

1. CONTRACT (Proc. Inst. Ident.) NO. SB3-4-0-86-82C-5037		2. EFFECTIVE DATE 9/30/82		3. REQUISITION/PURCHASE REQUEST/PROJECT NO. RFPA No. ADM-82-425		4. CERTIFIED FOR NATIONAL DEFENSE UNDER DDPA REG. 2 AND/OR DMS REG. 1. RATING: 1	
5. ISSUED BY Small Business Administration 1111 - 18th Street, N.W. - 6th Floor Washington, DC 20555				6. ADMINISTERED BY (If other than block 5)		7. DELIVERY FOR DESTINATION <input checked="" type="checkbox"/> YES <input type="checkbox"/> OTHER (See below)	
8. CONTRACTOR NAME AND ADDRESS Labat-Anderson, Inc. 1925 N. Lynn Street, #500 Arlington, VA 22209				9. DISCOUNT FOR PROMPT PAYMENT		10. SUBMIT INVOICES (4 copies unless otherwise specified) TO ADDRESS SHOWN IN BLOCK In accordance with Billing Instructions herein.	
11. SHIP TO/MARK FOR				12. PAYMENT WILL BE MADE BY U.S. Nuclear Regulatory Commission ORM/Division of Accounting and Finance ATTN: GOV/COM ACCOUNTS 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)(1) <input checked="" type="checkbox"/> 41 U.S.C. 252 (c)(1) U.S.C. 637(a)							
14. ACCOUNTING AND APPROPRIATION DATA B&R No. 48-20-25-8-26 APPROPRIATION SYMBOL 31X0200.402 AMOUNT \$47,000.00							
15. ITEM NO.	16. SUPPLIES/SERVICES	17. QUANTITY	18. UNIT	19. UNIT PRICE	20. AMOUNT		
	Provide all necessary personnel, facilities, materials, and services to accomplish microfiche verification and retrofit of NRC's microfiche collection as set forth in the Statement of Work herein and as implemented by Labat-Anderson's technical proposal No. 83-C-031, dated September 15, 1982 and as revised by Labat Anderson's letters dated September 28, 1982.	ESTIMATED COST			\$109,929.50		
		FIXED FEE			7,695.06		
		COST PLUS FIXED FEE			\$117,624.56		
					(Incrementally Funded CPFF)		
21. TOTAL AMOUNT OF CONTRACT \$ 117,624.56							
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 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. <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 Victor J. Labat (President) (Signature of person authorized to sign)				27. UNITED STATES OF AMERICA BY Dratin Hill, Jr. (Signature of Contracting Officer)			
24. NAME AND TITLE OF SIGNER (Type or print) VICTOR J. LABAT President		25. DATE SIGNED 9/30/82		28. NAME OF CONTRACTING OFFICER (Type or print) DRATIN HILL, JR. CONTRACTING OFFICER		29. DATE SIGNED SEP 30 1982	

SPECIAL CLAUSES FOR PRIME CONTRACTS

1. The parties agree that the Labat-Anderson, Inc. (hereinafter call "Contractor") shall for and in the stead of the Small Business Administration fulfill and perform all of the requirements of this Prime Contract for the consideration stated herein.
2. By subcontracting, pursuant to the provisions of Section 8(a) of the Small Business Act, 15 USC 637(a)(1), as amended, the Small Business Administration (hereinafter called SBA) agrees to furnish the services set forth in this contract according to the specifications hereof.
3. It is understood and agreed that in the event SBA does not award subcontracts for the performance of all or part of the work hereunder, this contract may be terminated in whole or in part without cost to either party.
4. The general provisions of this contract are not operative between SBA and the Nuclear Regulatory Commission but they are applicable to SBA's subcontractor.
5. SBA has delegated to the Nuclear Regulatory Commission (hereinafter called NRC) the responsibility for administering its subcontract hereunder. This includes issuance of orders, inspection, and acceptance by NRC Representatives and direct payment by NRC.
6. For the purposes of this contract the reference to "his duly authorized representative" in the "Disputes" clauses of this contract shall be deemed to refer to the Board of Contract Appeals.
7. It is further agreed that SBA will be continuously apprised by the Contracting Officer administering the subcontract as to the progress and performance of its contractor. No action that could possibly lead to the termination of the contract for "Default" or for "Convenience of the Government" shall be taken by said Contracting Officer or his authorized Representative without prior consultation with the SBA.
8. It is understood and agreed that SBA's contractor shall have the right of appealing decisions of the Procurement Contracting Officer, or his authorized Representative, as cognizable under the "Disputes" clause of this contract.
9. Insurance and/or bonding requirements, if any, do not apply to SBA, but SBA will require bonds from its contractor as required to protect the interests of the Government.
10. It is agreed that the provisions of the "Termination for Convenience," "Changes," "Disputes," "Default and Price Reduction" clauses which are included in the contract between the SBA and its contractor shall be invoked in appropriate cases when requested by the Procurement Contracting Officer or his authorized Representative. If the SBA does not agree with the request of the Procurement Contracting Officer or his authorized Representative, the case shall be referred to the Board of Contract Appeals for decision.

