each calendar day on which such employe was required or permitted to be employed on such work in excess of 8 hours or in excess of his standard workweek of 40 hours without payment of the overtime wages required by paragraph (a).

(c) Withholdings for unpaid wages and liquidated damages. The Contracting Officer may withhold from the Government Prime Contractor, from any moneys payable on account of work performed by the Contractor or subcontractor, such sums as may

administratively be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions of paragraph (b).

(d) Subcontracts. The Contractor shall insert paragraphs (a) through (d) of this clause in all subcontracts, and shall require their inclusion in all subcontracts of any tier.

(e) Records. The Contractor shall maintain payroll records containing the information specified in 29 CFR 516.2(a). Such records shall be preserved for 3 years from the completion of the contract.

17. EQUAL OPPORTUNITY (1-12.803-2).

(The following clause is applicable unless this contract is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, ch. 60)).

During the performance of this contract, the contractor agrees as follows:

(a) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

(b) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

(c) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the contractor's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(e) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(f) In the event of the contractor's noncompliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations, or orders, this contract may be cancelled, terminated, or suspended, in whole or in part, and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) The contractor will include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

18. OFFICIALS NOT TO BENEFIT (1-7.202-17)

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provisions shall not be construed to extend to this contract if made with a corporation for its general benefit.

19. COVENANT AGAINST CONTINGENT FEES (1-1.503) (9-7.5004-2)

(a) Warranty--Termination or deduction for breach.

The contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

(b) Subcontracts and purchase orders.

Unless otherwise authorized by the Contracting Officer in writing, the contractor shall cause provisions similar to the foregoing to be inserted in all subcontracts and purchase orders entered into under this contract.

20. NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT  
(1-7.103-4) (Applicable to Contracts exceeding \$10,000)

(a) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement based on the performance of this contract of which the Contractor has knowledge.

(b) In the event of any claim or suit against the Government, on account of any alleged patent or copyright infringement arising out of the performance of this Contract or out of the use of any supplies furnished or work or services performed hereunder, the Contractor shall furnish to the Government, when requested by the Contracting Officer, all evidence and information in possession of the Contractor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except where the Contractor has agreed to indemnify the Government.

21. PATENTS (1-9.107-5(a))

(a) Definitions.

(1) "Subject Invention" means any invention or discovery of the Contractor conceived or first actually reduced to practice in the course of or under this contract, and includes any art, method, process, machine, manufacture, design, or composition of matter, or any new and useful improvements thereof, or any variety of plant, which is or may be patentable under the Patent Laws of the United States of America or any foreign country.

(2) "Contract" means any contract, agreement, grant, or other arrangement, or subcontract entered into with or for the benefit of the Government where a purpose of the contract is the conduct of experimental, development, or research work.

(3) "States and domestic municipal governments" means the States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, the Trust Territory of the Pacific Islands, and any political subdivision and agencies thereof.

(4) "Government agency" includes an executive department, independent commission, board, office, agency, administration, authority, Government corporation, or other Government establishment of the executive branch of the



Government of the United States of America and for the purpose of this contract the U.S. Nuclear Regulatory Commission.

(5) "To the point of practical application" means to manufacture in the case of a composition of product, to practice in the case of a process, or to operate in the case of a machine and under such conditions as to establish that the invention is being worked and that its benefits are reasonably accessible to the public.

(b) Allocation of principal rights.

(1) Assignment to the Government. The Contractor agrees to assign to the Government the entire right, title, and interest throughout the world in and to each Subject Invention, except to the extent that rights are retained by the Contractor under paragraphs (b)(2) and (d) of this clause.

(2) Greater rights determinations. The Contractor or the employee-inventor with authorization of the Contractor may retain greater rights than the nonexclusive license provided in paragraph (d) of this clause in accordance with the procedure and criteria of 41 CFR 1-9.109-6. A request for determination whether the Contractor or the employee-inventor is entitled to retain such greater rights must be submitted to the Contracting Officer at the time of the first disclosure of the invention pursuant to paragraph (e) (2) (1) of this clause, or not later than 3 months thereafter, or such longer period as may be authorized by the Contracting Officer for good cause shown in writing by the Contractor. The information to be submitted for a greater rights determination is specified in 41 CFR 1-9.109-6. Each determination of greater rights under this contract normally shall be subject to paragraph (c) of this clause and to the reservations and conditions deemed to be appropriate by the agency.

(c) Minimum rights acquired by the Government. With respect to each Subject Invention to which the Contractor retains principal or exclusive rights, the Contractor:

(1) Hereby, grants to the Government a nonexclusive, nontransferable, paid-up license to make, use, and sell each Subject Invention throughout the world by or on behalf of the Government of the United States (including any Government agency) and States and domestic municipal governments;

(2) Agrees to grant to responsible applicants, upon request of the Government, a license on terms that are reasonable under the circumstances:

(i) Unless the Contractor, his license, or his assignee demonstrates to the Government that effective steps have been taken within 3 years after a patent issues on such invention to bring the invention to the point of practical application, or that the invention has been made available for licensing

royalty-free or on terms that are reasonable in the circumstances, or can show cause why the principal or exclusive rights should be retained for a further period of time; or

(ii) To the extent that the invention is required for public use by governmental regulations or as may be necessary to fulfill public health, safety or welfare needs, or for other public purposes stipulated in this contract;

(3) Shall submit written reports at reasonable intervals upon request of the Commission during the term of the patent on the Subject Invention regarding:

(1) The Commercial use that is being made or is intended to be made of the invention; and

(ii) The steps taken by the Contractor or his transferee to bring the invention to the point of practical application or to make the invention available for licensing;

(4) Agrees to refund any amounts received as royalty charges on any Subject Invention in procurements for or on behalf of the Government and to provide for that refund in any instrument transferring rights to any party in the invention; and

(5) Agrees to provide for the Government's paid-up license pursuant to paragraph (c) (1) of this clause in any instrument transferring rights in a Subject Invention and to provide for the granting of licenses as required by (2) of this clause, and for the reporting of utilization information to the Commission as required by paragraph (c) (3) of this clause whenever the instrument transfers principal or exclusive rights in any Subject Invention. Nothing contained in this paragraph (c) shall be deemed to grant to the Government any rights with respect to any invention other than a Subject Invention.

(d) Minimum rights to the Contractor.

(1) The Contractor reserves a revocable, nonexclusive, royalty-free license in each patent application filed in any country on a Subject Invention and any resulting patent in which the Government acquires title. The license shall extend to the Contractor's domestic subsidiaries and affiliates, if any, within the corporate structure of which the Contractor is a part and shall include the right to grant sublicenses of the same scope to the extent the Contractor was legally obligated to do so at the time the contract was awarded. The license shall be transferable only with approval of the Commission except when transferred to the successor of that part of the Contractor's business to which the invention pertains.

(2) The Contractor's nonexclusive domestic license retained pursuant to paragraph (d)(1) of this clause may be revoked or modified by the Commission to the extent necessary to achieve expeditious practical application of the Subject Invention under 41 CFR 101-4.103-3 pursuant to an application for exclusive license submitted in accordance with 41 CFR 101-4.104-3. This license shall not be revoked in that field of use and/or the geographical areas in which the Contractor has brought the invention to the point of practical application and continues to make the benefits of the invention reasonable accessible to the public. The Contractor's nonexclusive license in any foreign country reserved pursuant to paragraph (d)(1) of this clause may be revoked or modified at the discretion of the Commission to the extent the Contractor or his domestic subsidiaries or affiliates have failed to achieve the practical application of the invention in that foreign country.

(3) Before the modification or revocation of the license, pursuant to paragraph (d)(2) of this clause, the Commission shall furnish the Contractor a written notice of its intention to modify or revoke the license and the Contractor shall be allowed 30 days (or such longer period as may be authorized by the Commission for good cause shown in writing by the Contractor) after the notice to show cause why the license should not be modified or revoked. The Contractor shall have the right to appeal, in accordance with procedures prescribed by the Commission any decision concerning the modification or revocation of his license.

(e) Invention, identification, disclosures, and reports.

(1) The Contractor shall establish and maintain active and effective procedures to ensure that Subject Inventions are promptly identified and timely disclosed. These procedures shall include the maintenance of laboratory notebooks or equivalent records and any other records that are reasonably necessary to document the conception and/or the first actual reduction to practice of Subject Inventions, and records which show that the procedures for identifying and disclosing the inventions are followed. Upon request, the Contractor shall furnish the Contracting Officer a description of these procedures so that he may evaluate and determine their effectiveness.

(2) The Contractor shall furnish the Contracting Officer:

(i) A complete technical disclosure for each Subject Invention within 6 months after conception or first actual reduction to practice whichever occurs first in the course of or under the contract, but in any event prior to any on sale, public use, or publication of such invention known to the Contractor. The disclosure shall identify the contract and inventor and shall be sufficiently complete in technical detail and appropriately illustrated by sketch or diagram to convey to one skilled in the art to which the invention pertains a clear understanding of the nature, purpose, operation, and, to the extent known, the physical, chemical, biological, or electrical characteristics of the invention;

(ii) Interim reports at least every 12 months from the date of the contract listing Subject Inventions for that period and certifying that:

(A) The Contractor's procedures for identifying and disclosing Subject Inventions as required by this paragraph (e) have been followed throughout the reporting period; and

(B) All Subject Inventions have been disclosed or that there are no such inventions; and

(iii) A final report within 3 months after completion of the contract work, listing all Subject Inventions or certifying that there were no such inventions.

(3) The Contractor shall obtain patent agreements to effectuate the provisions of this clause from all persons in his employ who perform any part of the work under this contract except nontechnical personnel, such as clerical employees and manual laborers.

(4) The Contractor agrees that the Commission may duplicate and disclose Subject Invention disclosures and all other reports and papers furnished or required to be furnished pursuant to this clause.

(5) In order to protect the patent interest of the Government or the Contractor, the Contractor shall obtain the written approval of the Contracting Officer prior to the release or publication of the information in any Subject Invention disclosure by the Contractor or other parties acting on his behalf.

(f) Forfeiture of rights in unreported Subject Inventions.

(1) The Contractor shall forfeit to the Government all rights in any Subject Invention which he fails to disclose to the Contracting Officer within 6 months after the time he:

(i) Files or causes to be filed a United States or foreign application thereon; or

(ii) Submits the final report required by paragraph (e)(2)(iii) of this clause, whichever is later.

(2) However, the Contractor shall not forfeit rights in a Subject Invention if, within the time specified in (1)(i) or (1)(ii) of this paragraph (f), the Contractor:

(i) Prepared a written decision based upon a review of the record that the invention was neither conceived nor first actually reduced to practice in the course of or under the contract; or

(ii) Contending that the invention is not a Subject Invention, he nevertheless discloses the invention and all facts pertinent to his contention to the Contracting Officer; or

(iii) Establishes that the failure to disclose did not result from his fault or negligence.

