

CONTRACT NAS1-20431

The following has been determined to be exempt from disclosure and has been deleted from the contract:

- Names and titles of key personnel, Article H.1, page 13.
- Contractor's fiscal year, Article H.12, page 17.
- Confidential financial information (agreement on indirect rates), Article H.12, page 18.
- Exhibit E, The Subcontracting Plan.
- Security Plan for Unclassified Federal Computer Systems, Exhibit F.

The material is exempt from disclosure under 14 C.F.R. 1206.300 (b) (4) which covers trade secrets and commercial or financial information obtained from a person and privileged or confidential. It has been held that commercial or financial matter is "confidential" for purposes of this exemption if its disclosure would be likely to have either of the following effects: (1) impair the Government's ability to obtain necessary information in the future; or (2) cause substantial harm to the competitive position of the person from whom the information was obtained, National Parks and Conservation v. Morton, 498 F2d 765 (D.C. Cir. 1974).

Regarding the names of key personnel withheld from the contract, disclosure of such information, which was submitted to the Government in confidence, would allow potential competitors to benefit from the company's efforts to build up a highly successful management team which possesses unique experience and expertise in the area of computational analysis and programming support services. Such information is not readily available upon request by a third party.

Disclosure of the financial information could cause substantial competitive harm to the contractor by providing its competitors insight into the company's costing practices and management approaches. Furthermore, disclosure would discourage other companies from participating in future competitive procurements, thereby impairing the Government's ability to obtain complete and accurate cost data, and in turn, frustrating the mandate to obtain maximum competition in negotiated procurements.

Disclosure of the information in the Subcontracting Plan would discourage future submission of detailed data concerning the company's implementation of their Subcontracting Plan and impair the Government's ability to obtain necessary information in the future as well as cause substantial harm to the competitive position of the company.

The security plan for computer systems was developed by the company for a specific operation at substantial expense. The detailed policies and responsibilities in the plan were evaluated by the Government as one of the "other considerations" elements/factors. Disclosure of this data would impair the Government's ability to obtain meaningful, detailed information to evaluate in future procurements and would allow potential competitors to benefit from the company's unique approaches to administration of computational analysis and programming support services requirements.

AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)	RATING 00-C9	PAGE OF PAGES 1 111
2. CONTRACT (Proc. Inst. Ident.) NO. NAS1-20431		3. EFFECTIVE DATE 1/1/95	4. REQUISITION/PURCHASE REQUEST/PROJECT NO. 1150.3059	
5. ISSUED BY National Aeronautics and Space Administration Langley Research Center Hampton, VA 23681-0001		6. ADMINISTERED BY (If other than Item 5) Delegation Being Made Via NASA Form 1430 Criticality Designator C		

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code) Computer Sciences Corporation Applied Technology Division 6565 Arlington Blvd. Falls Church, VA 22042		8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)
		9. DISCOUNT FOR PROMPT PAYMENT N/A
		10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN: See G.1.

11. SHIP TO/MARK FOR See Exhibit A.	12. PAYMENT WILL BE MADE BY Financial Management Division, M/S 175 NASA, Langley Research Center Hampton, VA 23681-0001
--	--

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION:
 10 U.S.C. 2304(c) 41 U.S.C. 253(c)

14. ACCOUNTING AND APPROPRIATION DATA
See TOC.

15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT	
	Computational Analysis and Programming Support Services			Est. Cost	Fixed Fee	Total
		Base		\$ 3,102,000	\$ 155,000	\$ 3,257,000
		First Option		3,165,000	158,000	\$ 3,323,000
		Second Option		3,234,000	162,000	\$ 3,396,000
		Third Option		3,296,000	165,000	\$ 3,461,000
		Fourth Option		3,361,000	168,000	\$ 3,529,000
		Total Additional LOE Options		4,071,620	203,580	\$ 4,275,200
		Total 5 yrs. Plus Options		\$20,229,520	\$1,011,580	\$21,241,200
15G. TOTAL AMOUNT OF CONTRACT ▶ \$						

V)	SEC.	DESCRIPTION	PAGE(S)	V)	SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
X	A	SOLICITATION/CONTRACT FORM	1	X	I	CONTRACT CLAUSES	18
X	B	SUPPLIES OR SERVICES AND PRICES/COSTS	2	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
X	C	DESCRIPTION/SPECS./WORK STATEMENT	3	X	J	LIST OF ATTACHMENTS	40
X	D	PACKAGING AND MARKING	8	PART IV - REPRESENTATIONS AND INSTRUCTIONS			
X	E	INSPECTION AND ACCEPTANCE	8		K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
X	F	DELIVERIES OR PERFORMANCE	10		L	INSTRS. CONDS. AND NOTICES TO OFFERORS	
X	G	CONTRACT ADMINISTRATION DATA	11		M	EVALUATION FACTORS FOR AWARD	
X	H	SPECIAL CONTRACT REQUIREMENTS	13				

CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. <input type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return _____ copies to issuing office.)	18. <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.
--	---

19A. NAME AND TITLE OF SIGNER (Type or print) Karen F. Charlton	20A. NAME OF CONTRACTING OFFICER PANICE H. CLARK
19B. NAME OF CONTRACTOR BY Karen F. Charlton (Signature of person authorized to sign)	20B. UNITED STATES OF AMERICA BY Panice H. Clark (Signature of Contracting Officer)
19C. DATE SIGNED 12/22/94	20C. DATE SIGNED 12-22-94