STATEMENT OF WORK

ARTICLE I SCOPE OF WORK

I.1 Introduction

The Nuclear Regulatory Commission's (NRC's) Records Management Program is dependent on the completeness of a 48⁺ microfiche collection as an official record as defined by the NRC's automated Document Control System (DCS). As an adjunct to the DCS, the National Technical Information Service (NTIS) offers a 24X microform subscription service for those documents related to nuclear power regulations.

Since the NRC and NTIS depend on the completeness of these microfiche collections for official purposes, the NRC wants to verify the completeness of collections and assure that any missing items are located and made available for filming. This statement of work is intended to accomplish that objective.

I.2 Purpose

The purpose of this project is twofold and shall include (1) verification of the present microfiche collection and (2) the pulling and refiling of documents to be filmed as a retrofit.

To accomplish this, the NRC shall provide access to microfiche collections, printouts, and hardcopy documents as they are necessary to complete the project. The NRC shall also provide technical and administrative support and direction to accomplish this project.

The scope of the project shall include nuclear reactor files (Docket 50) now contained on the NTIS microfiche and the entire database of the DCS from September 1978 to the present.

1.3 Requirements

The following are the requirements necessary for the successful retrofit and reconciliation of the database and microfiche collections. The work is divided into three distinct tasks and each task must be completed in its entirety before commencing with the next task. The following outlines each task.

Task 1. NRC will provide a master list to the contractor of all Docket 50 mother documents from January 1979 to the present. This list will be arranged by DKN (Docket Number), Date and ANO (Accession Number). The contractor shall match this list against the existing NTIS microfiche collection which is arranged in the same order. All items appearing on the list, but not existing in the microfiche collection will be marked with yellow highlighter by the contractor. Approximately 130,000 microfiche titles will have to be matched against approximately 155,000 titles on the master listing.

This work must be performed at the contractor's location. The end result of this phase of the project will be a listing of all ANO's which are the master list but do not physically exist in the microfiche collection.

Task 2. The contractor shall physically enter or keypunch the 10 digit ANO's onto a master tape. These ANO's will be the ones that are identified in task 1 of the project. Exact numbers cannot be determined until Task 1 is complete but NRC estimates there will be up to 25,000 entries.

This work must be completed at the contractor's facility. The end product will be a magnetic tape with all the information that was identified in Task 1. This tape must be compatible with existing DCS input and output media since it will be merged with the current DCS database.

NOTE:

The contractor shall not proceed with Task 3 until written notification from the Contracting Officer is provided, (it is estimated that it will be a cessation of work of approximately two (2) weeks to two (2) months between the performance of work under Task 2 and Task 3.

Task 3. The contractor shall physically pull and refile hardcopy documents for processing. The contractor shall be provided a master listing

of documents which will identify the type of processing each will require. It shall be the contractor's responsibility to locate, retrieve and refile documents at the direction of NRC. Each document pulled will need to be segregated as to the type of processing it is to receive and upon return to the contractor must be refiled in the exact location that it was pulled. The locations for the hardcopy pulling shall be either the Public Document Room (PDR) at 1717 H Street, N.W., Washington, D.C. or from the Records Services Branch (RSB) 7920 Norfolk Avenue, Bethesda, Maryland. The determination of film locations shall be made by NRC. The following are additional requirements which must be followed in project phase of pulling and refiling of hardcopy documents.