(3) Pending written assignment of the patent applications and patents on a Subject Invention determined by the Contracting Officer to be forfeited (such determination to be a final decision under the Disputes Clause), the Contractor shall be deemed to hold the invention and the patent applications and patents pertaining thereto in trust for the Commission. The forfeiture provision of this paragraph (f) shall be in addition to and shall not supersede other rights and remedies which the Government may have with respect to Subject Inventions.

(g) Examination of records relating to inventions.

(1) The Contracting Officer or his authorized representative until the expiration of 3 years after final payment under this contract shall have the right to examine any books (including laboratory notebooks), records, documents, and other supporting data of the Contractor which the Contracting Officer reasonably deems pertinent to the discovery or identification of Subject Inventions or to determine compliance with the requirements of this clause.

(2) The Contracting Officer shall have the right to review all books (including laboratory notebooks), records and documents of the Contractor relating to the conception or first actual reduction to practice of inventions in the same field of technology as the work under this contract to determine whether any such inventions are Subject Inventions if the Contractor refuses or fails to:

(i) Establish the procedures of paragraph (e)(1) of this clause; or

(ii) Maintain and follow such procedures; or

(iii) Correct or eliminate any material deficiency in the procedures within thirty (30) days after the Contracting Officer notifies the Contractor of such a deficiency.

(h) Withholding of payment (Not applicable to Subcontracts).

(1) Any time before final payment of the amount of this contract, the Contracting Officer may, if he deems such action warranted, withhold payment until a reserve not exceeding \$50,000 or 5 percent of the amount of this contract, whichever is less, shall have been set aside if in his opinion the Contractor fails to:

(i) Establish, maintain, and follow effective procedures for identifying and disclosing Subject Inventions pursuant to paragraph (e)(1) of this clause; or

(ii) Disclose any Subject Invention pursuant to paragraph (e)(2)(i) of this clause; or

(iii) Deliver acceptable interim reports pursuant to paragraph (e)(2)(ii) of this clause; or

(iv) Provide the information regarding subcontracts pursuant to paragraph (i)(5) of this clause.

The reserve or balance shall be withheld until the Contracting Officer has determined that the Contractor has rectified whatever deficiencies exist and has delivered all reports, disclosures, and other information required by this clause.

(2) Final payment under this contract shall not be made before the Contractor delivers to the Contracting Officer all disclosures of Subject Inventions required by paragraph (e)(2)(i) of this clause, and an acceptable final report pursuant to (e)(2)(iii) of this clause.

(3) The Contracting Officer may, in his discretion, decrease or increase the sums withheld up to the maximum authorized above. If the Contractor is a nonprofit organization the maximum amount that may be withheld under this paragraph shall not exceed \$50,000 or 1 percent of the amount of this contract whichever is less. No amount shall be withheld under this paragraph while the amount specified by this paragraph is being withheld under other provisions of the contract. The withholding of any amount or subsequent payment thereof shall not be construed as a waiver of any rights accruing to the Government under this contract.

(1) Subcontracts

(1) For the purpose of this paragraph the term "Contractor" means the party awarding a subcontract and the term "Subcontractor" means the party being awarded a subcontract, regardless of tier.

(2) Unless otherwise authorized or directed by the Commission Contracting Officer, the Contractor shall include this Patent Rights clause modified to identify the parties in any subcontract hereunder if a purpose of the subcontract is the conduct of experimental, developmental, or research work. In the event of refusal by a Subcontractor to accept this clause, or if in the opinion of the Contractor this clause is inconsistent with the policy set forth in 41 CFR 1-9.107-3, the Contractor:

(i) Shall promptly submit a written notice to the Commission Contracting Officer setting forth reasons for the Subcontractor's refusal and other pertinent information which may expedite disposition of the matter; and

(ii) Shall not proceed with the subcontract without the written authorization of the Commission Contracting Officer.

(3) The Contractor shall not, in any subcontract or by using a subcontract as consideration therefor, acquire any rights in his Subcontractor's Subject Invention for his own use (as distinguished from such rights as may be required solely to fulfill his contract obligations to the Government in the performance of his contract).

(4) All invention disclosures, reports, instruments, and other information required to be furnished by the Subcontractor to the Commission Contracting Officer under the provisions of a Patent Rights clause in any subcontract hereunder may, in the discretion of the Commission Contracting Officer, be furnished to the Contractor for transmission to the Commission Contracting Officer.

(5) The Contractor shall promptly notify the Commission Contracting Officer in writing upon the award of any subcontract containing a Patent Rights clause by identifying the Subcontractor, the work to be performed under the subcontract and the dates of award and estimated completion. Upon request of the Commission Contracting Officer, the Contractor shall furnish a copy of the subcontract. If there are no subcontracts containing Patent Rights Clauses, a negative report shall be included in the final report submitted pursuant to paragraph (e)(2)(iii) of this clause.

(6) The Contractor shall identify all Subject Inventions of the Subcontractor of which he acquires knowledge in the performance of this contract and shall notify the Commission Contracting Officer promptly upon the identification of the inventions.

(7) It is understood that the Commission is a third party beneficiary of any subcontract clause granting rights to the Government in Subject Inventions, and the Contractor hereby assigns to the Commission all rights that he would have to enforce the Subcontractor's obligations for the benefit of the Commission with respect to Subject Inventions. The Contractor shall not be obligated to enforce the agreements of any Subcontractor hereunder relating to the obligations of the Subcontractor to the Commission in regard to Subject Inventions.

(j) Reserved

(k) Reserved

(l) No claim for pecuniary award or compensation under the provisions of the Atomic Energy Act of 1954 as amended shall be asserted by the Contractor or its employees with respect to any invention or discovery made or conceived in the course of or under this contract.

(m) With respect to any U.S. Patent Application filed by the Contractor on any contract invention or discovery made or conceived in the course of the contract, the Contractor will incorporate in the first paragraph of the U.S. Patent Application the following statement:

"The invention described herein was made in the course of, or under a contract (if desired may substitute contract with identifying number) with the U.S. Nuclear Regulatory Commission."

## 22. GOVERNMENT PROPERTY (1-7.203-21)

(a) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the property in the Schedule or specifications, together with such related data and information as the Contractor may request and as may reasonably be required for the intended use of such property (hereinafter referred to as "Government-furnished Property"). The delivery or performance dates for the supplies or services to be furnished by the Contractor under this contract are based upon the expectation that Government-furnished property suitable for use will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet such delivery or performance dates. In the event that Government-furnished property is not delivered to the Contractor by such time or times, the Contracting Officer shall, upon timely written request made by the Contractor make a determination of the delay, if any, occasioned the Contractor and shall equitably adjust the estimated cost, fixed fee, or delivery or performance dates, or all of them, and any other contractual provisions affected by any such delay in accordance with the procedures provided for in the clause of this contract entitled "Changes." In the event that Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt thereof notify the contracting officer of such fact and, as directed by the Contracting Officer, either (1) return such property at the Government's expense or otherwise dispose of the property, or (2) effect repairs or modifications. Upon completion of (1) or (2), above, the Contracting Officer upon written request of the Contractor shall equitably adjust the estimated cost, fixed fee, or delivery or performance dates, or all of them, and a other contractual provision affected by the return or disposition, or the repair or modification in accordance with the procedures provided for in the clause of this contract entitled "Changes." The foregoing provisions for adjustment are exclusive and the Government shall not be liable to suit for breach of contract by reason of any delay in delivery of Government-furnished property or delivery of such property in a condition not suitable for its intended use.



(b) (1) By notice in writing the Contracting Officer may (i) decrease the property furnished or to be furnished by the Government under this contract, or (ii) substitute other Government-owned property for property to be furnished by the Government, or to be acquired by the Contractor for the Government under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct with respect to the removal and shipping of property covered by such notice.

(2) In the event of any decrease in or substitution of property pursuant to paragraph (1), above, or any withdrawal of authority to use property provided under any contract or lease, which property the Government had agreed in the Schedule to make available for the performance of this contract, the Contracting Officer, upon the written request of the contractor (or, if the substitution of property causes a decrease in the cost of performance, on his own initiative), shall equitably adjust such contractual provisions as may be affected by the decrease, substitution, or withdrawal, in accordance with the procedures provided for in the "Changes" clause of this contract.

(c) Title to all property furnished by the Government shall remain in the Government. Title to all property purchased by the Contractor, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Government upon delivery of such property by the vendor. Title to other property, the cost of which is reimbursable to the Contractor under the contract, shall pass to and vest in the Government upon (1) issuance for use of such property in the performance of this contract, or (2) commencement of processing or use of such property in the performance of this contract, or (3) reimbursement of the cost thereof by the Government in whole or in part, whichever first occurs. All Government-furnished property, together with all property acquired by the Contractor title to which vests in the Government under this paragraph, are subject to the provisions of this clause and are hereinafter collectively referred to as "Government property." Title to the Government property shall not be affected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personality by reason of affixation to any realty.

(d) The Contractor shall be directly responsible for and accountable for all Government property provided under this contract. The contractor shall establish and maintain a system to control, protect, preserve, and maintain all Government property. This system shall, upon request by the Contracting Officer, be submitted for review and, if satisfactory, approved in writing by the Contracting Officer. The Contractor shall maintain and make available such records as are required by the approved system and must account for all Government property until relieved of responsibility therefor in accordance with the written instructions of the Contracting Officer. To the extent directed by the Contracting Officer, the Contractor shall identify Government property by marking, tagging, or segregating in such manner as to clearly indicate its ownership by the Government.

(e) The Government property shall, unless otherwise provided herein or approved by the Contracting Officer, be used only for the performance of this contract.

(f) The Contractor shall maintain and administer, in accordance with sound industrial practice, a program for the utilization, maintenance, repair, protection, and preservation of Government property so as to assure its full availability and usefulness for the performance of this contract. The Contractor shall take all reasonable steps to comply with all appropriate directions or instructions which the Contracting Officer may prescribe as reasonably necessary for the protection of Government property.

(g) (1) The Contractor shall not be liable for any loss of or damage to the Government property, or for expenses incidental to such loss or damage, except that the Contractor shall be responsible for any such loss or damage (including expenses incidental thereto):

(i) Which results from willful misconduct or lack of good faith on the part of any one of the Contractor's directors or officers, or on the part of any of his managers, superintendents, or other equivalent representatives, who has supervision or direction of:

(A) All or substantially all of the Contractor's business;

or

(B) All or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed;

or

(C) A separate and complete major industrial operation in connection with the performance of this contract.