TABLE OF CONTENTS

PAGE

SOLICITATION/CONTRACT FORM 1

PART I - THE SCHEDULE 2

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS 2

 B.1 SCOPE OF WORK 2

 B.2 CONTRACT FUNDING (NASA 18-52.232-81) (JUN 1990) 2

 B.3 ESTIMATED COST AND FIXED FEE (NASA 18-52.216-74)
 (DEC 1991) 2

 B.4 ADMINISTRATION OF CONTRACT FUNDING (LaRC 52.232-113) (JUL 1993) 2

 B.5 LEVEL-OF-EFFORT 2

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT 3

 C.1 STATEMENT OF WORK - COMPUTATIONAL ANALYSIS AND PROGRAMMING SUPPORT
 SERVICES 3

SECTION D - PACKAGING AND MARKING 8

 D.1 REPORTS AND DOCUMENTATION PACKAGING AND MARKING 8

SECTION E - INSPECTION AND ACCEPTANCE 8

 E.1 INSPECTION OF SUPPLIES - COST-REIMBURSEMENT (FAR 52.246-3)
 (APR 1984) 8

 E.2 INSPECTION OF SERVICES - COST-REIMBURSEMENT (FAR 52.246-5)
 (APR 1984) 9

 E.3 FINAL INSPECTION AND ACCEPTANCE (LARC 52.246-94) (OCT 1992) 10

SECTION F - DELIVERIES OR PERFORMANCE 10

 F.1 STOP-WORK ORDER (FAR 52.212-13) (AUG 1989) ALTERNATE I
 (APR 1984) 10

 F.2 PERIOD OF PERFORMANCE (NASA 18-52.212-74) (DEC 1988) 10

 F.3 PLACE(S) OF PERFORMANCE (LARC 52.212-98) (OCT 1992) 11

SECTION G - CONTRACT ADMINISTRATION DATA 11

 G.1 SUBMISSION OF VOUCHERS FOR PAYMENT (NASA 18-52.216-87) (DEC 1988) 11

 G.2 GOVERNMENT-PROVIDED PROPERTY 12

 G.3 LIST OF INSTALLATION-PROVIDED PROPERTY AND SERVICES
 (NASA 18-52.245-77) (MAR 1989) 12

 G.4 PAYMENT OF FIXED FEE (NASA 18-52.216-75) (DEC 1988) 13

SECTION H - SPECIAL CONTRACT REQUIREMENTS 13

 H.1 KEY PERSONNEL AND FACILITIES (NASA 18-52.235-71) (MAR 1989) 13

 H.2 PROCUREMENT AUTHORITY (201-39.5202-3) (OCT 90 FIRMR) 13

 H.3 OPTIONS 13

 H.4 CONTRACTOR EMPLOYEE'S SECURITY CLEARANCE (LaRC 52.204-90)
 (OCT 1992) 15

 H.5 SECURITY PROGRAM/FOREIGN NATIONAL EMPLOYEE INVESTIGATIVE REQUIREMENTS
 (LaRC 52.204-91) (NOV 1991) 15

 H.6 OBSERVATION OF REGULATIONS AND IDENTIFICATION OF CONTRACTOR'S
 EMPLOYEES (LaRC 52.212-104) (MAR 1992) 16

 H.7 INCORPORATION OF SECTION K OF THE PROPOSAL BY REFERENCE
 (LaRC 52.215-107) (MAR 1989) 16

TABLE OF CONTENTS

PAGE

H.8 VIRGINIA AND LOCAL SALES TAXES (LaRC 52.229-92) (APR 1992) 16

H.9 AUTOMATED INFORMATION SECURITY (AIS) PROGRAM/EMPLOYEE NATIONAL
 AGENCY CHECK (NAC) AND USER AGREEMENT EXECUTION (LaRC 52.239-90)
 (MAY 1991) 16

H.10 SUBCONTRACTING PLAN 17

H.11 FLIGHT PHYSICALS 17

H.12 AGREEMENT ON INDIRECT RATES 17

PART II - CONTRACT CLAUSES 18

SECTION I - CONTRACT CLAUSES 18

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS 40

SECTION J - LIST OF EXHIBITS 40

<u>PR</u>	<u>JO</u>	<u>Program No.</u>	<u>Amount</u>	<u>Status</u>
GMG.1229	M1791	99216040500	\$500,000	Complete
CCB.1722	R19867	23702180100	\$ 70,000	Complete
GN.1046	R19887	50564131100	\$ 5,450	Complete
DFG.1120	R19816	50559530800	\$ 33,000	Complete
GME.5151	R17592	50564500500	\$ 14,822	Complete
GME.5151	R19597	50564500500	\$ 18,716	Complete

PART I - THE SCHEDULE

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 SCOPE OF WORK

The Contractor shall, except as otherwise specified herein, furnish all personnel, facilities, services, equipment, supplies, and materials necessary for the performance of computational analysis and programming support services as broadly described in Section C, Description/Specifications/Work Statement.

B.2 CONTRACT FUNDING (NASA 18-52.232-81) (JUN 1990)

(a) For purposes of payment of cost, exclusive of fee, in accordance with the Limitation of Funds clause, the total amount allotted by the Government to this contract is \$609,988. This allotment is for Computational Analysis and Programming Support Services and covers the following estimated period of performance: January 1, 1995 through March 10, 1995.

(b) An additional amount of \$32,000 is obligated under this contract for payment of fee.

B.3 ESTIMATED COST AND FIXED FEE (NASA 18-52.216-74)
(DEC 1991)

The estimated cost of this contract is \$3,102,000 exclusive of the fixed fee of \$155,000. The total estimated cost and fixed fee is \$3,257,000.

B.4 ADMINISTRATION OF CONTRACT FUNDING (LaRC 52.232-113) (JUL 1993)

A. The Contractor agrees that all future incremental funding shall be accomplished by Administrative Change Modification and that the funding procedure shall in no way change the Contractor's notification obligations as set forth in the "Limitation of Funds" clause.

B. In addition to the requirements of the "Limitation of Funds" clause, the Contractor shall notify the Contracting Officer in writing if, at any time, the Contractor has reason to believe that the total cost to the Government for the complete performance of this contract will be greater or substantially less than the then total estimated cost of the contract. Such notification shall give a revised estimate of the total cost for the performance of this contract.

B.5 LEVEL-OF-EFFORT

A. In the performance of work under this contract, the Level-of-Effort (LOE) that the Contractor is obligated to provide is up to 96,370 direct labor hours as defined in paragraph B. below.

B. "Direct labor hours" are those productive hours expended by Contractor personnel in performing work under this contract that are charged as direct labor under the Contractor's established accounting policy and procedures. The term does not include sick leave, vacation, holiday leave, military leave, or any type of administrative leave but does include overtime hours and direct labor hours provided under level-of-effort subcontracts.

C. Once the direct labor hours are reached or the contract term has ended, the Contractor's obligations under the contract are fulfilled, even though the specified work may not have been completed. The Contractor is not authorized to exceed the direct labor hours specified in Paragraph A above. Any estimated cost and fee(s) adjustments for additional direct labor hours shall be based solely upon those hours being added to the direct labor hours specified in this clause.

D. The fee, if any, is based upon the furnishing of the direct labor hours, including level-of-effort subcontract hours, specified in Paragraph A above. If the Contractor provides less than 90% of the specified hours prior to expiration of the contract term, and the Government has not invoked its rights under the Termination clause of this contract to adjust the contract for such reduced effort, the Contracting Officer may unilaterally make an equitable downward adjustment to the contract fee. The downward adjustment in fee will be based upon the difference between the direct labor hours specified in Paragraph A and the amount of direct labor hours provided by the Contractor. Prior to making such an adjustment, the Contracting Officer will request the Contractor provide a written discussion of any extenuating circumstances (e.g., productivity improvements or reductions in contract scope) which contributed to the underrun. Any information provided by the Contractor will be considered by the Contracting Officer in determining the amount of the downward adjustment in fee.

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.1 STATEMENT OF WORK - COMPUTATIONAL ANALYSIS AND PROGRAMMING SUPPORT SERVICES

A. SCOPE

The Contractor shall, except as otherwise specified herein, furnish all personnel, facilities, equipment, materials, and transportation, necessary to perform tasks to support basic and applied aerospace research at the Langley Research Center (LaRC).

The work to be performed is in the scientific computing and flight software development areas. The Contractor shall provide direct computational analysis and programming support to specific research or flight projects and to provide general purpose computer applications support to the LaRC Central Scientific Computing Complex (CSCC).

B. WORK AREA REQUIREMENTS

1. Direct Support to Research and Flight Projects

The Contractor shall provide direct computational analysis and programming services in support of aerospace research projects at LaRC. This activity includes the mathematical modeling of physical systems; the determination of computational techniques and algorithms for the solution of the resulting mathematical problems on appropriate computer systems; and the development or adaptation of computer codes to implement the solution process. It also includes the establishment of data management systems, graphical interfaces, and software for combining computer programs to provide for integrated analyses of

multidisciplinary research projects. User-oriented documentation shall be provided for application software systems.

The Contractor shall support the development of mission software for space and avionics flight projects such as the Terminal Area Productivity (TAP) Program, the Clouds and the Earth's Radiant Energy System (CERES) Project, and the Lidar In-space Technology Experiment (LITE) Project. Embedded flight software systems shall be developed to provide real-time instrument control and data acquisition. Ground computer software systems shall be developed to support instrument development, test, calibration, commanding, and simulation. Programming languages required include, but are not limited to Ada, FORTRAN, C, C++, and Assembly. Project documentation shall be provided for software systems.