- a. Hard copy documents shall be accessible by the contractor via the PDR or RSB files. Use of these files by the contractor shall be arranged by NRC with the Chief of the respective Branches. The use arrangement shall include the possibility of off-hours access (Saturdays, Sundays, and weekdays after 4:00 PM), the employ of Branch circulation procedures, and no disruption of the normal PDR or RSB normal operations.
- b. The contractor shall keep a comprehensive list of documents not located and submit it to the NRC Project Officer on Friday of each week.
- c. Any documents removed from file areas must be properly refiled within 40 clock hours of removal. This running time shall be suspended on Saturdays, Sundays and all Government holidays.
- d. The number of documents removed at one time from any file area shall be determined by the Branch Chief of that file area.

- e. The contractor performing this work will not interfere with or attempt to change, any established procedures that exist with either the Document Control System contractor or the NTIS contractor. All direction and interfacing will be established by the NRC.

I.4 Deliverables

The contractor shall submit written reports to the NRC Project Officer on a bi-weekly basis. The reports shall contain as a minimum the following information.

- a. Progress within that reporting period, whether it be items checked off, items keypunched, or documents retrieved and or refiled.
- b. Cumulative progress to date in any of the defined phases.
- c. Man-hours expended to include the reporting period and to date.
- d. Equipment, personnel, or work flow problems and corrective actions.
- e. Projected progress for the next reporting period.

Article II - PERIOD OF PERFORMANCE

The period of performance under this contract shall commence on the effective date of this contract and end seven (7) months thereafter.

Article III- INSPECTION AND ACCEPTANCE

The Nuclear Regulatory Commission reserves the right to make periodic on-site inspections in accordance with the General Provision, entitled "Inspection." It shall be expressly understood that such inspections shall not constitute acceptance by the Government of any part of the work, but shall be for the purpose of providing coordination and technical guidance in interpretation of technical requirements.

All inspections, acceptance, and rejection decisions shall be made at destination by the Project Officer or his authorized representative.

Upon receipt of all deliverable items, the Project Officer or his authorized representative shall inspect each item for compliance with the specifications contained herein.

Acceptance or rejection of deliverable items shall be made in writing by the Project Officer within 5 calendar days after receipt of said deliverable items from the contractor. In the event of rejection of any portion of the work, completion of corrected items shall be received within 5 calendar days after receipt of notice of rejection. Final acceptance shall be made in writing only after the work has been corrected to the extent that it conforms to the specifications contained herein and has been approved by the Project Officer. The contractor shall be notified of final acceptance within 5 calendar days after receipt of the corrected items.

Article IV- PRIVATE USE AND PROTECTION OF UNCLASSIFIED GOVERNMENT INFORMATION

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.

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.

The contractor's duties under this clause shall not be construed to limit or affect in any way the contractor's obligation to conform to all security regulations and requirements of the Commission pertaining to classified information and material.

ARTICLE V - CONSIDERATION AND PAYMENT (Incrementally Funded CPFF)

A. Estimated Cost, Fixed Fee and Obligation

1. It is estimated that the total cost to the Government for full performance of this contract will be \$117,624.56 , of which the sum of \$109,929.50 represents the estimated reimbursable costs, and of which \$7,695.06 represents the fixed fee.
2. Total funds currently available for payment and allotted to this contract are \$47,000.00 , of which \$43,710.00 represents the estimated reimbursable costs, and of which \$3,290.00 represents the fixed fee.
3. It is estimated that the amount currently allotted will cover performance through 3 months from the effective date of the contract.

B. Payment

The Government shall render payment to the contractor in approximately thirty (30) days after submission of proper and correct invoices or vouchers.

Additional provisions relating to payment are contained in Provision No. 5.3 of the General Provisions hereto.

ARTICLE VI - OVERHEAD/GENERAL AND ADMINISTRATIVE RATES /ALLOWABLE COSTS

- A. Pending the establishment of final general and administrative (G&A) rates which shall be negotiated based on audit of actual costs, the contractor shall be reimbursed for allowable indirect costs hereunder at the provisional rate of 20 percent of total allowable costs.
- B. Pending the establishment of a final overhead rate which shall be negotiated based on audit of actual costs, the contractor shall be reimbursed for allowable indirect costs hereunder at the provisional rate of 25 percent of direct labor.
- C. Pending the establishment of final fringe benefit rates which shall be negotiated based on audit of actual costs, the contractor shall be reimbursed for allowable fringe benefit costs hereunder at the provisional rate of 28 percent of direct labor.
- D. Notwithstanding A, B, & C of this Article, said provisional overhead, fringe benefits G&A rates may be adjusted as appropriate during the term of the contract upon the acceptance of such revised rates by the Contracting Officer.