(ii) Which results from a failure on the part of the Contractor, due to the willful misconduct or lack of good faith on the part of any of his directors, officers, or other representatives mentioned in subparagraph (i), above:

(A) To maintain and administer, in accordance with sound industrial practice, the program for utilization, maintenance, repair, protection, and preservation of Government property as required by paragraph (f) hereof, or to take all reasonable steps to comply with any appropriate written direction of the Contracting Officer under paragraph (f) hereof; or

(B) To establish, maintain, and administer in accordance with paragraph (d) hereof a system for control of Government property.

(iii) For which the Contractor is otherwise responsible under the express terms of the clause or clauses designated in the Schedule;

(iv) Which results from a risk expressly required to be insured under this contract, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained, whichever is greater; or

(v) Which results from a risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement.

Any failure of the Contractor to act, as provided in subparagraph (ii), above, shall be conclusively presumed to be a failure resulting from willful misconduct, or lack of good faith on the part of such directors, officers, or other representatives mentioned in subparagraph (i), above, if the Contractor is notified by the Contracting Officer by registered or certified mail addressed to one of such directors, officers, or other representatives, of the Government's disapproval, withdrawal of approval, or nonacceptance of the Contractor's program or system. In such event it shall be presumed that any loss or damage to Government property resulted from such failure. The Contractor shall be liable for such loss or damage unless he can establish by clear and convincing evidence that such loss or damage did not result from his failure to maintain an approved program or system, or occurred during such time as an approved program or system for control of Government property was maintained.

If more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception. If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor for loss or destruction of or damage to the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of, and be responsible for, any loss or destruction of or damage to the property while in the latter's possession or control, except to the extent that the subcontract, with the prior approval of the Contracting Officer, provides for the relief of the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of the prime contract.

(2) The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance, or any provisions for a reserve, covering the risk of loss of or damage to the Government property, except to the extent that the Government may have required the Contractor to carry such insurance under any other provisions of this contract.

(3) Upon the happening of loss or destruction of or damage to the Government property, the Contractor shall notify the Contracting Officer thereof,

and shall communicate with the loss and salvage organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the loss and salvage organizations so designated (unless the Contracting Officer has designated that no such organization be employed), shall take all reasonable steps to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the Government property in the best possible order, and furnish to the Contracting Officer a statement of:

- (i) The lost, destroyed, and damaged Government property;
- (ii) The time and origin of the loss, destruction, or damage;
- (iii) All known interests in commingled property of which the Government property is a part; and
- (iv) The insurance, if any, covering any part of or interest in such commingled property.

The Contractor shall make repairs and renovations of the damaged Government property or take such other action as the Contracting Officer directs.

(4) In the event the Contractor is indemnified, reimbursed, or otherwise compensated for any loss or destruction of or damage to the Government property, he shall use the proceeds to repair, renovate, or replace the Government property involved, or shall credit such proceeds against the cost of the work covered by the contract, or shall otherwise reimburse the Government, as directed by the Contracting Officer. The Contractor shall do nothing to prejudice the Government's right to recover against third parties for any such loss, destruction, or damage and, upon the request of the Contracting Officer, shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery. In addition, where the subcontractor has not been relieved from liability for any loss or destruction of or damage to Government property, the Contractor shall enforce the liability of the subcontractor for such loss or destruction of or damage to the Government property for the benefit of the Government.

(h) The Commission, and any persons designated by it, shall at all reasonable times have access to the premises where any of the Government property is located, for the purpose of inspecting the Government property.

(i) Upon the completion of this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit to the Contracting Officer in a form acceptable to him, inventory schedules covering all items of the Government property not consumed in the performance of this contract, or not theretofore delivered to the Government, and shall deliver or make such other disposal of such Government property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the

cost of the work covered by the contract or shall be paid in such manner as the Contracting Officer may direct. The foregoing provisions shall apply to scrap from Government property: Provided, however, That the Contracting Officer may authorize or direct the Contractor to omit from such inventory schedules any scrap consisting of faulty castings or forgings, or cutting and processing waste, such as chips, cuttings, borings, turnings, short ends, circles, trimmings, clippings, and remnants, and to dispose of such scrap in accordance with the Contractor's established accounting procedures.

(j) Unless otherwise provided herein, the Government:

(i) May abandon any Government property in place, and thereupon all obligations of the Government regarding such abandoned property shall cease; and

(ii) Has no obligation to the Contractor with regard to restoration or rehabilitation of the Contractor's premises, neither in case of abandonment (paragraph (j) (i), above), disposition on completion of need or of the contract (paragraph (i), above), nor otherwise, except for restoration or rehabilitation costs caused by removal of Government property pursuant to paragraph (b), above.

(k) All communications issued pursuant to this clause shall be in writing.

#### 23. NUCLEAR HAZARDS INDEMNITY - PRODUCT LIABILITY (9-7.5004-25)

(a) This article is incorporated into this contract pursuant to the authority contained in section 170d of the Atomic Energy Act of 1954, as amended (hereinafter called the Act).

(1) The definitions set out in the Act shall apply to this article.

(2) The term "product delivered under the contract" means any material; equipment; device; drawing; specification or technical data made, proposed, or acquired by the contractor in the course of performance of the contract and delivered to the Commission or to any other person as directed or approved by the Commission.

(b) Except as hereafter permitted or required in writing by the Commission, the contractor will not be required to provide or maintain, and will not provide or maintain at Government expense, any form of financial protection to cover public liability. The Commission may at any time require in writing that the contractor provide and maintain financial protection of such a type and in such amount as the Commission shall determine to be appropriate to cover public liability against which the contractor is indemnified hereunder: Provided, That the costs of such financial protection will be reimbursed to the contractor by the Commission.

(c) (1) To the extent that the contractor and other persons indemnified are not compensated by any financial protection permitted or required by the Commission, the Commission will indemnify the contractor, and other persons indemnified, against (i) claims for public liability as described in subparagraph (2) of this paragraph (c); and (ii) the reasonable costs of investigating and settling claims, and defending suits for damages for such public liability, provided that the Commission's liability, including such reasonable costs, under all indemnity agreements entered into by the Commission under section 170 of the Act, including this contract, shall not exceed \$500 million in the aggregate for each nuclear incident occurring within the United States or \$100 million in the aggregate for each nuclear incident occurring outside the United States, irrespective of the number of persons indemnified in connection with this contract.

(2) The public liability referred to in subparagraph (1) of this section is public liability which (i) arises out of or in connection with the contractual activity; and (ii) arises out of or results from a product delivered under the contract; but does not include liability for a nuclear incident which is covered by any other indemnity agreement entered into by the Commission pursuant to section 170 of the Act.

(d) The Contractor shall give immediate written notice to the Commission of any known action or claim filed or made against the Contractor or other person indemnified for public liability as defined in paragraph (2) of section (c). Except as otherwise directed by the Commission, the Contractor shall furnish promptly to the Commission copies of all pertinent papers received by the Contractor or filed with respect to such actions or claims. When the Commission shall determine that the Government will probably be required to make indemnity payments under the provisions of section (c) above, the Commission shall have the right to, and shall, collaborate with the Contractor and any other person indemnified in the settlement or defense of any action or claim and shall have the right (1) to require the prior approval of the Commission for the payment of any claim that the Commission may be required to indemnify hereunder, and (2) to appear through the Attorney General on behalf of the Contractor or other person indemnified in any action brought upon any claim that the Commission may be required to indemnify hereunder, take charge of such action, and settle or defend any such action. If the settlement or defense of any such action or claim is undertaken by the Commission, the Contractor or other person indemnified shall furnish all reasonable assistance in effecting a settlement or asserting a defense.

(e) The obligations of the Commission under this article shall not be affected by any failure on the part of the contractor to fulfill its obligation under this contract, and shall be unaffected by the death, disability or termination of existence of the contractor or by the completion, termination, or expiration of this contract.

(f) The parties to this contract enter into this article upon the condition that this article may be amended at any time by the mutual written agreement of

the Commission and the contractor and that such amendment may, by its express terms, provide that it will apply to any nuclear incidents which occur thereafter.

(g) The provisions of this article shall not be limited in any way by, and shall be interpreted without reference to, any other article of this contract [ , including Article 12, Disputes]: Provided, however, That the following provisions of this contract: Article 18, Covenant Against Contingent Fees; Article 17, Officials Not to Benefit; Article 7, Assignment; and Article 8, Examination of Records by the Comptroller General; and any provisions later added to this contract which, under applicable Federal law, including statutes, executive orders, and regulations, are required to be included in agreements of this type contained in this article, shall apply to this article.

(h) [The following section will be included in those contracts containing indemnity agreements executed under the general contract authority of the NRC.]

To the extent that the contractor is compensated by any financial protection, or is indemnified pursuant to this article, or is effectively relieved of public liability by an order or orders limiting same pursuant to section 170e of the Atomic Energy Act of 1954, as amended, the provisions of Article \_\_\_\_\_ (General Authority Indemnity) shall not apply.

#### 24. UTILIZATION OF CONCERNS IN LABOR SURPLUS AREAS (1-1.805-3(a))

(The following clause is applicable if this contract exceeds \$10,000.)

(a) It is the policy of the Government to award contracts to labor surplus areas concerns that (1) have been certified by the Secretary of Labor (hereafter referred to as certified-eligible concerns with first or second preferences) regarding the employment of a proportionate number of disadvantaged individuals and have agreed to perform substantially (i) in or near sections of concentrated unemployment or underemployment or in persistent or substantial labor surplus areas or (ii) in other areas of the United States, respectively, or (2) are noncertified concerns which have agreed to perform substantially in persistent or substantial labor surplus areas, where this can be done consistent with the efficient performance of the contract and at prices no higher than are obtainable elsewhere. The contractor agrees to use his best efforts to place his subcontracts in accordance with this policy.

(b) In complying with paragraph (a) of this clause and with paragraph (b) of the clause of this contract entitled "Utilization of Small Business Concerns" the contractor in placing his subcontracts shall observe the following order of preference: (1) certified eligible concerns with a first preference which are also small business concerns; (2) other certified-eligible concerns with a first preference; (3) certified-eligible concerns with a second preference which are also small business concerns; (4) other certified-eligible concerns with a second preference; (5) persistent or substantial labor surplus area concerns which

are also small business concerns; (6) other persistent or substantial labor surplus area concerns; and (7) small business concerns which are not labor surplus area concerns.

25. AUDIT AND RECORDS (1-3.814-2(a)) (9-7.5006.1)

(a) General. The Contracting Officer or his representatives shall have the audit and inspection rights described in the applicable paragraphs (b), (c) and (d) below.