2. General Purpose Support

The Contractor shall provide general support in computer-related activities focused around the following capabilities of the CSCC:

a. High-Performance Computing

High performance computing support includes the effective and efficient use of networks of heterogeneous or homogeneous resources which may be comprised of vector supercomputers, highly parallel computers and workstation clusters. Requirements include but are not limited to:

- Facilitate the development, debugging, performance analysis, and optimization of user applications.
- Benchmark, test, and evaluate new architectures and software.

b. Surface Modeling and Grid Generation

Surface modeling and grid generation support includes the production of accurate surface definitions and numerical grids for Computational Fluid Dynamics (CFD), Computational Structural Mechanics (CSM), and other engineering analyses. This work is centered in the Geometry Laboratory (GEOLAB). Requirements include but are not limited to:

- Create and modify numerical surface models to be compatible with software tools using multi-block structured or unstructured grid generation techniques.
- Generate numerical grids compatible with analysis software and geometry.
- Analyze grid quality and validate surface modeling and grid generation integrity.
- Incorporate surface model measurements acquired using digital scanners into surface models.

geometry tools.

- Develop software and user interfaces to integrate use of

c. Data Visualization

Data visualization support involves core efforts in graphics, image processing, animation, and multimedia, primarily in support of the Data Visualization and Animation Laboratory (DVAL). These efforts are normally combined to define an integrated solution to a visualization problem. Requirements include but are not limited to:

simulations.

- Generate computer animations and photo-realistic
- Enhance and analyze static and dynamic digital images.
- Digitize negatives, positives, and videos.
- Create multimedia presentations. -
- Develop software applications, user interfaces, and device

drivers.

d. Data Management

Data management support includes data modeling, data tracking, data presentation and program integration. Requirements include but are not limited to:

applications.

- Develop general purpose methodologies and software tools.
- Develop graphical user interface (GUI) for data management
- Provide administration of database management systems.

e. Software Engineering

Software engineering support includes the definition, implementation, and continuous improvement of complete software development lifecycles for LaRC research programs. The primary focus of this area is mission software development for LaRC space and avionics flight programs supported by the Software Engineering and Ada Lab (SEAL). Requirements include, but are not limited to:

tools.

- Develop and continually update process guidebooks.
- Evaluate and implement new technologies and methods.
- Select and use Computer Aided Software Engineering (CASE)

- Collect and analyze process and product metrics to improve reliability, productivity, and system performance.

- Operate and administer the SEAL software development environment.

- Implement and operate real-time embedded system tools, such as emulators and logic analyzers.

f. Mathematical Software

Mathematical software support includes vendor provided and locally written libraries that exploit the architectural features of the CSCC high performance computers. Requirements include but are not limited to:

- Develop, and implement state-of-the-art numerical algorithms.

- Install and test mathematical libraries.

g. Training

Training support includes the instruction of users and potential users of computers at LaRC in basic skills such as the use of the UNIX operating system and the X Window System graphical environment. Requirements include but are not limited to:

- Develop training courses and associated documentation such as outlines, tutorial handouts, workbooks, viewgraphs, and video tapes.

- Assist in preparation and updating of teaching materials and methods.

- Conduct and administer these courses on a prescribed schedule.

C. GENERAL REQUIREMENTS

In the planning and execution of work discussed in Section C, C.1, Paragraph B, the Contractor shall undertake any or all of the following functions:

1. Requirements Analysis and Planning

Analyze requirements to determine the feasibility of providing the desired software, target computer system, computer programs, results, documentation or other deliverables, and develop a plan for accomplishing the work. The plan shall include the scope of the work; a technical discussion of the requirements and the proposed methods for satisfying them; designation of computer development and target systems; deliverable items; risk analysis; and estimates of manpower and schedule. The plan shall be submitted to LaRC for approval prior to implementation.

2. Software Design and Development

Design, develop, and test software to meet specified technical and quality requirements.

3. Configuration Management

Perform configuration management and change control on installed software and documentation.

4. Software Modification, Maintenance, and Conversion

Modify, maintain and/or convert existing software in order to extend its function; improve its utility, accuracy, or reliability; decrease required resources; or make it compatible with upgraded operating systems or other computer systems. Maintain associated documentation.

5. Operations

Assemble and format input data and execute computer programs for system operations, testing, and obtaining research results.

6. Documentation

Develop documentation such as user manuals, reference manuals, design documents, and test plans using either online or hard copy format. The documentation shall be written to conform to the NASA Documentation Standard (NASA-STD-2100-91).

7. Problem Analysis

Perform independent analysis of mathematical, logical, system approaches and perform comparison studies of competing techniques to solve problems.

8. Consultation and Training

Provide individual and open-shop consultation. Provide and coordinate demonstrations of technical capabilities. Conduct seminars and participate in expositions.

9. Systems Administration

Provide systems administration services for workstations and distributed computer systems.

10. Process Improvement

Collect and analyze process and product metrics. Identify, evaluate, and implement promising new technologies to improve productivity and quality.

SECTION D - PACKAGING AND MARKING

D.1 REPORTS AND DOCUMENTATION PACKAGING AND MARKING

All reports and other documentation required to be delivered under this contract shall be packaged/packed for mailing/shipment in such a manner as to insure safe arrival at destination. Marking of reports and other documentation shall be as set forth in Exhibit A, Contract Documentation Requirements.

SECTION E - INSPECTION AND ACCEPTANCE

E.1 INSPECTION OF SUPPLIES - COST-REIMBURSEMENT (FAR 52.246-3)
(APR 1984)

(a) Definitions. "Contractor's managerial personnel," as used in this clause, means any of the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of--

- (1) All or substantially all of the Contractor's business;
- (2) All or substantially all of the Contractor's operation at a plant or separate location at which the contract is being performed; or
- (3) A separate and complete major industrial operation connected with performing this contract.

"Supplies," as used in this clause, includes but is not limited to raw materials, components, intermediate assemblies, end products, lots of supplies, and, when the contract does not include the Warranty of Data clause, data.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the supplies, fabricating methods, and special tooling under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test the contract supplies, to the extent practicable at all places and times, including the period of manufacture, and in any event before acceptance. The Government may also inspect the plant or plants of the Contractor or any subcontractor engaged in the contract performance. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If the Government performs inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

(e) Unless otherwise specified in the contract, the Government shall accept supplies as promptly as practicable after delivery, and supplies shall be deemed accepted 60 days after delivery, unless accepted earlier.

(f) At any time during contract performance, but no later than 6 months (or such other time as may be specified in the contract) after acceptance of the supplies to be delivered under the contract, the Government may require the Contractor to replace or correct any supplies that are nonconforming at time of delivery. Supplies are nonconforming when they are defective in material or workmanship or are otherwise not in conformity with contract requirements. Except as otherwise provided in paragraph (h) below, the cost of replacement or correction shall be included in allowable cost, determined as provided in the Allowable Cost and Payment clause, but no additional fee shall be paid. The Contractor shall not tender for acceptance supplies required to be replaced or corrected without

disclosing the former requirement for replacement or correction, and, when required, shall disclose the corrective action taken.

(g) (1) If the Contractor fails to proceed with reasonable promptness to perform required replacement or correction, the Government may--

(i) By contract or otherwise, perform the replacement or correction and charge to the Contractor any increased cost or make an equitable reduction in any fixed fee paid or payable under the contract;

(ii) Require delivery of undelivered supplies at an equitable reduction in any fixed fee paid or payable under the contract; or

(iii) Terminate the contract for default.

(2) Failure to agree on the amount of increased cost to be charged to the Contractor or to the reduction in the fixed fee shall be a dispute.

(h) Notwithstanding paragraphs (f) and (g) above, the Government may at any time require the Contractor to correct or replace, without cost to the Government, nonconforming supplies, if the nonconformances are due to (1) fraud, lack of good faith, or willful misconduct on the part of the Contractor's managerial personnel or (2) the conduct of one or more of the Contractor's employees selected or retained by the Contractor after any of the Contractor's managerial personnel has reasonable grounds to believe that the employee is habitually careless or unqualified.

(i) This clause applies in the same manner to corrected or replacement supplies as to supplies originally delivered.

(j) The Contractor shall have no obligation or liability under this contract to replace supplies that were nonconforming at the time of delivery, except as provided in this clause or as may be otherwise provided in the contract.