Prior authorization in writing by the Contracting Officer is required for the following costs:

1. Fees for Consultants
2. Overtime; shift or incentive payments.
3. All travel outside the United States.
4. Rental agreements, service contracts, or maintenance of Government equipment.

5. All subcontract costs (notwithstanding clause 2.5 of the General Provisions herein) other than those authorized below:
- a) Subcontract Cost - The contractor is hereby authorized to enter into a subcontract with Intersyst Inc. for services on a Time and Materials basis in the estimated amount of \$39,848.00. A copy of the subcontract shall be submitted to the Contracting Officer upon execution.

Article VII - PROJECT OFFICER

The Contracting Officer may designate one or more authorized representatives under this contract for the purpose of assuring that the supplies required under the contract are delivered in accordance therewith. Such representatives as may be appointed will be specifically designated in writing by the Contracting Officer.

John Skoczilas/Steve Scott

is hereby designated as the Contracting Officer's authorized representative (hereinafter called Project Officer) for technical aspects of this contract. The Project Officer is not authorized to approve or request any action which results in or could result in an increase in contract cost; or terminate, settle any claim or dispute arising under the contract; or issue any unilateral directive whatever.

The Project Officer is responsible for: (1) monitoring the contractor's technical progress, including surveillance and assessment of performance, and recommending to the Contracting Officer changes in requirements; (2) interpreting the scope of work; (3) performing technical evaluation as required; (4) performing technical inspections and acceptances required by this contract; and (5) assisting the contractor in the resolution of technical problems encountered during performance. Within the purview of this authority, the Project Officer is authorized to review all costs requested for reimbursement by contractors and submit recommendations for approval, disapproval, or suspension for supplies, services required under the contract. The Contracting Officer is responsible for directing or negotiating any changes in terms, conditions, or amounts cited in the contract.

For guidance from the Project Officer to the contractor to be valid, it must: (1) be consistent with the description of work set forth in the contract; (2) not constitute new assignment of work or change to the expressed terms, conditions or specifications incorporated into this contract; (3) not constitute a basis for an extension to the period of performance or contract delivery schedule; and, as stated above, (4) not constitute a basis for any increase in the contract cost.

ARTICLE VIII - KEY PERSONNEL

Pursuant to this ARTICLE (Key Personnel), the following individuals are considered to be essential to the successful performance of the work hereunder and shall not be replaced without the prior approval of the Contracting Officer. In such event, the contractor agrees to substitute persons possessing substantially equal abilities and qualifications satisfactory to the Contracting Officer.

Mr. R. L. Anderson, Project Manager
Mr. William Maly, Senior Editor
Mr. George Kilpatrick, Senior Analyst

*To be incorporated into any resultant contract.

ARTICLE IX - NOTICE TO THE GOVERNMENT OF DELAYS

In the event the contractor encounters difficulty in meeting performance requirements, or when he anticipates difficulty in complying with the contract delivery schedule or date, or whenever the contractor has knowledge that any actual or potential situation is delaying, or threatens to delay, the timely performance of this contract, the contractor shall immediately notify the Contracting Officer and the Project Officer, in writing, giving pertinent details; provided, however, that this data be informational only in character and that this provision shall not be construed as a waiver by the government of any delay schedule, or date of any rights, or remedies provided by law or under this contract.

ARTICLE X - SUBCONTRACT FOR WORK OR SERVICES

No contract shall be made by the contractor with any other party for furnishing any of the work or services required herein without the prior written approval of the Contracting Officer. This provision shall not be construed, however, as requiring the prior approval of contracts of employment between the contractor and personnel assigned by the contractor to provide services hereunder.

ARTICLE XI - INCREMENTAL FUNDING

1. Sufficient funds are not presently available to cover the totality of work over the entire period of performance under this contract. Additional funds will be allotted from time to time by contract modification up to the full estimated amount of the contract. While it is the Government's intention to progressively fund this contract up to the full estimated amount over the entire period of performance, the Government will not be obligated to reimburse the Contractor for costs in excess of periodic allotments, nor will the contractor be obligated to continue performance in excess of amounts allotted.
2. Clause Number 5.2 "Limitation of Funds" of the General Provisions, attached hereto, shall supercede Clause Number 5.1 "Limitation of Cost" until such time as the contract is fully funded.