(b) Examination of costs. If this is a negotiated fixed-price type, cost-reimbursement type, incentive, time and materials, labor hour, or price redeterminable contract, or any combination thereof, the Contractor shall maintain, and the Contracting Officer or his representatives shall have the right to examine books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this contract. Such right of examination shall include inspection at all reasonable times of the Contractor's plants, or such parts thereof, as may be engaged in the performance of this contract.

(c) Cost or pricing data. If the Contractor submitted cost or pricing data in connection with the pricing of this contract or any change or modification thereto, unless such pricing was based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation, the Contracting Officer or his representatives who are employees of the United States Government shall have the right to examine all books, records, documents and other data of the Contractor related to the negotiation, pricing or performance of such contract, change or modification, for the purpose of evaluating the accuracy, completeness and currency of the cost or pricing data submitted. Additionally, in the case of pricing any change or modification exceeding \$100,000 to formally advertised contracts, the Comptroller General of the United States or his representatives who are employees of the United States Government shall have such rights. The right of examination shall extend to all documents necessary to permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

(d) Availability. The materials described in (b) and (c) above, shall be made available at the office of the Contractor, at all reasonable times, for inspection, audit or reproduction, until the expiration of 3 years from the date of final payment under this contract or such lesser time specified in Part 1-20 of the Federal Procurement Regulations (41 CFR Part 1-20) and for such longer period, if any, as is required by applicable statute, or by other clauses of this contract, or by (1) and (2) below:

(1) If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for a period of 3 years from the date of any resulting final settlement.



(2) Records which relate to appeals under the "Disputes" clause of this contract, or litigation or the settlement of claims arising out of the performance of this contract, shall be made available until such appeals, litigation, or claims have been disposed of.

(e) The Contractor shall insert a clause containing all the provisions of this clause, including this paragraph (e), in all subcontracts hereunder except altered as necessary for proper identification of the contracting parties and the Contracting Officer under the Government prime contract.

(f) Reports. The Contractor shall furnish such progress reports and schedules, financial and cost reports and other reports concerning the work under this contract as the contracting officer may from time to time require.

26. PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA (1-3.814-1(a))

If any price including profit or fee, negotiated in connection with this contract or any cost reimbursable under this contract was increased by any significant sums because:

(a) The Contractor furnished cost or pricing data which was not accurate, complete and current as certified in the Contractor's Certificate of Current Cost or Pricing Data;

(b) A subcontractor, pursuant to the clause of this contract entitled "Subcontractor Cost or Pricing Data" or "Subcontractor Cost or Pricing Data—Price Adjustments" or any subcontract clause therein required, furnished cost or pricing data which was not accurate, complete and current as certified in the subcontractor's Certificate of Current Cost or Pricing Data;

(c) A subcontractor or prospective subcontractor furnished cost or pricing data which was required to be accurate, complete and current and to be submitted to support a subcontract cost estimate furnished by the Contractor but which was not accurate, complete and current as of the date certified in the Contractor's Certificate of Current Cost or Pricing Data; or

(d) The Contractor or a subcontractor or prospective subcontractor furnished any data, not within (a), (b) or (c) above, which was not accurate as submitted; the price or cost shall be reduced accordingly and the contract shall be modified in writing as may be necessary to reflect such reduction. However, any reduction in the contract price due to defective subcontract data of a prospective subcontractor when the subcontract was not subsequently awarded to such subcontractor, will be limited to the amount (plus applicable overhead and profit markup) by which the actual subcontract, or actual cost to the Contractor if there was no subcontract, was less than the prospective subcontract cost estimate submitted by the Contractor: Provided, The actual subcontract price was not affected by defective cost or pricing data.

(Note: Since the contract is subject to reduction under this clause by reason of defective cost or pricing data submitted in connection with certain subcontracts, it is expected that the Contractor may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify the Contractor. It is also expected that any subcontractor subject to such indemnification will generally require substantially similar indemnification for defective cost or pricing data required to be submitted by his low tier subcontractors.)

27. PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA - PRICE ADJUSTMENTS  
(1-3.814-1(b))

(a) This clause shall become operative only with respect to any modification of this contract which involves aggregate increases and/or decreases in costs plus applicable profits in excess of \$100,000 unless the modification is priced on the basis of adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. The right to price reduction under this clause is limited to defects in data relating to such modification.

(b) If any price, including profit, or fee, negotiated in connection with any price adjustment under this contract was increased by any significant sums because:

(1) The Contractor furnished cost or pricing data which was not accurate, complete and current as certified in the Contractor's Certificate of Current Cost or Pricing Data;

(2) A subcontractor, pursuant to the clause of this contract entitled "Subcontractor Cost or Pricing Data" or "Subcontractor Cost or Pricing Data--Price Adjustments" or any subcontract clause therein required, furnished cost or pricing data which was not accurate, complete and current as certified in the subcontractor's Certificate of Current Cost or Pricing Data;

(3) A subcontractor or prospective subcontractor furnished cost or pricing data which was required to be accurate, complete and current and to be submitted to support a subcontract cost estimate furnished by the Contractor but which was not accurate, complete and current as of the date certified in the Contractor's Certificate of Current Cost or Pricing Data; or

(4) The Contractor or a subcontractor or prospective subcontractor furnished any data, not within (1), (2) or (3) above, which was not accurate, as submitted; the price shall be reduced accordingly and the contract shall be modified in writing as may be necessary to reflect such reduction. However, any reduction in the contract price due to defective subcontract data of a prospective subcontractor, when the subcontract was not subsequently awarded to such subcontractor, will be limited to the amount-(plus applicable overhead and profit markup) by

which the actual subcontract, or actual cost to the Contractor if there was no subcontract, was less than the prospective subcontract cost estimate submitted by the Contractor: Provided the actual subcontract price was not affected by defective cost or pricing data.

(Note: Since the contract is subject to reduction under this clause by reason of defective cost or pricing data submitted in connection with certain subcontracts, it is expected that the Contractor may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify the Contractor. It is also expected that any subcontractor subject to such indemnification will generally require substantially similar indemnification for defective cost or pricing data required to be submitted by his lower tier subcontractors.)

(c) Failure to agree on a reduction shall be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract.

28. SUBCONTRACTOR COST AND PRICING DATA (1-3.814-3(a))

(a) The Contractor shall require subcontractors hereunder to submit, actually or by specific identification in writing, cost or pricing data under the following circumstances:

(1) Prior to the award of any subcontract the amount of which is expected to exceed \$100,000 when entered into;

(2) Prior to the pricing of any subcontract modification which involves aggregate increases and/or decreases in costs plus applicable profits expected to exceed \$100,000; except where the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

(b) The Contractor shall require subcontractors to certify, in substantially the same form as that used in the certificate by the Prime Contractor to the Government, that to the best of their knowledge and belief, the cost and pricing data submitted under (a) above is accurate, complete, and current as of the date of agreement on the negotiated price of the subcontract or subcontract change or modification.

(c) The Contractor shall insert the substance of this clause including this paragraph (c) in each subcontract hereunder which exceeds \$100,000 when entered into except where the price thereof is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. In each such expected subcontract hereunder in excess of \$100,000, the Contractor shall insert the substance of the following clause:

SUBCONTRACTOR COST OR PRICING DATA-  
PRICE ADJUSTMENTS

(a) Paragraphs (b) and (c) of this clause shall become operative only with respect to any modification made pursuant to one or more provisions of this contract which involves aggregate increases and/or decreases in costs plus applicable profits expected to exceed \$100,000. The requirements of this clause shall be limited to such contract modifications,

(b) The Contractor shall require subcontractors hereunder to submit, actually or by specific identification in writing, cost or pricing data under the following circumstances:

(1) Prior to award of any subcontract, the amount of which is expected to exceed \$100,000 when entered into;

(2) Prior to the pricing of any subcontract modification which involves aggregate increases and/or decreases in costs plus applicable profits expected to exceed \$100,000; except where the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

(c) The Contractor shall require subcontractors to certify, in substantially the same form as that used in the certificate by the Prime Contractor to the Government, that to the best of their knowledge and belief the cost and pricing data submitted under (b) above is accurate, complete, and current as of the date of agreement on the negotiated price of the subcontract or subcontract change or modification.

(d) The Contractor shall insert the substance of this clause including this paragraph (d) in each subcontract hereunder which exceeds \$100,000 when entered into.

29. UTILIZATION OF MINORITY BUSINESS ENTERPRISES (1-1.1310-2(a))  
(Applicable to Contracts exceeding \$10,000)

(a) It is the policy of the Government that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of Government contracts.

(b) The contractor agrees to use his best efforts to carry out this policy in the award of his subcontracts to the fullest extent consistent with the efficient performance of this contract. As used in this contract, the term "minority business enterprise" means a business, at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members. For the purposes of this definition, minority group members are Negroes, Spanish-speaking American

persons, American Orientals, American Indians, American Eskimos, and American Aleuts. Contractors may rely on written representations by subcontractors regarding their status as minority business enterprises in lieu of an independent investigation.

(c) The Contractor agrees to submit to the Contracting Officer in response to a Request for Proposal, Invitation for Bid, or Solicitation; the representation contained in FPR 1-1.1303.

(d) The Contractor further agrees to report all Minority Business Enterprise subcontract awards to the Contracting Officer using Optional Form 61 (see FPR 1-16.902-OF61). The Contractor may modify the Optional Form 61 to delete reference to "Small Business" for the purpose of this report. Optional Form 61 may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

30. LISTING OF EMPLOYMENT OPENINGS (FPR Temp. Reg. 39)  
(Applicable To Contracts Involving \$10,000 or More)

DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA

(a) The contractor will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination based upon their disability or veterans status in all employment practices such as the following: employment upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) The contractor agrees that all suitable employment openings of the contractor which exist at the time of the execution of this contract and those which occur during the performance of this contract, including those not generated by this contract and including those occurring at an establishment of the contractor other than the one wherein the contract is being performed but excluding those of independently operated corporate affiliates, shall be listed at an appropriate local office of the State employment service system wherein the opening occurs. The contractor further agrees to provide such reports to such local office regarding employment openings and hires as may be required.

State and local government agencies holding Federal contracts of \$10,000 or more shall also list all their suitable openings with the appropriate office of the State employment service, but are not required to provide those reports set forth in paragraphs (d) and (e).

(c) Listing of employment openings with the employment service system pursuant to this clause shall be made at least concurrently with the use of any other recruitment source of effort and shall involve the normal obligations

which attach to the placing of a bona fide job order, including the acceptance of referrals of veterans and nonveterans. The listing of employment openings does not require the hiring of any particular job applicant or from any particular group of job applicants, and nothing herein is intended to relieve the contractor from any requirements in Executive orders or regulations regarding nondiscrimination in employment.

