

**Inspection of Research and Development - Cost-Reimbursement - Alternate I** ((February 2003)

If the contract is on a no-fee basis, substitute the following paragraphs "(f)" and "(g)" for paragraphs (f) and (g) above.

(f) At any time during contract performance, but not later than 6 months (or such other time as may be specified in the contract) after acceptance of all of the end items (other than designs, drawings, or reports) to be delivered under the contract, the Government may require the Contractor to correct or replace work not meeting contract requirements. Time devoted to the correction or replacement of such work shall not be included in the computation of the above time period. Except as otherwise provided in paragraph (g) below, the allowability of the cost of any such replacement or correction shall be determined as specified in the "Allowable Cost and Payment" clause. The Contractor shall not tender for acceptance corrected work without disclosing the former requirement for correction, and, when required, shall disclose the corrective action taken.

(g) If the Contractor fails to proceed with reasonable promptness to perform required replacement or correction, the Government may;

- (1) by contract or otherwise, perform the replacement or correction and charge to the Contractor any increased cost,
- (2) require delivery of any undelivered articles, or
- (3) terminate the contract for default.

Failure to agree on the amount of increased cost to be charged to the Contractor shall be a dispute.

**PRESCRIPTION**

Should be used in RFI/RFPs and contracts for Research & Development when: (a) the primary objective is the delivery of end items other than designs, drawings, or reports; and (b) a no-fee cost reimbursement contract is contemplated; unless use of the clause is impractical and the clause "Inspection of Research & Development (Short Form)" is considered to be more appropriate.