ARTICLE XII - TRAVEL REIMBURSEMENT

1. Total expenditure for domestic travel shall not exceed \$413.00 without the prior approval of the Contracting Officer. The contractor will be reimbursed for reasonable domestic travel costs incurred directly and specifically in the performance of this contract and accepted by the Contracting Officer, in accordance with the contractor's approved travel policy on file with the NRC.
2. The cost of travel by privately owned automobile shall be reimbursed at the mileage rate prescribed by the contractor's established, generally applicable travel policy; provided, however, that such reimbursement shall not exceed the cost of less than first-class travel by common carrier.
3. The cost of travel by rented automobile shall be reimbursed on a reasonable actual expense basis that does not exceed the rates prescribed by the contractor's established, generally applicable travel policy.
4. All common carrier travel reimbursable hereunder shall be via economy class rates when available. If not available, reimbursement vouchers will be annotated that economy class accommodations were not available. First-class air travel is not authorized.
5. Reasonable actual costs of lodging and subsistence, or per diem in lieu of actual costs, shall be allowable to the extent that such actual costs or per diem amounts do not exceed the amounts or per diem rates prescribed by the contractor's established, generally applicable travel policy.
6. Receipts are required for common carrier transportation, lodging and miscellaneous items in excess of \$15.00.
7. Any revision to the contractor's established, generally applicable travel policy approved by the cognizant audit agency during the period of performance of this contract shall be effective, without formal modification to this contract, upon delivery to the Contracting Officer of a copy of such revised policy together with evidence of cognizant audit agency approval thereof.

ARTICLE XIII - CONFLICT OF INTEREST

(a) Purpose. The primary purpose of this article is to aid in ensuring that the contractor:

- (1) is not placed in a conflicting role because of current or planned interest (financial, contractual, organizational, or otherwise) which relates to the work under this contract, and
- (2) does not obtain an unfair competitive advantage over other parties by virtue of its performance of this contract.

(b) Scope. The restrictions described herein shall apply to performance or participation by the contractor as defined in 41 CFR §20-1.5402(f) in the activities covered by this article.

(c) 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 a conflict of interest with respect to the work being performed under this contract. The contractor shall ensure that all employees who are employed full time under this contract and employees designated as key personnel, if any, under this contract abide by the provision of this article. 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 potential conflict of interest, the contractor shall obtain the written approval of the Contracting Officer prior to execution of such contractual arrangement.

(d) Disclosure after award.

- (1) The contractor warrants that to the best of its knowledge and belief and except as otherwise set forth in this contract, it does not have any organizational conflicts of interest, as defined in 41 CFR §20-1.5402(a).
- (2) The contractor agrees that if after award it discovers organizational conflicts of interest with respect to this contract, it shall make an immediate and full disclosure in writing to the Contracting Officer. This statement shall include a description of the action which the contractor has taken or proposes to take to avoid or mitigate such conflicts. The NRC may, however, terminate the contract for convenience if it deems such termination to be in the best interests of the government.

(e) Access to and use of information.

- (1) If the Contractor in the performance of this contract obtains access to information, such as NRC plans, policies, reports, studies, financial plans, internal data protected by the Privacy Act of 1974 (Pub. L. 93-579), or data which has not been

released to the public, the contractor agrees not to: (i) use such information for any private purpose until the information has been released to the public; (ii) compete for work for the Commission based on such information for a period of six (6) months after either the completion of this contract or the release of such information to the public, whichever is first, (iii) submit an unsolicited proposal to the government based on such information until one year after the release of such information to the public, or (iv) release the information without prior written approval by the Contracting Officer unless such information has previously been released to the public by the NRC.

- (2) In addition, the contractor agrees that to the extent it receives or is given access to proprietary data, data protected by the Privacy Act of 1974 (Pub. L. 93-579), or other confidential or privileged technical, business, or financial information under this contract, the contractor shall treat such information in accordance with restrictions placed on use of the information.
- (3) The contractor shall have, subject to patent and security provisions of this contract, the right to use technical data it produces under this contract for private purposes provided that all requirements of this contract have been met.