(k) Except as otherwise specified in the contract, the Contractor's obligation to correct or replace Government-furnished property shall be governed by the clause pertaining to Government property.

E.2 INSPECTION OF SERVICES - COST-REIMBURSEMENT (FAR 52.246-5) (APR 1984)

(a) Definition. "Services," as used in this clause, includes services performed, workmanship, and material furnished or used in performing services.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test all services called for by the contract, to the extent practicable at all places and times during the term of the contract. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If any of the services performed do not conform with contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, for no additional fee. When the defects in services cannot be corrected by reperformance, the Government may (1) require the Contractor to take necessary action to ensure that future performance conforms to contract requirements and (2) reduce any fee payable under the contract to reflect the reduced value of the services performed.

(e) If the Contractor fails to promptly perform the services again or take the action necessary to ensure future performance in conformity with contract requirements, the Government may (1) by contract or otherwise, perform the

services and reduce any fee payable by an amount that is equitable under the circumstances or (2) terminate the contract for default.

E.3 FINAL INSPECTION AND ACCEPTANCE (LARC 52.246-94) (OCT 1992)

Final inspection and acceptance of all items specified for delivery under this contract shall be accomplished by the Contracting Officer or his duly authorized representative at destination.

SECTION F - DELIVERIES OR PERFORMANCE

F.1 STOP-WORK ORDER (FAR 52.212-13) (AUG 1989) ALTERNATE I (APR 1984)

(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 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Contractor shall immediately 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 90 days after a stop-work order is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, the Contracting Officer shall either -

(1) Cancel the stop-work order; or

(2) Terminate the work covered by the order as provided in the Termination 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. The Contracting Officer shall make an equitable adjustment in the delivery schedule, the estimated cost, the fee, or a combination thereof, and in any other terms of the contract that may be affected, and the contract shall be modified, in writing, accordingly, if -

(1) 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

(2) The Contractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided, that, if the Contracting Officer decides the facts justify the action, the Contracting Officer may receive and act upon the claim submitted at any time before final payment under this contract.

(c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of the Government, the Contracting Officer shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.

(d) If a stop-work order is not canceled and the work covered by the order is terminated for default, the Contracting Officer shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

F.2 PERIOD OF PERFORMANCE (NASA 18-52.212-74) (DEC 1988)

The period of performance of this contract shall be 12 months from the effective date of the contract.

F.3 PLACE(S) OF PERFORMANCE (LARC 52.212-98) (OCT 1992)

The place(s) of performance shall be:

The Contractor's facility; NASA, Langley Research Center, Hampton, Virginia; and other sites as may be designated.

SECTION G - CONTRACT ADMINISTRATION DATA

G.1 SUBMISSION OF VOUCHERS FOR PAYMENT (NASA 18-52.216-87) (DEC 1988)

(a) Public vouchers for monthly payment of cost shall include a reference to this contract NAS1-20431 and be forwarded to:

DCAA Mid-Atlantic Region
Reston Branch
17 Elden Street, Suite 300
Herndon, VA 22070

This is the designated billing office for cost vouchers for purposes of the Prompt Payment clause of this contract.

(b) The Contractor shall prepare vouchers as follows:

(1) One original Standard Form (SF) 1034, SF 1035, or equivalent Contractor's attachment.

(2) Seven copies of SF 1034A, SF 1035A, or equivalent Contractor's attachment.

(3) The Contractor shall mark SF 1034A copies 1, 2, 3, 4, and such other copies as may be directed by the Contracting Officer by insertion in the memorandum block the names and addresses as follows:

- (i) Copy 1 NASA Contracting Officer;
- (ii) Copy 2 Auditor;
- (iii) Copy 3 Contractor; and
- (iv) Copy 4 Contract administration office

(c) Public vouchers for payment of fee shall be prepared similarly and be forwarded to:

Contracting Officer, MS 126
NASA LaRC
Hampton, VA 23681-0001

This is the designated billing office for fee vouchers for purposes of the Prompt Payment clause of this contract.

(d) In the event that amounts are withheld from payment in accordance with provisions of this contract, a separate voucher for the amount withheld will be required before payment for that amount may be made.

G.2 GOVERNMENT-PROVIDED PROPERTY

A. For the performance of work under this contract, the Government will make available Government property identified in Exhibit C of this contract on a no-charge-for-use basis. The Contractor shall use this property in the performance of this contract at its facility and at other location(s) as may be approved by the Contracting Officer. Under the FAR 52.245 Government Property clause of this contract, the Contractor is accountable for the identified property.

B. The property set forth in Exhibit C falls within the definition of 'facilities' set forth in 45.301. Any of these facilities that reach the end of their useful life during the contract period, or which are beyond economical repair, shall be deleted from Exhibit C, and will not be replaced by the Government. If the facilities are still needed for contract performance, they must be replaced by the Contractor. Such replacement shall be made with Contractor-owned facilities. Further, the acquisition of facility items for the Government is expressly prohibited unless specifically authorized by the contract or consent has been obtained in writing from the Contracting Officer pursuant to FAR 45.302-1(a).

G.3 LIST OF INSTALLATION-PROVIDED PROPERTY AND SERVICES (NASA 18-52.245-77) (MAR 1989)

In accordance with the Installation Provided Government Property clause of this contract, the Contractor is authorized use of the types of property and services listed below, to the extent they are available, while on-site at the NASA installation.

- (a) Work area space in the Data Visualization and Animation Laboratory (DVAL), the Numerical Geometry Laboratory (GEOLAB) and the Software Engineering and Ada Laboratory (SEAL).
- (b) The Contractor shall use Government telephones for official purposes only.
- (c) Medical treatment of a first-aid nature for Contractor personnel injuries or illnesses sustained during on-site duty. Physical examinations for personnel who serve in a support role on a NASA research aircraft.
- (d) Cafeteria privileges for Contractor employees during normal operating hours.
- (e) The responsibilities of the Contractor as contemplated by paragraph (a) of the Installation-Provided Government Property clause are defined in the following property management directives and installation supplements to these Directives:
 - (1) NHB 4200.1, NASA Equipment Management Manual.
 - (2) NHB 4200.2, NASA Equipment Management System (NEMS) User's Guide for Property Custodians.
 - (3) NHB 4300.1, NASA Personal Property Disposal Manual.
 - (4) NHB 4100.1, NASA Materials Inventory Management Manual.

G.4 PAYMENT OF FIXED FEE (NASA 18-52.216-75) (DEC 1988)

The fixed fee shall be paid in monthly installments based upon the percentage of completion of work as determined by the Contracting Officer.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 KEY PERSONNEL AND FACILITIES (NASA 18-52.235-71) (MAR 1989)

(a) The personnel and/or facilities listed below (or specified in the Contract Schedule) are considered essential to the work being performed under this contract. Before removing, replacing, or diverting any of the listed or specified personnel or facilities, the Contractor shall (1) notify the Contracting Officer reasonably in advance and (2) submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on this contract.

(b) The Contractor shall make no diversion without the Contracting Officer's written consent; provided, that the Contracting Officer may ratify in writing the proposed change, and that ratification shall constitute the Contracting Officer's consent required by this clause.

(c) The list of personnel and/or facilities (shown below or as specified in the Contract Schedule) may, with the consent of the contracting parties, be amended from time to time during the course of the contract to add or delete personnel and/or facilities.

H.2 PROCUREMENT AUTHORITY (201-39.5202-3) (OCT 90 FIRMR)

This acquisition is being conducted under a specific acquisition delegation of GSA's exclusive procurement authority for FIP resources. The specific GSA DPA case number is KMA-92-0354.

H.3 OPTIONS

A. Priced Options/Extended Term

The Contractor hereby grants to the Government options to extend the term of the contract for four additional periods of 12 months each. Such options are to be exercisable by issuance of a unilateral modification. Upon exercise of such option(s) by the Government, the following items will be increased by the amount specified below for each option period.

