

3.10-7 Indemnification under Public Law 85-804 - Alternate I (February 2003)

In cost reimbursement contracts, add the following paragraph to the end of the basic clause:

The cost of insurance (including self-insurance programs) covering a risk defined in this contract as unusually hazardous or nuclear shall not be reimbursed except to the extent that the Contracting Officer has required or approved this insurance. The Government's obligations under this clause are (a) excepted from the release required under this contract's clause relating to allowable cost; and (b) not affected by this contract's "Limitation of Cost" or "Limitation of Funds" clause.

PRESCRIPTION

Should be used in cost reimbursement RFI/RFPs and contracts if the contractor will be exposed to unusually hazardous or nuclear risks and the DOT Secretary has authorized the use of the clause.