(d) The reports required by paragraph (b) of this clause shall include, but not be limited to, periodic reports which shall be filed at least quarterly with the appropriate local office or, where the contractor has more than one hiring location in a State, with the central office of that State employment service. Such reports shall indicate for each hiring location (1) the number of individuals hired during the reporting period, (2) the number of nondisabled veterans of the Vietnam era hired, (3) the number of disabled veterans of the Vietnam era hired, and (4) the total number of disabled veterans hired. The reports should include covered veterans hired for on-the-job training under 38 U.S.C. 1787. The contractor shall submit a report within 30 days after the end of each reporting period wherein any performance is made on this contract identifying data for each hiring location. The contractor shall maintain at each hiring location copies of the reports submitted until the expiration of one year after final payment under the contract, during which time these reports and related documentation shall be made available, upon request, for examination by any authorized representatives of the contracting officer or of the Secretary of Labor. Documentation would include personnel records respecting job openings, recruitment, and placement.

(e) Whenever the contractor becomes contractually bound to the listing provisions of this clause, it shall advise the employment service system in each State where it has establishments of the name and location of each hiring location in the State. As long as the contractor is contractually bound to these provisions and has so advised the State system, there is no need to advise the State system of subsequent contracts. The contractor may advise the State system when it is no longer bound by this contract clause.

(f) This clause does not apply to the listing of employment openings which occur and are filled outside the 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

(g) The provisions of paragraphs (b), (c), (d), and (e) of this clause do not apply to openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of his own organization or employer-union arrangement for that opening.

(h) As used in this clause: (1) "All suitable employment openings" includes, but is not limited to, openings which occur in the following job categories: production and non-production; plant and office; laborers and mechanics; supervisory and nonsupervisory; technical; and executive, administrative, and professional openings that are compensated on a salary basis of less than \$25,000 per year. This term includes full-time employment, temporary employment of more than 3 days' duration, and part-time employment. It does

not include openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement nor openings in an educational institution which are restricted to students of that institution. Under the most compelling circumstances an employment opening may not be suitable for listing, including such situations where the needs of the Government cannot reasonably be otherwise supplied, where listing would be contrary to national security, or where the requirement of listing would otherwise not be for the best interest of the Government.

(2) "Appropriate office of the State employment service system" means the local office of the Federal/State national system of public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

(3) "Openings which the contractor proposes to fill from within his own organization" means employment openings for which no consideration will be given to persons outside the contractor's own organization (including any affiliates, subsidiaries, and parent companies), and includes any openings which the contractor proposes to fill from regularly established "recall" lists.

(4) "Openings which the contractor proposes to fill pursuant to a customary and traditional employer-union hiring arrangement" means employment openings which the contractor proposes to fill from union halls, which is part of the customary and traditional hiring relationship which exists between the contractor and representatives of his employees.

(i) The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(j) In the event of the contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

(k) The contractor agrees to post in conspicuous places available to employees and applicants for employment notices in a form to be prescribed by the Director, provided by or through the contracting officer. Such notice shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era for employment, and the rights of applicants and employees.

(l) The contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding that the contractor is bound by terms of the Vietnam Era Veteran's Readjustment Assistance Act and is committed to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era.

(m) The contractor will include the provisions of this clause in every subcontract or purchase order of \$10,000 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to the Act, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

31. PAYMENT OF INTEREST ON CONTRACTOR'S CLAIMS (1-1.322)

(a) If an appeal is filed by the contractor from a final decision of the Contracting Officer under the Disputes clause of this contract, denying a claim arising under the contract, simple interest on the amount of the claim finally determined owed by the Government shall be payable to the Contractor. Such interest shall be at the rate determined by the Secretary of the Treasury pursuant to Public Law 92-41, 85 Stat. 97, from the date the contractor furnishes to the Contracting Officer his written appeal under the Disputes clause of this contract, to the date of (1) a final judgment by a court of competent jurisdiction, or (2) mailing to the contractor of a supplemental agreement for execution either confirming completed negotiations between the parties or carrying out a decision of a board of contract appeals.

(b) Notwithstanding (a), above, (1) interest shall be applied only from the date payment was due, if such date is later than the filing of appeal, and (2) interest shall not be paid for any period of time that the Contracting Officer determines the contractor has unduly delayed in pursuing his remedies before a board of contract appeals or a court of competent jurisdiction.

32. EMPLOYMENT OF THE HANDICAPPED (FPR Temp. Reg. 38)

(a) The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) The contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended.

(c) In the event of the Contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.

(d) The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor, provided by or through the Contracting Officer. Such notices shall state the contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.

(e) The Contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding that the contractor is bound by the terms of section



503 of the Act, and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

(f) The Contractor will include the provisions of this clause in every subcontract or purchase order of \$2,500 or more unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 503 of the Act, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

33. CLEAN AIR AND WATER (1-1.2302)

(Applicable only if the contract exceeds \$100,000, or the Contracting Officer has determined that orders under an indefinite quantity contract in any one year will exceed \$100,000, or a facility to be used has been the subject of a conviction under the Clean Air Act (42 U.S.C. 1957c-8(c) (1)) or the Federal Water Pollution Control Act (33 U.S.C. 1319(c)) and is listed by EPA, or the contract is not otherwise exempt.)

(a) The Contractor agrees as follows:

(1) To comply with all the requirements of section 114 of the Clean Air Act, as amended (42 U.S.C. 1857, et seq., as amended by Pub. L. 91-604) and section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq., as amended by Pub. L. 95-500), respectively, relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in section 114 and section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder before the award of the contract.

(2) That no portion of the work required by this prime contract will be performed in a facility listed on the Environmental Protection Agency List of Violating Facilities on the date when this contract was awarded unless and until the EPA eliminates the name of such facility or facilities from such listing.

(3) To use his best efforts to comply with clean air standards and clean water standards at the facility in which the contract is being performed.

(4) To insert the substance of the provisions of this clause into any nonexempt subcontract, including this paragraph (a)(4).

(b) The terms used in this clause have the following meanings:

(1) The term "Air-Act" means the Clean Air Act, as amended (42 U.S.C. 1857 et. seq., as amended by Pub. L. 91-604).

(2) The term "Water Act" means Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et. seq., as amended by Pub. L. 92-500).

(3) The term "clean air standards" means any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Air Act or Executive Order 11738, an applicable implementation plan as described in section 110(d) of the Clean Air Act (42 U.S.C. 1857c-5(d)), an approved implementation procedure or plan under section 111(c) or section 111(d), respectively, of the Air Act (42 U.S.C. 1857(c) or (d)), or an approved implementation procedure under section 112(d) of the Air Act (42 U.S.C. 1857c-7(d)).

(4) The term "clean water standards" means any enforceable limitation, control, condition, prohibition, standard, or other requirement which is promulgated pursuant to the Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a State under an approved program, as authorized by section 402 of the Water Act (33 U.S.C. 1342), or by local government to ensure compliance with pretreatment regulations as required by section 307 of the Water Act (33 U.S.C. 1317).

(5) The term "compliance" means compliance with clean air or water standards. Compliance shall also mean compliance with a schedule or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency or an air or water pollution control agency in accordance with the requirements of the Air Act or Water Act and regulations issued pursuant thereto.

(6) The term "facility" means any building, plant, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a contractor or subcontractor, to be utilized in the performance of a contract or subcontract. Where a location or site of operations contains or includes more than one building, plant, installation, or structure, the entire location or site shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are collocated in one geographical area.

#### 34. NEGOTIATED OVERHEAD RATES (1-3.704-1)

(a) Notwithstanding the provisions of the clause of this contract entitled "Allowable Cost, Fixed Fee, and Payment," the allowable indirect costs under this contract shall be obtained by applying negotiated overhead rates to bases agreed upon by the parties, as specified below.

(b) The Contractor, as soon as possible but not later than ninety (90) days after the expiration of his fiscal year, or such other period as may be specified in the contract, shall submit to the Contracting Officer, with a copy to the cognizant audit activity, a proposed final overhead rate or rates for that period based on the Contractor's actual cost experience during that period, together with supporting cost data. Negotiation of overhead rates by the Contractor and the Contracting Officer shall be undertaken as promptly as practicable after receipt of the Contractor's proposal.

(c) Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with contract Appendix A Cost Principles and Procedures as in effect on the date of this contract.

(d) The results of each negotiation shall be set forth in a modification to this contract, which shall specify (1) the agreed final rates, (2) the bases to which the rates apply, and (3) the periods for which the rates apply.

(e) Pending establishment of final overhead rates for any period, the Contractor shall be reimbursed either at negotiated provisional rates as provided in the contract, or at billing rates acceptable to the Contracting Officer, subject to appropriate adjustment when the final rates for that period are established. To prevent substantial over or under payment, and to apply either retroactively or prospectively: (1) Provisional rates may, at the request of either party, be revised by mutual agreement, and (2) billing rates may be adjusted at any time by the Contracting Officer. Any such revision of negotiated provisional rates provided in the contract shall be set forth in a modification to this contract.

(f) Any failure by the parties to agree on any final rates under this clause shall be considered a dispute concerning a question of fact for decision by the Contracting Officer within the meaning of the "Disputes" clause of this contract.

#### 35. NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (1-7.203-3)

(a) Whenever the Contractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this contract, the Contractor shall immediately give notice thereof, including all relevant information with respect thereto, to the Contracting Officer.

(b) The Contractor agrees to insert the substance of this clause, including this paragraph (b), in any subcontract hereunder as to which a labor dispute may delay the timely performance of this contract; except that each such subcontract shall provide that in the event its timely

performance is delayed or threatened by delay by an actual or potential labor dispute, the subcontractor shall immediately notify his next higher tier subcontractor, or the Prime Contractor, as the case may be, of all relevant information with respect to such disputes.

36. REQUIRED SOURCE OF JEWEL BEARING (1-1.319)

(a) For the purpose of this clause:

(1) "Jewel bearing" means a piece of synthetic sapphire or ruby of any shape, except a phonograph needle, which has one or more polished surfaces and which is suitable for use in an instrument, mechanism, subassembly, or part without any additional processing. A jewel bearing may be either unmounted or mounted into a ring or bushing. Examples of jewel bearings are: Watch holes—olive, watch holes—straight, pallet stones, roller jewels (jewel pins), end stones (caps), vee (cone) jewels, instrument rings, cups, double cups, and orifice jewels. As used herein, the term "jewel bearings" includes "related items."

(2) "Related items" means other synthetic sapphire or ruby components. Examples of related items are pivots, knife edges, insulators, spacers, windows, and striking surfaces other than pallet stones.

(3) "Price list" means the official U.S. Government Jewel Bearing Price List for jewel bearings produced by the William Langer Jewel Bearing Plant. This list is issued periodically by the General Services Administration.