(f) Subcontracts. Except as provided in 41 CFR §20-1.5402(h), the contractor shall include this article, including this paragraph, in subcontracts of any tier. The terms "contract," "contractor," and "Contracting Officer," shall be appropriately modified to preserve the government's rights.

(g) Remedies. For breach of any of the above proscriptions or for intentional nondisclosure or misrepresentation of any relevant interest required to be disclosed concerning this contract or for such erroneous representations as necessarily imply bad faith, the government may terminate the contract for default, disqualify the contractor from subsequent contractual efforts, and pursue other remedies as may be permitted by law or this contract.

(h) Waiver. A request for waiver under this clause shall be directed in writing through the Contracting Officer to the Executive Director for Operations (EDO) in accordance with the procedures outlined in §20-1.5411.

ARTICLE XIV - CONTRACTOR'S PROPOSAL

The effort specified above in the Statement of Work herein shall be performed in accordance with the Contractor's Technical Proposal number 83-C-031, as amended, which by this reference is incorporated into and made a part of this contract as though fully set forth herein.

In the event of any conflicts or inconsistencies, the Statement of Work set forth herein shall take precedence over the Contractor's Technical Proposal.

ARTICLE XV - GENERAL PROVISIONS/ALTERATIONS

This contract is subject to the attached provisions of Appendix A, General Provisions, entitled "Cost Type Research and Development Contracts With Commercial Organizations," dated 12/1/81.

Provisions Added:

3.12 Labor Surplus Area Subcontracting Program (1-1.805-3(b))(Over \$500,000)

(a) The Contractor agrees to establish and conduct a program which will encourage labor surplus area concerns to compete for subcontracts within their capabilities. In this connection, the Contractor shall--

(1) Designate a liaison officer who will (i) maintain liaison with duly authorized representatives of the Government on labor surplus area matters, (ii) supervise compliance with the Utilization of Concerns in Labor Surplus Areas clause, and (iii) administer the Contractor's "Labor Surplus Area Subcontracting Program;"

(2) Provide adequate and timely consideration of the potentialities of labor surplus area concerns in all "make-or-buy" decisions;

(3) Assure that labor surplus area concerns will have an equitable opportunity to compete for subcontracts, particularly by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation of labor surplus area concerns;

(4) Maintain records showing the procedures which have been adopted to comply with the policies set forth in this clause and report subcontract awards (see 41 CFR 1-16.804-5 regarding use of Optional Form 61). Records maintained pursuant to this clause will be kept available for review by the Government until the expiration of 1 year after the award of this contract, or for such longer period as may be required by any other clause of this contract or by applicable law or regulations; and

(5) Include the Utilization of Concerns in Labor Surplus Areas clause in subcontracts which offer substantial labor surplus area subcontracting opportunities.

(b) (1) The term "labor surplus area" means a geographical area identified by the Department of Labor as an area of concentrated unemployment or under-employment or an area of labor surplus.

(2) The term "concern located in a labor surplus area" means a labor surplus area concern.

(3) The term "labor surplus area concern" means a concern that, together with its first-tier subcontractors, will perform substantially in labor surplus areas.

(4) The term "perform substantially in labor surplus areas" means that the costs incurred on account of manufacturing, production, or appropriate services in labor surplus areas exceed 50 percent of the contract price.

(c) The Contractor further agrees to insert, in any subcontract hereunder which may exceed \$500,000 and which contains the Utilization of Concerns in Labor Surplus Areas clause, provisions which shall conform substantially to the language of this clause, including this paragraph (c), and to notify the Contracting Officer of the names of such subcontractors.

3.13 Utilization of Women-Owned Business Concerns (Over \$10,000)

(a) It is the policy of the United States Government that women-owned businesses shall have the maximum practicable opportunity to participate in the performance of contracts awarded by any Federal agency.

(b) The Contractor agrees to use his best efforts to carry out this policy in the award of subcontracts to the fullest extent consistent with the efficient performance of this contract. As used in the contract, a "women-owned business" concern means a business that is at least 51% owned by a woman or women who also control and operate it. "Control" in this context means exercising the power to make policy decisions. "Operate" in this context means being actively involved in the day-to-day management. "Women" mean all women business owners.