<u>Item</u>	<u>First Option Period</u>	<u>Second Option Period</u>	<u>Third Option Period</u>	<u>Fourth Option Period</u>
Period of Performance (Ref. F.2)	12 months	12 months	12 months	12 months

Level of Effort (Ref. B.5)	hours	hours	hours	hours
Estimated Cost (Ref. B.3)	\$3,165,000	\$3,234,000	\$3,296,000	\$3,361,000
Fixed Fee (Ref. B.3)	\$ 158,000	\$ 162,000	\$ 165,000	\$ 168,000
Total Planned Subcontracting	\$ 476,247	\$ 486,537	\$ 497,105	\$ 507,931
Small Business Goal	\$ 362,227	\$ 369,148	\$ 376,254	\$ 383,393
Small Disadvantaged Business Goal	\$ 261,339	\$ 265,182	\$ 269,169	\$ 273,095

B. PRICED OPTION - ADDITIONAL LEVEL OF EFFORT

1. The Contractor hereby grants to the Government options to increase the contract level of effort, by the hours specified below for each period. The Government's options may be exercised once or multiple times in minimum increments of 1,875 hours. Such options are to be exercisable by issuance of a unilateral modification.

	<u>Level of Effort (Ref. B.)</u>
Initial Contract Period	18,750 hours
First Option Period	22,500 hours
Second Option Period	28,125 hours
Third Option Period	33,750 hours
Fourth Option Period	37,500 hours

2. When any increment of the above option is exercised, the contract cost and fee set forth in B.3, will be increased using the appropriate rates set forth below for the period in which the option is exercised:

	<u>Rate Per Hour</u>	
	<u>Cost</u>	<u>Fee</u>
Initial Contract Period	\$28.07	\$1.40
First Option Period	\$28.39	\$1.42
Second Option Period	\$28.74	\$1.44
Third Option Period	\$29.17	\$1.46
Fourth Option Period	\$29.70	\$1.48

H.4 CONTRACTOR EMPLOYEE'S SECURITY CLEARANCE (LaRC 52.204-90) (OCT 1992)

By virtue of their particular work assignment, certain Contractor employees, may be required to have a security clearance granted in accordance with DOD 5220.22M, "Department of Defense Industrial Security Manual for the Safeguarding of Classified Information (ISM)". Clearances will be issued by the Department of Defense (DOD). Within 10 working days after an employee is identified by the Government and/or the Contractor as requiring a SECRET or higher clearance, the Contractor shall submit to the Contracting Officer evidence of the submittal of a request for clearance to DOD for such employee. If the clearance for an employee has not been issued by DOD within 120 calendar days of the submittal of the request for clearance to DOD, the Contractor may be required to remove the employee from the contract.

H.5 SECURITY PROGRAM/FOREIGN NATIONAL EMPLOYEE INVESTIGATIVE REQUIREMENTS (LaRC 52.204-91) (NOV 1991)

Prior to reporting to Langley Research Center (LaRC) to perform under a contract or grant, each Foreign National shall have approval for access to LaRC facilities from NASA Headquarters, International Relations Division (Code XID). A copy of the access authorization request shall be provided to the LaRC Chief of Security. Additionally, an investigation by the Government shall be completed on each Foreign National contractor prior to reporting to LaRC to perform under a contract or grant. A properly executed "Name Check Request" (NASA Form 531) and a completed "applicant" fingerprint card shall be submitted to the LaRC Security Office, Mail Stop 182, for each Foreign National contractor at least 75 days prior to the estimated entry on duty date. The NF 531 and fingerprint card may be obtained from the LaRC Security Office. If the access approval is obtained from NASA Headquarters prior to completion of the investigation, and the Contracting Officer requires a Foreign National to work on LaRC, an escort request may be considered by the LaRC Chief of Security.

H.6 OBSERVATION OF REGULATIONS AND IDENTIFICATION OF CONTRACTOR'S EMPLOYEES (LaRC 52.212-104) (MAR 1992)

A. Observation of Regulations--In performance of that part of the contract work which may be performed at Langley Research Center or other Government installation, the Contractor shall require its employees to observe the rules and regulations as prescribed by the authorities at Langley Research Center or other installation.

B. Identification Badges--At all times while on LaRC property, the Contractor shall require its employees, subcontractors and agents to wear badges which will be issued by the NASA Contract Badge and Pass Office, located at 1 Langley Boulevard (Building No. 1228). Badges shall be issued only between the hours of 6:30 a.m. and 4:30 p.m., Monday through Friday. Contractors will be held accountable for these badges, and may be required to validate outstanding badges on an annual basis with the NASA LaRC Security Office. Immediately after employee termination or contract completion, badges shall be returned to the NASA Contract Badge and Pass Office.

H.7 INCORPORATION OF SECTION K OF THE PROPOSAL BY REFERENCE (LaRC 52.215-107) (MAR 1989)

Pursuant to FAR 15.406-1(b), the completed Section K of the proposal dated June 15, 1994 is hereby incorporated herein by reference.

H.8 VIRGINIA AND LOCAL SALES TAXES (LaRC 52.229-92) (APR 1992)

To perform this contract, the Contractor must be knowledgeable of relevant state and local taxes when making purchases of tangible personal property. The Contractor shall refrain from paying nonapplicable taxes or taxes where an exemption exists, but shall pay applicable taxes that are reimbursable pursuant to FAR 31.205-41, Taxes. Even though title to property purchased under this contract may pass to the Government and the price is reimbursable under contract cost principles, such transactions do not in themselves provide tax immunity to the Contractor. Therefore, within 30 days after the effective date of this contract, the Contractor shall request from the Virginia State Tax Commission a ruling on any tax exemptions that may be applicable to purchases made under this contract. The Contractor shall provide all facts relevant to the situation and shall pursue an interpretation of the law that is most favorable to both the Contractor and the Government.

H.9 AUTOMATED INFORMATION SECURITY (AIS) PROGRAM/EMPLOYEE NATIONAL AGENCY CHECK (NAC) AND USER AGREEMENT EXECUTION (LaRC 52.239-90) (MAY 1991)

A. Work to be performed under this contract requires access to ADP equipment and processing areas. Therefore, the Contractor shall comply with the requirements of NASA's Automated Information Security Program. This program is separate and distinct from security programs for safeguarding classified information. Prior to performing any work in restricted-access computer rooms or accessing NASA ADPE (either remotely or on-site at LaRC), all Contractor employees must have a favorable NAC completed. The Contractor shall submit a properly executed NASA Form 531 (NF 531), Name Check Request, to the LaRC Security Officer,

Mail Stop 182, for each Contractor employee who will work in restricted access computer rooms and/or access NASA ADPE. In addition, each such employee is required to be fingerprinted at the LaRC Badge and Pass Office, Building 1228, or by any authorized agency or department utilizing Fingerprint Card FD-258. Approximately 75 days are required to complete the NAC after receipt of the NF 531 and FD-258. The NAC is not required if an employee has a Secret or higher clearance. When it is necessary for an employee to perform any work in restricted access computer rooms prior to completion of the NAC, the employee may be escorted while at the site by an individual who has a favorable NAC or a higher level of investigation favorably adjudicated, or a Secret or higher clearance, or as otherwise approved by the Security Officer. Employees may access NASA ADP equipment prior to completion of the NAC only as approved by the LaRC Security Officer on a case-by-case basis.

B. The Contractor shall insure that all Contractor personnel execute a user agreement, Form No. ACD N-865, Responsibilities of Users of the NASA/LaRC Central Scientific Computer Complex, and any other forms that may be required by the Government prior to having access to NASA ADP resources. Unauthorized access to and/or use of LaRC computing systems is a violation of law and punishable under the provisions of 18 USC 1029, 18 USC 1030, and other applicable statutes. For compliance with Center Computer security policy, the Contractor shall promptly notify the Contracting Officer's Technical Representative (COTR) when an authorized user employee no longer requires computer access.