(4) "Plant" means the Government-owned William Langer Jewel Bearing Plant, Rolla, N. Dak.

(5) "Military Standard Jewel Bearing" means a jewel bearing conforming to Military Specification No. MIL-B-27497 (latest revision) entitled "Bearings, Jewel, Sapphire or Ruby, Synthetic."

(b) Jewel bearings required in the performance of this contract shall be procured from the Plant at prices established in the price list dated (date to be filled in by Contracting Officer). Each purchase order issued to the Plant under this contract shall include the prime contract number and date of the price list cited above. The Contractor agrees that the quantities, types, and sizes (including tolerances) of jewel bearings so ordered will be those required for the performance of this contract. Within 90 calendar days after the effective date of this contract the Contractor shall furnish to the Contracting Officer a certification that the required jewel bearings were ordered pursuant to this clause. The Contractor agrees to notify the Contracting Officer promptly of the rejection of his (or any subcontractor's) purchase order in whole

or in part by the Plant. The requirement for purchase and use of jewel bearings from the Plant will be waived to the extent of orders rejected because of the Plant's inability to deliver. If such a waiver is granted, an equitable adjustment shall be made in the contract price or delivery schedule, or both, in accordance with the "Changes" clause of this contract. Further, the requirement for use (but not the requirement for purchase from the Plant) of jewel bearings may be waived by the Contracting Officer when such waiver is determined by him to be consistent with established policy.

(c) The Contractor agrees to use to Langer-made jewel bearings in the production of subassemblies or end items under this contract or in his commercial production.

(d) Whenever it is necessary for the Contractor or any subcontractor to redesign or reengineer jeweled items in order to satisfy specific performance requirements, the Contractor or subcontractor shall provide in such redesign for the use of military standard jewel bearings. This requirement does not apply when the dimensional tolerances or configurations of military standard jewel bearings are such that their use in the product would prevent attainment of the required level of performance specified for the item. However, when one or more nonstandard bearings must be used to satisfy performance requirements of the jeweled item but military standard jewel bearings will function satisfactorily for other applications within the same item, the item will be required to be redesigned to provide for the use of military standard jewel bearings in such "other" applications. The Contractor or subcontractor is not required to redesign a jeweled item solely for the purpose of converting from the use of nonstandard to military standard jewel bearings. Nothing in this contract shall prevent any Contractor or subcontractor from voluntarily redesigning a jeweled item solely to accommodate the use of military standard jewel bearings.

(e) If at the end of this contract period, the total quantity of end items actually ordered under this contract is less than the total estimated quantity, and the Contractor, pursuant to paragraph (b) of this clause, has purchased a larger quantity of Langer-made jewel bearings than used in deliveries made under this contract, an equitable adjustment shall be made (if requested by the Contractor within 90 days after the end of the contract period) to reimburse the Contractor for any additional costs resulting from such excess purchase but in no event shall such additional costs cover more jewel bearings than necessary to deliver the total estimated quantity of end items. Such excess jewel bearings shall be disposed of as directed by the Contracting Officer. However, such excess jewel bearings may be used in partial satisfaction of the requirements to purchase Langer-made jewel bearings pursuant to paragraph (b) of this clause where a subsequent contract to furnish similar end items to the

Government is entered into with the same Contractor. In this situation the requirement to purchase and use jewel bearings from the Plant will be waived up to the amount of such excess jewel bearings in Contractor's possession upon submission of a written request by the Contractor. Such request shall contain documented evidence in support of the waiver of purchase and nonuse of such excess jewel bearings. If such waiver is granted, an equitable adjustment to the extent of differences in price lists shall be made in the contract price in accordance with the "Changes" clause of this contract.

(f) The Contractor agrees to retain for 3 years from the date of final payment under this contract and upon request of the Contracting Officer to make available during that period records showing compliance with this clause.

(g) The Contractor agrees to insert this clause, including this paragraph (g), in every subcontract and purchase order issued in performance of this contract unless he knows that the subassembly, component, or part being purchased does not contain jewel bearings.

37. COST ACCOUNTING STANDARDS (1-3.1204)  
(CONTRACTS EXCEEDING \$100,000)

(a) Unless the Cost Accounting Standards Board, or the General Services Administration in the case of nondefense contracts, has prescribed rules or regulations exempting the Contractor or this contract from standards, rules, and regulations promulgated pursuant to 50 U.S.C. App. 2168 (P.L. 91-379, August 15, 1970), or other statutory authority, the Contractor, in connection with this contract shall:

(1) By submission of a Disclosure Statement, disclose in writing his cost accounting practices as required by regulations of the Cost Accounting Standards Board. The required disclosures must be made prior to contract award unless the Contracting Officer provides a written notice to the Contractor authorizing postaward submission in accordance with regulations of the Cost Accounting Standards Board. The practices disclosed for this contract shall be the same as the practices currently disclosed and applied on all other contracts and subcontracts being performed by the Contractor and which contain this Cost Accounting Standards clause. If the Contractor has notified the Contracting Officer that the Disclosure Statement contains trade secrets and commercial or financial information which is privileged and confidential, the Disclosure Statement will not be released outside of the Government.

(2) Follow consistently the cost accounting practices disclosed pursuant to (1), above, in accumulating and reporting contract performance cost data concerning this contract. If any change in disclosed practices is made for purposes of any contract or subcontract

subject to Cost Accounting Standards Board requirements, the change must be applied prospectively to this contract, and the Disclosure Statement must be amended accordingly. If the contract price or cost allowance of this contract is affected by such changes, adjustment shall be made in accordance with subparagraph (a)(4) or (a)(5), below, as appropriate.

(3) Comply with all Cost Accounting Standards in effect on the date of award of this contract or if the Contractor has submitted cost or pricing data, on the date of final agreement on price as shown on the Contractor's signed certificate of current cost or pricing data. The Contractor shall also comply with any Cost Accounting Standard which hereafter becomes applicable to a contract or subcontract of the Contractor. Such compliance shall be required prospectively from the date of applicability to such contract or subcontract.

(4) (A) Agree to an equitable adjustment (as provided in the Changes clause of this contract, if any) if the contract cost is affected by a change which, pursuant to (3) above, the Contractor is required to make to his established cost accounting practices whether such practices are covered by a Disclosure Statement or not.

(B) Negotiate with the Contracting Officer to determine the terms and conditions under which a change to either a disclosed cost accounting practice, other than a change under (4)(A), above, may be made. A change to a practice may be proposed by either the Government or the Contractor, provided, however, that no agreement may be made under this provision that will increase costs paid by the United States.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if he or a subcontractor fails to comply with an applicable Cost Accounting Standard or to follow any practice disclosed pursuant to subparagraphs (a)(1) and (a)(2), above, and such failure results in any increased costs paid by the United States. Such adjustment shall provide for recovery of the increased costs to the United States together with interest thereon computed at the rate determined by the Secretary of the Treasury pursuant to P.L. 92-41, 85 Stat. 97, or 7 percent per annum, whichever is less, from the time the payment by the United States was made to the time the adjustment is effected.

(b) If the parties fail to agree whether the Contractor or a subcontractor has complied with an applicable Cost Accounting Standard, rule, or regulation of the Cost Accounting Standards Board and as to any cost adjustment demanded by the United States, such failure to agree shall be a dispute concerning a question of fact within the meaning of the Disputes clause of this contract.

(c) The Contractor shall permit any authorized representatives of the head of the Commission, of the Cost Accounting Standards Board, or of the Comptroller General of the United States to examine and make copies of any documents, papers, or records relating to compliance with the requirements of this clause.

(d) The Contractor shall include in all negotiated subcontracts which he enters into the substance of this clause except paragraph (b), and shall require such inclusion in all other subcontracts of any tier, except that this requirement shall apply only to negotiated subcontracts in excess of \$100,000 where the price negotiated is not based on:

(1) Established catalog or market prices of commercial items sold in substantial quantities to the general public; or

(2) Prices set by law or regulation, and except that the requirement shall not apply to negotiated subcontracts otherwise exempt from the requirement to accept the Cost Accounting Standards clause by reason of § 331.30(b) of Title 4, Code of Federal Regulations (4 CFR 331.30(b)) or § 1-3.1203(e)(2) of Title 41, Code of Federal Regulations (41 CFR 1-3.1203(a)(2)).

However, if this is a contract with an agency which permits subcontracts to appeal final decisions of the Contracting Officer directly to the head of the agency or his duly authorized representative, then the Contractor shall include the substance of paragraph (b) as well.

NOTE: (1) Subcontractors shall be required to submit their Disclosure Statements to the Contractor. However, if a subcontractor has previously submitted his Disclosure Statement to a Government Contracting Officer he may satisfy that requirement by certifying to the Contractor the date of such Statement and the address of the Contracting Officer.

(2) In any case where a subcontractor determines that the Disclosure Statement information is privileged and confidential and declines to provide it to his Contractor or higher tier subcontractor, the Contractor may authorize direct submission of that subcontractor's Disclosure Statement to the same Government offices to which the Contractor was required to make submission of his Disclosure Statement. Such authorization shall in no way relieve the Contractor of liability as provided in paragraph (a)(5) of this clause. In view of the foregoing and since the contract may be subject to adjustment under this clause by reason of any failure to comply with rules, regulations, and standards of the Cost Accounting Standards Board in connection with covered subcontracts, it is expected that the Contractor may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify the Contractor. However, the inclusion of such a clause and the terms thereof



are matters for negotiation and agreement between the Contractor and the subcontractor, provided that they do not conflict with the duties of the contractor under its contract with the Government. It is also expected that any subcontractor subject to such indemnification will generally require substantially similar indemnification to be submitted by his subcontractors.

(e) The terms defined in Sec. 331.20 of Part 331 of Title 4, Code of Federal Regulations (4 CFR 331.20) shall have the same meanings herein. As there defined, "negotiated subcontract" means "any subcontract except a firm fixed-price subcontract made by a Contractor or subcontractor after receiving offers from at least two firms not associated with each other or such Contractor or subcontractor, providing (1) the solicitation to all competing firms is identical, (2) price is the only consideration in selecting the subcontractor from among the competing firms solicited, and (3) the lowest offer received in compliance with the solicitation from among those solicited is accepted."