3.14 Women-Owned Business Concerns Subcontracting Program (Over \$500,000 or \$1,000,000 for Construction of Any Public Facility)

(a) The Contractor agrees to establish and conduct a program which will enable women-owned business concerns to be considered fairly as subcontractors and suppliers under this contract. In this connection, the contractor shall:

- (1) Designate a liaison officer who will administer the Contractor's "Women-Owned Business Concerns Program."
- (2) Provide adequate and timely consideration of the potentialities of known women-owned business concerns in all "make-or-buy" decisions.
- (3) Develop a list of qualified bidders that are women-owned businesses and assure that known women-owned business concerns have an equitable opportunity to compete for subcontracts, particularly by making information on forthcoming opportunities available, by arranging solicitations, time for the preparation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation of women-owned business concerns.
- (4) Maintain records showing (i) procedures which have been adopted to comply with the policies set forth in this clause, including the establishment of a source list of women-owned business concerns; (ii) awards to women-owned businesses on the source list by minority and non-minority women-owned business concerns; and (iii) specific efforts to identify and award contracts to women-owned business concerns.
- (5) Include the "Utilization of Women-Owned Business Concerns" clause in subcontracts which offer substantial subcontracting opportunities.
- (6) Cooperate in any studies and surveys of the Contractor's women-owned business concerns procedures and practices that the Contracting Officer may from time-to-time conduct.

- (7) Submit periodic reports of subcontracting to women-owned business concerns with respect to the records referred to in subparagraph (4) above, in such form and manner and at such time (not more often than quarterly) as the Contracting Officer may prescribe.

(b) The Contractor further agrees to insert, in any subcontract hereunder which may exceed \$500,000 or \$1,000,000 in the case of contracts for the construction of any public facility and which offers substantial subcontracting possibilities, provisions which shall conform substantially to the language of this clause, including this paragraph (b), and to notify the Contracting Officer of the names of such subcontractors.

(c) The contractor further agrees to require written certification by its subcontractors that they are bona fide women-owned and controlled business concerns in accordance with the definition of a women-owned business concern as set forth in the Utilization Clause 1(b) above at the time of submission of bids or proposals.

5.8 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.)

5.9 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.

5.10 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.

5.10 Subcontract Cost and Pricing Data (1-3.814-3(a)) Cont'd

(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.

5.11 Cost Accounting Standards--Nondefense Contract (1-3.1204-2(a))

(a) Unless the Administrator of General Services has prescribed rules or regulations exempting the Contractor or this contract from standards, rules, and regulations promulgated by the Cost Accounting Standards Board, the Contractor, in connection with this contract, shall:

(1) Follow consistently the cost accounting practices established or disclosed as required by regulations of the Cost Accounting Standards Board and administered under the Administration of Cost Accounting Standards clause. If any change in disclosed practices is made for purposes of any contract or subcontract subject to those disclosure requirements, the change must be applied in a consistent manner to this contract.

(2) Comply with all cost accounting standards which the Contractor is required to comply with by reason of concurrent performance of any contract or subcontract subject to the Cost Accounting Standards clause (4 CFR 331) and administered under the Administration of Cost Accounting Standards clause. The Contractor also shall comply with any cost accounting standard which hereafter becomes applicable to such a contract or subcontract. Such compliance shall be required prospectively from the date of applicability to such contract or subcontract. Compliance shall continue until the Contractor completes performance of work under this contract.

(3) 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 (2) above, the Contractor is required to make to his established cost accounting practices whether such practices are covered by a Disclosure Statement or not.

(4) Negotiate with the Contracting Officer to determine the terms and conditions under which a change to either a disclosed cost accounting practice or an established cost accounting practice, other than a change under (a)(3) above or (a)(6) below, 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.

5.11 Cost Accounting Standards--Nondefense Contract (1-3.1204-2(a)) Cont'd.

(5) Agree to an adjustment of the contract price or cost allowance, as appropriate, if it or a subcontractor fails to comply with the applicable Cost Accounting Standards or to follow any practice disclosed or established pursuant to subparagraph (a)(1) or (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 Pub. L. 92-41 (50 U.S.C. App. 1215(b)(2)), or 7 percent per annum, whichever is less, from time the payment by the United States was made to the time the adjustment is effected.

(6) Negotiate an equitable adjustment (as provided in the Changes clause of this contract, if any) when the parties agree to a change to either a disclosed cost accounting practice or an established cost accounting practice.