H.10 SUBCONTRACTING PLAN

The approved Contractor plan for subcontracting with small business and small disadvantaged business concerns is attached hereto as Exhibit E and is hereby made a part of this contract.

H.11 FLIGHT PHYSICALS

In accordance with Langley Management Instructions 1800.1, all Contractor personnel who serve in a support role on a NASA research aircraft flight, regardless of the duration of the flight or nature of the support role, are required to obtain physical examinations equivalent to FAA Class III requirements. Pursuant to the Code of Federal Regulations (14 CFR, Ch 1., Section 61.23), the physical examinations are required biennially. The Contractor shall provide to the Contracting Officer confirmation of examinations which certify applicable personnel for flight work.

H.12 AGREEMENT ON INDIRECT RATES

A. Notwithstanding the provisions of the Section I clause entitled "Allowable Cost and Payment," the Contractor will be reimbursed at the indirect ceiling rates specified below or the actual rates, whichever are less, for each of the Contractor's fiscal years applicable to this contract. The Contractor agrees to accept the overhead ceiling with the exception of statutory changes. The Contractor's fiscal year is Any costs that are not reimbursed due to the ceilings shall be deemed unallowable costs. These unallowable costs shall not be recovered under this or any other Government contract.

Indirect
Cost PoolContractor
F.Y.Ceiling
PercentageAllocation Base

B. The above rate ceilings are predicated upon the bases listed above and the accounting practices and accounting system in effect on December 21, 1994. If the Contractor changes its accounting practices or accounting system in any way, the Contractor will immediately notify the Government. Within 30 days of such change the Contractor shall present to the Contracting Officer information that demonstrates that the change will not impact the allowable cost computed using the above rates or shall submit a proposal for adjustment of the ceilings so that the total costs allowable will not exceed the total costs that would have been allowable had the Contractor not changed its accounting practices or accounting system. In the event that the parties cannot agree on new ceilings using the Contractor's new accounting practices or system and the Contractor does not agree to return to the previous accounting practices and system, the Contracting Officer may equitably adjust the ceilings.

PART II - CONTRACT CLAUSES

SECTION I - CONTRACT CLAUSES

I.1 LISTING OF CLAUSES INCORPORATED BY REFERENCE:

NOTICE: The following solicitation provisions and/or contract clauses pertinent to this section are hereby incorporated by reference.

FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

<u>CLAUSE NUMBER</u>	<u>TITLE AND DATE</u>
52.202-1	Definitions (SEP 1991)
52.203-1	Officials Not to Benefit (APR 1984)
52.203-3	Gratuities (APR 1984)
52.203-5	Covenant Against Contingent Fees (APR 1984)
52.203-6	Restrictions on Subcontractor Sales to the Government (JUL 1985)
52.203-7	Anti-Kickback Procedures (OCT 1988)
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity (SEP 1990)
52.204-2	Security Requirements (APR 1984)

52.209-6 Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (NOV 1992)

52.210-5 New Material (APR 1984)

52.212-8 Defense Priority and Allocation Requirements (SEP 1990)

52.215-1 Examination of Records by Comptroller General (FEB 1993)

52.215-2 Audit - Negotiation (FEB 1993)

52.215-22 Price Reduction for Defective Cost or Pricing Data (JAN 1991)

52.215-24 Subcontractor Cost or Pricing Data (DEC 1991)

52.215-27 Termination of Defined Benefit Pension Plans (SEP 1989)

52.215-31 Waiver of Facilities Capital Cost of Money (SEP 1987)

52.215-33 Order of Precedence (JAN 1986)

52.215-39 Reversion or Adjustment of Plans for Postretirement Benefits Other Than Pensions (JUL 1991)

52.216-7 Allowable Cost and Payment (JUL 1991)

52.216-8 Fixed Fee (APR 1984)

52.219-8 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns (FEB 1990)

52.219-9 Small Business and Small Disadvantaged Business Subcontracting Plan (JAN 1991)

52.219-13 Utilization of Women-Owned Small Businesses (AUG 1986)

52.219-16 Liquidated Damages - Small Business Subcontracting Plan (AUG 1989)

52.220-3 Utilization of Labor Surplus Area Concerns (APR 1984)

52.220-4 Labor Surplus Area Subcontracting Program (APR 1984)

52.222-1 Notice to the Government of Labor Disputes (APR 1984)

52.222-3 Convict Labor (APR 1984)

52.222-26 Equal Opportunity (APR 1984)

52.222-28 Equal Opportunity Preaward Clearance of Subcontracts (APR 1984)

52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (APR 1984)

52.222-36 Affirmative Action for Handicapped Workers (APR 1984)

52.223-2 Clean Air and Water (APR 1984)

52.225-3 Buy American Act - Supplies (JAN 1989)

52.225-11 Restrictions on Certain Foreign Purchases (MAY 1992)

52.227-1 Authorization and Consent (APR 1984)

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (APR 1984)

52.227-14 Rights in Data - General (JUN 1987) -- as modified by NASA FAR Supplement 18-52.227-14

52.228-7 Insurance - Liability to Third Persons (APR 1984)

52.230-2 Cost Accounting Standards (AUG 1992)

52.230-5 Administration of Cost Accounting Standards (AUG 1992)

52.232-9 Limitation on Withholding of Payments (APR 1984)

52.232-17 Interest (JAN 1991)

52.232-22 Limitation of Funds (APR 1984)

52.232-23 Assignment of Claims (JAN 1986)

52.232-28 Electronic Funds Transfer Payment Methods (APR 1989)--as modified by NASA FAR Supplement 18-32.908

52.233-1 Disputes (MAR 1994) Alternate I (DEC 1991)

52.233-3 Protest After Award (AUG 1989) Alternate I (JUN 1985)

52.237-2 Protection of Government Buildings, Equipment and Vegetation
(APR 1984)

52.237-3 Continuity of Services (JAN 1991)

52.242-1 Notice of Intent to Disallow Costs (APR 1984)

52.243-2 Changes - Cost-Reimbursement (AUG 1987) Alternate II
(APR 1984)

52.244-2 Subcontracts (Cost-Reimbursement and Letter Contracts)
(JUL 1985) Alternate I (APR 1985)

52.244-5 Competition in Subcontracting (APR 1984)

52.245-5 Government Property (Cost-Reimbursement, Time-and-Material,
or Labor-Hour Contracts) (JAN 1986)

52.246-25 Limitation of Liability - Services (APR 1984)

52.249-6 Termination (Cost-Reimbursement) (MAY 1986)

52.249-14 Excusable Delays (APR 1984)

52.251-1 Government Supply Sources (APR 1984)

52.253-1 Computer Generated Forms (JAN 1991)

NASA FAR SUPPLEMENT (48 CFR CHAPTER 18) CLAUSES

<u>CLAUSE NUMBER</u>	<u>TITLE AND DATE</u>
18-52.204-70	Report on NASA Subcontracts (NOV 1992)
18-52.204-71	NASA Contractor Financial Management Reporting (DEC 1988)
18-52.216-89	Allowable Cost and Payment (APR 1994)
18-52.219-74	Use of Rural Area Small Businesses (SEP 1990)
18-52.219-75	Small Business and Small Disadvantaged Business Subcontracting Reporting (SEP 1992)
18-52.237-70	Emergency Evacuation Procedures (DEC 1988)
18-52.242-72	Observance of Legal Holidays (AUG 1992)
18-52.245-71	Installation-Provided Government Property (MAR 1989)

I.2 CLAUSES IN FULL TEXT

The clauses listed below follow in full text:

52.252-2 Clauses Incorporated by Reference (JUN 1988)

52.203-9 Requirement for Certificate of Procurement Integrity -
Modification (NOV 1990)

52.203-12 Limitation on Payments to Influence Certain Federal
Transactions (JAN 1990)

52.215-26 Integrity of Unit Prices (APR 1991)

52.222-2 Payment for Overtime Premiums (JUL 1990)

52.222-37 Employment Reports on Special Disabled Veterans and
Veterans of the Vietnam Era (JAN 1988)

52.223-6 Drug-Free Workplace (JUL 1990)

52.232-25 Prompt Payment (MAR 1994)

52.242-13 Bankruptcy (APR 1991)

52.252-6 Authorized Deviations in Clauses (APR 1984)

18-52.204-75 Security Classification Requirements (SEP 1989)

18-52.204-78 Security Plan for Unclassified Federal Computer Systems
(SEP 1993)

18-52.208-81 Restrictions on Printing and Duplicating (AUG 1993)

18-52.219-76 NASA Small Disadvantaged Business Goal (JUL 1991)
 18-52.223-70 Safety and Health (DEC 1988)
 18-52.228-75 Minimum Insurance Coverage (OCT 1988)
 18-52.242-70 Technical Direction (SEP 1993)
 18-52.245-70 Acquisition of Centrally Reportable Equipment (MAR 1989)
 18-52.245-73 Financial Reporting of Government-Owned/Contractor-Held
 Property (JUL 1994)

I.3 CLAUSES INCORPORATED BY REFERENCE (FAR 52.252-2) (JUN 1988)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available.

I.4 REQUIREMENT FOR CERTIFICATE OF PROCUREMENT INTEGRITY--MODIFICATION
 (FAR 52.203-9) (NOV 1990)

- (a) Definitions. The definitions set forth in FAR 3.104-4 are hereby incorporated in this clause.
 (b) The Contractor agrees that it will execute the certification set forth in paragraph (c) of this clause when requested by the contracting officer in connection with the execution of any modification of this contract.
 (c) Certification. As required in paragraph (b) of this clause, the officer or employee responsible for the modification proposal shall execute the following certification:

CERTIFICATE OF PROCUREMENT INTEGRITY--MODIFICATION (NOV 1990)

(1) I, _____,
 [Name of certifier]

am the officer or employee responsible for the preparation of this modification proposal and hereby certify that, to the best of my knowledge and belief, with the exception of any information described in this certification, I have no information concerning a violation or possible violation of subsections 27(a), (b), (d), or (f) of the Office of Federal Procurement Policy Act, as amended* (41 U.S.C. 423), (hereinafter referred to as "the Act"), as implemented in the FAR, occurring during the conduct of this procurement

(contract and modification number).

(2) As required by subsection 27(e)(1)(B) of the Act, I further certify that, to the best of my knowledge and belief, each officer, employee, agent, representative, and consultant of _____

[Name of Offeror]

who has participated personally and substantially in the preparation or submission of this proposal has certified that he or she is familiar with, and will comply with, the requirements of subsection 27(a) of the Act, as implemented in the FAR, and will report immediately to me any information concerning a violation or possible violation of subsections 27(a), (b), (d), or (f) of the Act, as implemented in the FAR, pertaining to this procurement.

(3) Violations or possible violations: (Continue on plain bond paper if necessary and label Certificate of Procurement Integrity--Modification (Continuation Sheet), ENTER NONE IF NONE EXIST) _____

[Signature of the officer or employee responsible for the modification proposal and date]

[Typed name of the officer or employee responsible for the modification proposal]

*Subsections 27(a), (b), and (d) are effective on December 1, 1990.
 Subsection 27(f) is effective on June 1, 1991.

THIS CERTIFICATION CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER TITLE 18, UNITED STATES CODE, SECTION 1001.

(End of certification)

(d) In making the certification in paragraph (2) of the certificate, the officer or employee of the competing Contractor responsible for the offer or bid, may rely upon a one-time certification from each individual required to submit a certification to the competing Contractor, supplemented by periodic training. These certifications shall be obtained at the earliest possible date after an individual required to certify begins employment or association with the Contractor. If a Contractor decides to rely on a certification executed prior to suspension of Section 27 (i.e., prior to December 1, 1989), the Contractor shall ensure that an individual who has so certified is notified that Section 27 has been reinstated. These certifications shall be maintained by the Contractor for a period of 6 years from the date a certifying employee's employment with the company ends or, for an agency, representative, or consultant, 6 years from the date such individual ceases to act on behalf of the Contractor.

(e) The certification required by paragraph (c) of this clause is a material representation of fact upon which reliance will be placed in executing this modification.

I.5 LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS (FAR 52.203-12) (JAN 1990)

(a) Definitions.

"Agency," as used in this clause, means executive agency as defined in 2.101.
 "Covered Federal action," as used in this clause, means any of the following Federal actions:

- (1) The awarding of any Federal contract.
- (2) The making of any Federal grant.
- (3) The making of any Federal loan.
- (4) The entering into of any cooperative agreement.

(5) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

"Indian tribe" and "tribal organization," as used in this clause, have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B) and include Alaskan Natives.

"Influencing or attempting to influence," as used in this clause, means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government," as used in this clause, means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency," as used in this clause, includes the following individuals who are employed by an agency:

- (1) An individual who is appointed to a position in the Government under title 5, United States Code, including a position under a temporary appointment.
- (2) A member of the uniformed services, as defined in subsection 101(3), title 37, United States Code.
- (3) A special Government employee, as defined in section 202, title 18, United States Code.
- (4) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, United States Code Appendix 2.

"Person," as used in this clause, means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit, or not for profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Reasonable compensation," as used in this clause, means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or employee for work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

"Reasonable payment," as used in this clause, means, with respect to professional and other technical services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

"Recipient," as used in this clause, includes the Contractor and all subcontractors. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed," as used in this clause, means, with respect to an officer or employee of a person requesting or receiving a Federal contract, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State," as used in this clause, means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibitions.

(1) Section 1352 of title 31, United States Code, among other things, prohibits a recipient of a Federal contract, grant, loan, or cooperative agreement from using appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant; the making of any Federal loan; the entering into of any cooperative agreement; or the modification of any Federal contract, grant, loan, or cooperative agreement.

(2) The Act also requires Contractors to furnish a disclosure if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a Federal contract, grant, loan, or cooperative agreement.

(3) The prohibitions of the Act do not apply under the following conditions:

(i) Agency and legislative liaison by own employees.

(A) The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action if the payment is for agency and legislative liaison activities not directly related to a covered Federal action.

(B) For purposes of subdivision (b)(3)(i)(A) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(C) The following agency and legislative liaison activities are permitted at any time where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency the qualities and characteristics (including individual demonstrations) of the person's products or services, conditions or terms of sale, and service capabilities.

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(D) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action -

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Pub. L. 95-507, and subsequent amendments.

(E) Only those services expressly authorized by subdivision (b)(3)(i)(A) of this clause are permitted under this clause.

(ii) Professional and technical services.

(A) The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply in the case of -

(1) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(2) Any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(B) For purposes of subdivision (b)(3)(ii)(A) of this clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as a licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communications with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.

(C) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation and any other requirements in the actual award documents.

(D) Only those services expressly authorized by subdivisions (b)(3)(ii)(A)(1) and (2) of this clause are permitted under this clause.

(E) The reporting requirements of FAR 3.803(a) shall not apply with respect to payments of reasonable compensation made to regularly employed officers or employees of a person.

(iii) Disclosure.

(A) The Contractor who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, OMB standard form

LLL, Disclosure of Lobbying Activities, if such person has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered Federal action), which would be prohibited under subparagraph (b)(1) of this clause, if paid for with appropriated funds.