38. ADMINISTRATION OF COST ACCOUNTING STANDARDS (1-3.1204-2) (When applicable)

For the purpose of administering Cost Accounting Standards requirements under this contract the Contractor shall:

(a) Submit to the cognizant contracting officer a description of the accounting change and the general dollar magnitude of the change to reflect the sum of all increases and the sum of all decreases for all contracts containing the Cost Accounting Standards clause:

(1) For any change in cost accounting practices required to comply with a new Cost Accounting Standard in accordance with paragraphs (a)(3) and (a)(4)(A) of the clause of this contract entitled "Cost Accounting Standards" within 60 days (or such other date as may be mutually agreed to) after award of a contract requiring such change;

(2) For any change to cost accounting practices proposed in accordance with paragraph (a)(4)(B) of the clause of this contract entitled "Cost Accounting Standards" not less than 60 days (or such other date as may be mutually agreed to) prior to the effective date of the proposed change; or

(3) For any failure to comply with an applicable Cost Accounting Standard or to follow a disclosed practice as contemplated by paragraph (a)(5) of the clause of this contract entitled "Cost Accounting Standards" within 60 days (or such other date as may be mutually agreed to) after the date of agreement of such noncompliance by the Contractor.

(b) Submit a cost impact proposal in the form and manner specified by the cognizant contracting officer within 60 days (or such other date as may be mutually agreed to) after the date of determination of the adequacy and compliance of a change submitted pursuant to (a)(1), (2) or (3) above.

(c) Agree to appropriate contract and subcontract amendments to reflect adjustments established in accordance with paragraphs (a)(4) and (a)(5) of the clause of this contract entitled "Cost Accounting Standards."

(d) Include the substance of this clause in all negotiated subcontracts containing the clause entitled "Cost Accounting Standards." In addition, include a provision in these subcontracts which will require such subcontractors, within thirty (30) days after receipt of award, to submit the following information to the contracting officer cognizant of the subcontractor's facility:

- (1) Subcontractor's name and subcontract number;
- (2) Dollar amount and date of award;
- (3) Name of Contractor making the award; and

(4) A statement as to whether the subcontractor has made or proposes to make any changes to accounting practices that affect prime contracts or subcontracts containing the Cost Accounting Standards clause, unless such changes have already been reported. If award of the subcontract results in making a Cost Accounting Standard(s) effective for the first time this shall also be reported.

(e) In the event an adjustment is required to be made to any subcontract hereunder, notify the cognizant contracting officer in writing of such adjustment and agree to an adjustment in the price or estimated cost and fee of this contract, as appropriate, based upon the adjustment established under subcontract. Such notice shall be given within 30 days after receipt of the proposed subcontract adjustment, and shall include a proposal for adjustment to such higher tier subcontract or prime contract, as appropriate.

(f) When the Cost Accounting Standards clause and this clause are included in subcontracts, the term "contracting officer" shall be suitably altered to identify the purchaser.

#### 39. NOTICE REGARDING LATE DELIVERY (1-7.204-4)

In the event the Contractor encounters difficulty in meeting the performance requirements, or anticipates difficulty in complying with the contract delivery schedule or date, the Contractor shall immediately notify the Contracting Officer thereof in writing, giving pertinent details, including the date by which it expects to complete performance or make delivery: Provided, however, that this data shall be informational only in character and that receipt thereof shall not be construed as a waiver by the Government of any contract delivery schedule or date, or any rights or remedies provided by law or under this contract.

#### 40. KEY PERSONNEL (1-7.304-6)

The personnel specified in this contract are considered to be essential to the work being performed hereunder. Prior to diverting any of the specified

individuals to other programs, the Contractor shall notify the Contracting Officer reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion shall be made by the Contractor without the written consent of the Contracting Officer: Provided, That the Contracting Officer may ratify in writing such diversion and such ratification shall constitute the consent of the Contracting Officer required by this clause. The attachment to this contract may be amended from time to time during the course of the contract to either add or delete personnel, as appropriate.

41/ EXCUSABLE DELAYS (1-8.708)

Except with respect to defaults of subcontractors, the contractor shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the contractor to make progress in the prosecution of the work hereunder which endangers such performance) if such failure arises out of causes beyond the control and without the fault or negligence of the contractor. Such causes may include, but are not restricted to acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of the contractor. If the failure to perform is caused by the failure of the subcontractor to perform or make progress, and if such failure arises out of causes beyond the control of both the contractor and subcontractor, and without the fault or negligence of either of them, the contractor shall not be deemed to be in default, unless (a) the supplies or services to be furnished by the subcontractor were obtainable from other sources, (b) the Contracting Officer shall have ordered the contractor in writing to procure such supplies or services from such other sources, and (c) the contractor shall have failed to comply reasonably with such order. Upon request of the contractor, the Contracting Officer shall ascertain the facts and extent of such failure and, if he shall determine that any failure to perform was occasioned by any one or more of the said causes, the delivery schedule shall be revised accordingly, subject to the rights of the Government under the clause hereof entitled "Termination for Default or for Convenience of the Government." (As used in this clause, the terms "subcontractor" and "subcontractors" means subcontractor(s) at any tier.)

42. STATE AND LOCAL TAXES (9-11.452)

(a) The contractor agrees to notify the Commission of any state or local tax, fee, or charge levied or purported to be levied on or collected from the contractor with respect to the contract work, any transaction thereunder, or property in the custody or control of the contractor and constituting an allowable item of cost if due and payable, but which the contractor has reason to believe, or the Commission has advised the contractor, is or may be inapplicable or invalid; and the contractor further agrees to refrain from

paying any such tax, fee, or charge unless authorized in writing by the Commission. Any state or local tax, fee, or charge paid with the approval of the Commission or on the basis of advice from the Commission that such tax, fee, or charge is applicable and valid, and which would otherwise be an allowable item of cost, shall not be disallowed as an item of cost by reason of any subsequent ruling or determination that such tax, fee, or charge was in fact inapplicable or invalid.

(b) The contractor agrees to take such action as may be required or approved by the Commission to cause any state or local tax, fee, or charge which would be an allowable cost to be paid under protest; and to take such action as may be required or approved by the Commission to seek recovery of any payments made, including assignment to the Government or its designee of all rights to an abatement or refund thereof, and granting permission for the Government to join with the contractor in any proceedings for the recovery thereof or to sue for recovery in the name of the contractor. If the Commission directs the contractor to institute litigation to enjoin the collection of or to recover payment of any such tax, fee, or charge referred to above, or if a claim or suit is filed against the contractor for a tax, fee, or charge it has refrained from paying in accordance with this article, the procedures and requirements of the article entitled "Litigation and Claims" shall apply and the costs and expenses incurred by the contractor shall be allowable items of cost, as provided in this contract, together with the amount of any judgment rendered against the contractor.

(c) The Government shall save the contractor harmless from penalties and interest incurred through compliance with this article. All recoveries or credits in respect of the foregoing taxes, fees, and charges (including interest) shall inure to be for the sole benefit of the Government.

#### 43. COPYRIGHT (9-9.5103(d))

(a) The contractor (i) agrees that the Commission shall determine the disposition of the title to and the rights under any copyright secured by the contractor or its employees on copyrightable material first produced or composed under this contract and (ii) hereby grants to the Government a royalty-free, nonexclusive, irrevocable license to reproduce, translate, publish, use and dispose of, and to authorize others so to do, all copyrighted or copyrightable work not first produced or composed by the contractor in the performance of this contract but which is incorporated in the material furnished under the contract, provided that such license shall be only to the extent the contractor now has, or prior to the completion or final settlement of the contract may acquire the right to grant such license without becoming liable to pay compensation to others solely because of such grant.

(b) The contractor agrees that it will not include any copyrighted material in any written or copyrightable material furnished or delivered under this contract without a license as provided for in paragraph (a)(ii) hereof or without the consent of the copyright owner, unless specific written approval of the Contracting Officer for the inclusion of such copyrighted material is secured.

(c) The contractor agrees to report in writing to the Commission, promptly and in reasonable detail, any notice or claim or copyright infringement received by the contractor with respect to any material delivered under this contract.

44. PATENT INDEMNITY (9-9.5009(c))

The contractor agrees to indemnify the Government, its officers, agents, servants and employees against liability of any kind (including costs and expenses incurred) for the use of any invention or discovery and for the infringement or any Letters Patent (not including liability, arising pursuant to Section 183, Title 35, (1952) U.S. Code, prior to the issuance of Letters Patent) occurring in the performance of this contract or arising by reason of the use of disposal by or for the account of the Government of items manufactured or supplied under this contract.

45. COPYRIGHT INDEMNIFICATION OF GOVERNMENT (9-9.5104)

Except as otherwise provided, the contractor agrees to indemnify the Government, its officers, agents, servants, and employees against liability, including costs and expenses, for the infringement of any copyright in any work protected under the copyright laws of the United States arising out of the performance of this contract, including the reproduction, translation, publication or use of any such copyright material.

46. LITIGATION AND CLAIMS (9-7.5006-50)

(a) Initiation of litigation. The contractor may, with the prior written authorization of the Contracting Officer, and shall, upon the request of the Commission initiate litigation against third parties, including proceedings before administrative agencies, in connection with this contract. The contractor shall proceed with such litigation in good faith and as directed from time to time by the Contracting Officer.

(b) Defense and settlement of claims. The contractor shall give the Contracting Officer immediate notice in writing (1) of any action, including any proceeding before an administrative agency, filed against the contractor arising out of the performance of this contract, and (2) of any claim against the contractor, the cost and expense of which is allowable under the clause entitled "Allowable Costs." Except as otherwise directed by the Contracting Officer, in writing, the contractor shall furnish immediately to the Contracting

Officer copies of all pertinent papers received by the contractor with respect to such action or claim. To the extent not in conflict with any applicable policy of insurance, the contractor may with the Contracting Officer's approval settle any such action or claim, shall effect at the Contracting Officer's request an assignment and subrogation in favor of the Government of all the contractor's rights and claims (except those against the Government) arising out of any such action or claim against the contractor, and, if required by the Contracting Officer, shall authorize representatives of the Government to settle or defend any such action or claim and to represent the contractor in, or to take charge of, any action. If the settlement or defense of an action or claim against the contractor is undertaken by the Government, the contractor shall furnish all reasonable assistance in effecting a settlement or asserting a defense. Where an action against the contractor is not covered by a policy of insurance, the contractor shall, with the approval of the Contracting Officer, proceed with the defense of the action in good faith; and in such event the defense of the action shall be at the expense of the Government: Provided, however, That the Government shall not be liable for such expense to the extent that it would have been compensated for by insurance which was required by law or by the written direction of the Contracting Officer, but which the contractor failed to secure through its own fault or negligence.

47. RENEGOTIATION (9-7.5004-20)

If this contract is subject to the Renegotiation Act of 1951, as amended, the following provisions shall apply:

(a) This contract is subject to the Renegotiation Act of 1951 (50 U.S.C. App. 1211, et. seq.), as amended, and to any subsequent act of Congress providing for the renegotiation of contracts. Nothing contained in this clause shall impose any renegotiation obligation with respect to this contract or any subcontract hereunder which is not imposed by an act of Congress heretofore or hereafter enacted. Subject to the foregoing, this contract shall be deemed to contain all the provisions required by section 104 of the Renegotiation Act of 1951, and by any such other act, without subsequent contract amendment specifically incorporating such provisions.