(b) The Contractor shall permit any authorized representatives of the head of the agency, 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 until the expiration of 3 years after final payment under this contract or such lesser time specified in the Federal Procurement Regulations (FPR) part 1-20.

(c) Unless a subcontract or Subcontractor is exempt under rules or regulations prescribed by the administrator of General Services, the Contractor: (1) shall include the substance of this clause including this paragraph (c) in all negotiated subcontracts under this contract with subcontractors that are currently performing a national defense contract or subcontract that contains the clause entitled to Cost Accounting Standards and that are currently required to accept the clause in applicable national defense awards, and (2) shall include the substance of the Consistency of Cost Accounting Practices--Non-defense Contract clause set forth in § 1-3.1204-2(b) of the FPR in negotiated subcontracts under this contract with all other subcontractors. The Contractor may elect to use the substance of the solicitation notice set forth in § 1-3.1203-2(b) of the FPR in his determination of applicability cost accounting standards to subcontracts.

(d) The terms defined in § 331.20 of Part 331 of Title 4, Code of Federal Regulations, shall have the same meaning 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."

(e) The administration of this clause by the Government shall be accomplished in conjunction with the administration of the Contractor's national defense contracts and subcontracts subject to rules and regulations of the Cost Accounting Standards Board, pursuant to the Administration of Cost Accounting Standards clause. For the purposes of the Administration of Cost Accounting Standards clause contained in this contract, references to the Cost Accounting Standards clause shall be deemed to include this Cost Accounting Standards--Nondefense Contract clause and reference to the Disclosure and Consistency of Cost Accounting Practices clause shall be deemed to include the Consistency of Cost Accounting Practices--Nondefense Contract clause.

5.12 Administration of Cost Accounting Standards (1-3.1204-1(b))

For the purpose of administrating 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 or the Disclosure and Consistency of Cost Accounting Practices clause:

(1) For any change in cost accounting practices required to comply with a new cost accounting standard in accordance with paragraph (a)(3) and (a)(4)(A) of the Cost Accounting Standards clause 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 paragraphs (a)(4)(B), (a)(4)(C) of the Cost Accounting Standards clause or with paragraph (a)(3) or (a)(5) of the Disclosure and Consistency of Cost Accounting Practices clause 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 Cost Accounting Standards clause or with paragraph (a)(4) of the Disclosure and Consistency of Cost Accounting Practices clause 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 sixty (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 Cost Accounting Standards clause or with paragraphs (a)(3), (a)(4), or (a)(5) of the Disclosure and Consistency of Cost Accounting Practices clause.

(d) When the subcontract is subject to either the Cost Accounting Standards clause or the Disclosure and Consistency of Cost Accounting Practice clause so state in the body of the subcontract and/or in the letter of award. Self-deleting clauses shall not be used.

(e) Include the substance of this clause in all negotiated subcontracts containing either the Cost Accounting Standards clause or the Disclosure and Consistency of Cost Accounting Practices clause. In addition, include a provision in these subcontracts which will require such subcontractors, within 30 days after receipt of award (or such other date as may be mutually agreed to) to submit the following information to the Contract Administration Office Cognizant of the subcontractor's facility.

Accounting Standards (1-3.1204-1(b)) Cont'd.

's name and subcontract number.

t and date of award.

tractor making the award.

as to whether the subcontractor has made or proposes
bunting practices that affect prime contracts or
e Cost Accounting Standards clause or Disclosure and
ting Practices clause unless such changes have already
f the subcontract results in making a cost accounting
the first time, this shall also be reported.

subcontracts containing the Cost Accounting Standards
tractor to comply with all Standards in effect on the
n price as shown on the subcontractor's signed Certificate
g Data or date of award, whichever is earlier.

adjustment is required to be made to any subcontract
tracting Officer in writing of such adjustment and
the price or estimated cost and fee of this contract,
on the adjustment established under the subcontract.
en within 30 days after receipt of the proposed sub-
shall include a proposal for adjustment to such higher
e contract as appropriate.

the Cost Accounting Standards clause or the Disclosure and
bunting Practices clause and this clause are included in
"Contracting Officer" shall be suitably altered to

ities Capital Cost of Money (1980 Oct.)

re that facilities capital cost of money is an allowable
ight to claim it under this contract.