(b) The contractor agrees to insert the provisions of this clause, including this paragraph (b), in all subcontracts, as that term is defined in section 103 g. of the Renegotiation Act of 1951, as amended.

48. PERMITS (9-7.5006-48)

Except as otherwise directed by the Contracting Officer, the contractor shall procure all necessary permits or licenses and abide by all applicable laws, regulations, and ordinances of the United States and of the State, territory, and political subdivision in which the work under this contract is performed.

49. CONSULTANT OR COMPARABLE EMPLOYMENT SERVICES OF CONTRACTOR EMPLOYEES  
(9-7.5006-45(a))

The contractor shall require all employees who are employed full-time (an individual who performs work under the cost-type contract on a full-time annual basis) or part-time (50 percent or more of regular annual compensation received under terms of a contract with the Commission) on the contract work to disclose to the contractor all consultant or other comparable employment services which the employees proposed to undertake for others. The contractor shall transmit to the Contracting Officer all information obtained from such disclosures. The contractor will require any employee who will be employed full-time on the contract to agree, as a condition of his participation in such work, that he will not perform consultant or other comparable employment services for another Commission cost-type contractor under its contract with the Commission except with the prior approval of the contractor.

50. SAFETY, HEALTH, AND FIRE PROTECTION (9-7.5006-47)

The contractor shall take all reasonable precautions in the performance of the work under this contract to protect the health and safety of employees and of members of the public and to minimize danger from all hazards to life and property and shall comply with all health, safety, and fire protection regulations and requirements (including reporting requirements) of the Commission. In the event that the contractor fails to comply with said regulations or requirements of the Commission, the Contracting Officer may, without prejudice to any other legal or contractual rights of the Commission, issue an order stopping all or any part of the work; thereafter a start order for resumption of work may be issued at the discretion of the Contracting Officer. The contractor shall make no claim for an extension of time or for compensation or damages by reason of or in connection with such work stoppage.

51. SECURITY (9-7.5004-11 Modified)

(Applicable if Restricted Data or Classified information is involved)

(a) Contractor's duty to safeguard Restricted Data, Formerly Restricted Data, and other classified information. The Contractor shall, in accordance with the Nuclear Regulatory Commission's security regulations and requirements, be responsible for safeguarding Restricted Data, Formerly Restricted Data, and other classified information and protecting against sabotage, espionage, loss and theft, the classified documents and material in the contractor's possession in connection with the performance of work under this contract. Except as otherwise expressly provided in this contract, the contractor shall, upon completion or termination of this contract, transmit to the Commission any classified matter in the possession of the contractor or any person under the contractor's control in connection with the performance of this contract.

If retention by the Contractor of any classified matter is required after the completion or termination of the contract and such retention is approved by the Contracting Officer the Contractor will complete a certificate of possession to be furnished to the Nuclear Regulatory Commission specifying the classified matter to be retained. The certification shall identify the

items and types or categories of matter retained, the conditions governing the retention of the matter and the period of retention, if known. If the retention is approved by the Contracting Officer, the security provisions of the contract will continue to be applicable to the matter retained.

(b) Regulations. The Contractor agrees to conform to all security regulations and requirements of the Commission.

(c) Definition of Restricted Data. The term "Restricted Data," as used in this clause, means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to section 142 of the Atomic Energy Act of 1954, as amended.

(d) Definition of Formerly Restricted Data. The term "Formerly Restricted Data," as used in this clause, means all data removed from the Restricted Data category under section 142 d. of the Atomic Energy Act of 1954, as amended.

(e) Security clearance of personnel. The Contractor shall not permit any individual to have access to Restricted Data, Formerly Restricted Data, or other classified information, except in accordance with the Atomic Energy Act of 1954, as amended, and the Commission's regulations or requirements applicable in the particular type or category of classified information to which access is required.

(f) Criminal Liability - It is understood that disclosure of Restricted Data, Formerly Restricted Data, or other classified information relating to the work or services ordered hereunder to any person not entitled to receive it, or failure to safeguard any Restricted Data, Formerly Restricted Data, or other classified matter that may come to the Contractor or any person under the contractor's control in connection with work under this contract, may subject the contractor, its agents, employees, or subcontractors to criminal liability under the laws of the United States. (See the Atomic Energy Act of 1954; as amended, 42 U.S.C. 2011 et seq.; 18 U.S.C. 793 and 794; and Executive Order 11652.)

(g) Subcontracts and purchase orders. Except as otherwise authorized in writing by the Contracting Officer, the contractor shall insert provisions similar to the foregoing in all subcontracts and purchase orders under this contract.

(h) In the performance of the work under this contract, the contractor shall assign classifications to all documents, material, and equipment originated or generated by the Contractor in accordance with classification guidance furnished to the contractor by the Commission. Every subcontract and purchase order issued hereunder involving the origination or generation of classified documents, material, or equipment shall include a provision to the effect that in the performance of such subcontracts or purchase orders the subcontractor or supplier shall assign classifications to all such documents, material and equipment in accordance with classification guidance furnished to such subcontractor or supplier by the contractor.



52. CONTRACTOR'S ORGANIZATION (9-7.5006-6)

(a) Organization Chart. As promptly as possible after the execution of this contract, the contractor shall furnish to the Contracting Officer a chart showing the names, duties, and organization of key personnel to be employed in connection with the work, and shall furnish from time to time supplementary information reflecting changes therein.

(b) Supervising representative of contractor. Unless otherwise directed by the Contracting Officer, a competent full-time resident supervising representative of the contractor satisfactory to the Contracting Officer shall be in charge of the work at the site at all times.

(c) The contractor shall be responsible for maintaining satisfactory standards of employee competency, conduct, and integrity and shall be responsible for taking such disciplinary action with respect to his employees as may be necessary. The contractor shall establish such standards and procedures as are necessary to implement effectively the provisions set forth in AECPR 9-12.54, and such standards and procedures shall be subject to the approval of the Contracting Officer.

53. PRIVATE USE OF CONTRACT INFORMATION AND DATA (9-7.5006-59)

Except as specifically authorized by this contract, or as otherwise approved by the Contracting Officer, information and other data developed or acquired by or furnished the contractor in the performance of this contract, shall be used only in connection with the work under this contract.

54. DRAWINGS, DESIGNS, SPECIFICATIONS (9-7.5006-13)

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.

55. CONTRACTOR PROCUREMENT (9-7.5006-29)

(a) The Commission reserves the right at any time to require that the contractor submit for approval any or all procurements under this contract. The contractor shall not procure any item whose purchase is expressly prohibited by the written direction of the Commission and shall use such special and directed procurement sources as may be expressly required by the Commission. The contractor shall, if requested by the Contracting Officer, provide information concerning procurement methods, practices, and procedures used or proposed to be used and shall use methods, practices, and procedures which are acceptable to the Commission. Procurement arrangements under this contract shall not relieve the contractor of any obligation under this contract (including, among other things, the obligation to properly supervise, administer, and coordinate the work of subcontractors) and shall be in such form and contain such provisions as are required by this contract or as the Commission may prescribe.

(b) Procurement or transfer of equipment, materials, supplies, or services from a contractor-controlled source (any division or other organizational component of the prime contractor (exclusive of the contracting component) and any subsidiary or affiliate of the contractor under a common control) shall be considered a procurement for the purposes of this article.

56. PREFERENCE FOR U.S. FLAG AIR CARRIERS (1-1.323-2)

(a) Pub. L. 93-623 requires that all Federal agencies and Government contractors and subcontractors will use U.S. flag air carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available. It further provides that the Comptroller General of the United States shall disallow any expenditure from appropriated funds for international air transportation on other than a U.S. flag air carrier in the absence of satisfactory proof of the necessity therefor.

(b) The contractor agrees to utilize U.S. flag air carriers for international air transportation of personnel (and their personal effects) or property to the extent service by such carriers is available.

(c) In the event that the contractor selects a carrier other than a U.S. flag air carrier for international air transportation; he will include a certification on vouchers involving such transportation which is essentially as follows:

CERTIFICATION OF UNAVAILABILITY OF U.S. FLAG  
AIR CARRIERS

I hereby certify that transportation service for personnel (and their personal effects) or property by certificated air carrier was unavailable for the following reasons:<sup>1</sup> (state reasons)

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<sup>1</sup> See Federal Procurement Regulations (41 CFR 1-1.323-3) or section 1-336.2 of the Armed Services Procurement Regulations, as applicable.

(d) The terms used in this clause have the following meanings:

(1) "International air transportation" means transportation of persons (and their personal effects) or property by air between a place in the United States and a place outside thereof or between two places both of which are outside the United States.

(2) "U.S. flag air carrier" means one of a class of air carriers holding a certificate of public convenience and necessity issued by the Civil Aeronautics Board, approved by the President, authorizing operations between the United States and/or its territories and one or more foreign countries.

(3) The term "United States" includes the fifty states, Commonwealth of Puerto Rico, possessions of the United States, and the District of Columbia.

(e) The contractor shall include the substance of this clause, including this paragraph (e), in each subcontract or purchase hereunder which may involve international air transportation.

#### 57. AUTHORIZED REPRESENTATIVE

The Contracting Officer may designate an authorized representative under this contract for the purpose of assuring that services required under the contract 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.

58. 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 at 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 Contractor Officer shall either:

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

(b) If a stop work order issued under this clause is canceled 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, the estimated cost, the fee, or a combination thereof, 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 canceled 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.

(d) If a stop work order is not cancelled and the work covered by such order is terminated for default, the reasonable costs resulting from the stop work order shall be allowed by equitable adjustment or otherwise.

59. PUBLICATION AND PUBLICITY

Unless otherwise specified in this contract, the Contractor is encouraged to publish and make available through accepted channels the results of its work under this contract. The Contractor shall submit a copy of each article or other information to the Project Officer prior to publication or dissemination for public use. If the article or other information is subsequently modified or altered in any manner, the Contractor shall promptly notify the Project Officer and furnish him/her a copy of the article or other information as finally submitted for publication or dissemination.

The Contractor shall acknowledge the support of the U. S. Nuclear Regulatory Commission whenever publicizing the work under this contract in any media. To effectuate the foregoing, the Contractor shall include in any publication resulting from work performed under this contract an acknowledgement substantially as follows:

"The work upon which this publication is based was performed pursuant to Contract (insert number) with the (insert name of constituent agency), U. S. Nuclear Regulatory Commission."

Either Clause No. 60. entitled "Dissemination of Contract Information" or Clause No. 59. is for application but not both. In the absence of a clear delineation, Clause No. 59. applies.

60. 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.

61. 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.