(B) The Contractor shall file a disclosure form at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under subparagraph (c)(1) of this clause. An event that materially affects the accuracy of the information reported includes -

(1) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or

(2) A change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or

(3) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.

(C) The Contractor shall require the submittal of a certification, and if required, a disclosure form by any person who requests or receives any subcontract exceeding \$100,000 under the Federal contract.

(D) All subcontractor disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the prime Contractor. The prime Contractor shall submit all disclosures to the Contracting Officer at the end of the calendar quarter in which the disclosure form is submitted by the subcontractor. Each subcontractor certification shall be retained in the subcontract file of the awarding Contractor.

(iv) Agreement. The Contractor agrees not to make any payment prohibited by this clause.

(v) Penalties.

(A) Any person who makes an expenditure prohibited under paragraph (a) of this clause or who fails to file or amend the disclosure form to be filed or amended by paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(B) Contractors may rely without liability on the representation made by their subcontractors in the certification and disclosure form.

(vi) Cost allowability. Nothing in this clause makes allowable or reasonable any costs which would otherwise be unallowable or unreasonable. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions.

I.6 INTEGRITY OF UNIT PRICES (FAR 52.215-26) (APR 1991)

(a) Any proposal submitted for the negotiation of prices for items of supplies shall distribute costs within contracts on a basis that ensures that unit prices are in proportion to the items' base cost (e.g., manufacturing or acquisition costs). Any method of distributing costs to line items that distorts unit prices shall not be used. For example, distributing costs equally among line items is not acceptable except when there is little or no variation in base cost. Nothing in this paragraph requires submission of cost or pricing data not otherwise required by law or regulation.

(b) The requirement in paragraph (a) of this clause does not apply to any contract or subcontract item of supply for which the unit price is, or is based

on, an established catalog or market price for a commercial item sold in substantial quantities to the general public. A price is based on a catalog or market price only if the item being purchased is sufficiently similar to the catalog or market price commercial item to ensure that any difference in price can be identified and justified without resort to cost analysis.

(c) The Offeror/Contractor shall also identify those supplies which it will not manufacture or to which it will not contribute significant value when requested by the Contracting Officer. The information shall not be required for commercial items sold in substantial quantities to the general public when the price is, or is based on, established catalog or market prices.

(d) The Contractor shall insert the substance of this clause, less paragraph (c), in all subcontracts.

I.7 PAYMENT FOR OVERTIME PREMIUMS (FAR 52.222-2) (JUL 1990)

(a) The use of overtime is authorized under this contract if the overtime premium cost does not exceed zero or the overtime premium is paid for work -

(1) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment; or occasional production bottlenecks of a sporadic nature;

(2) By indirect-labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;

(3) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or

(4) That will result in lower overall costs to the Government.

(b) Any request for estimated overtime premiums that exceeds the amount specified above shall include all estimated overtime for contract completion and shall -

(1) Identify the work unit; e.g., department or section in which the requested overtime will be used, together with present workload, staffing, and other data of the affected unit sufficient to permit the Contracting Officer to evaluate the necessity for the overtime;

(2) Demonstrate the effect that denial of the request will have on the contract delivery or performance schedule;

(3) Identify the extent to which approval of overtime would affect the performance or payments in connection with other Government contracts, together with identification of each affected contract; and

(4) Provide reasons why the required work cannot be performed by using multishift operations or by employing additional personnel.

I.8 EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (FAR 52.222-37) (JAN 1988)

(a) The contractor shall report at least annually, as required by the Secretary of Labor, on:

(1) The number of special disabled veterans and the number of veterans of the Vietnam era in the workforce of the contractor by job category and hiring location; and

(2) The total number of new employees hired during the period covered by the report, and of that total, the number of special disabled veterans, and the number of veterans of the Vietnam era.

(b) The above items shall be reported by completing the form entitled "Federal Contractor Veterans' Employment Report VETS-100."

(c) Reports shall be submitted no later than March 31 of each year beginning March 31, 1988.

(d) The employment activity report required by paragraph (a)(2) of this clause shall reflect total hires during the most recent 12-month period as of the ending date selected for the employment profile report required by paragraph (a)(1) of this clause. Contractors may select an ending date: (1) As of the end of any pay period during the period January through March 1st of the year the report is due, or (2) as of December 31, if the contractor has previous written approval from the Equal Employment Opportunity Commission to do so for purposes of submitting the Employer Information Report EEO-1 (Standard Form 100).

(e) The count of veterans reported according to paragraph (a) of this clause shall be based on voluntary disclosure. Each contractor subject to the reporting requirements at 38 U.S.C. 2012(d) shall invite all special disabled veterans and veterans of the Vietnam era who wish to benefit under the affirmative action program at 38 U.S.C. 2012 to identify themselves to the contractor. The invitation shall state that the information is voluntarily provided, that the information will be kept confidential, that disclosure or refusal to provide the information will not subject the applicant or employee to any adverse treatment and that the information will be used only in accordance with the regulations promulgated under 38 U.S.C. 2012.

(f) Subcontracts. The contractor shall include the terms of this clause in every subcontract or purchase order of \$10,000 or more unless exempted by rules, regulations, or orders of the Secretary.

I.9 DRUG-FREE WORKPLACE (FAR 52.223-6) (JUL 1990)

(a) Definitions. As used in this clause,

"Controlled substance" means a controlled substance in Schedules I through V of Section 202 of the Controlled Substances Act (21 U.S.C. 812) and as further defined in regulation at 21 CFR 1308.11 - 1308.15.

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes.

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, possession or use of any controlled substance.

"Drug-free workplace" means the site(s) for the performance of work done by the Contractor in connection with a specific contract at which employees of the Contractor are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance.

"Employee" means an employee of a Contractor directly engaged in the performance of work under a Government contract. "Directly engaged" is defined to include all direct cost employees and any other Contractor employee who has other than a minimal impact or involvement in contract performance.

"Individual" means an offeror/Contractor that has no more than one employee including the offeror/Contractor.

(b) The Contractor, if other than an individual, shall - within 30 calendar days after award (unless a longer period is agreed to in writing for contracts of 30 calendar days or more performance duration); or as soon as possible for contracts of less than 30 calendar days performance duration -

(1) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;

(2) Establish an ongoing drug-free awareness program to inform such employees about -

- (i) The dangers of drug abuse in the workplace;
- (ii) The Contractor's policy of maintaining a drug-free workplace;
- (iii) Any available drug counseling, rehabilitation, and employee assistance programs; and
- (iv) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

(3) Provide all employees engaged in performance of the contract with a copy of the statement required by subparagraph (b)(1) of this clause;

(4) Notify such employees in writing in the statement required by subparagraph (b)(1) of this clause that, as a condition of continued employment on this contract, the employee will -

- (i) Abide by the terms of the statement; and
- (ii) Notify the employer in writing of the employee's conviction under a criminal drug statute for a violation occurring in the workplace no later than 5 days after such conviction.

(5) Notify the Contracting Officer in writing within 10 calendar days after receiving notice under subdivision (b)(4)(ii) of this clause, from an employee or otherwise receiving actual notice of such conviction. The notice shall include the position title of the employee;

(6) Within 30 calendar days after receiving notice under subdivision (b)(4)(ii) of this clause of a conviction, take one of the following actions with respect to any employee who is convicted of a drug abuse violation occurring in the workplace:

- (i) Taking appropriate personnel action against such employee, up to and including termination; or
- (ii) Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency.

(7) Make a good faith effort to maintain a drug-free workplace through implementation of subparagraphs (b)(1) through (b)(6) of this clause.

(c) The Contractor, if an individual, agrees by award of the contract or acceptance of a purchase order, not to engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in the performance of this contract.

(d) In addition to other remedies available to the Government, the Contractor's failure to comply with the requirements of paragraphs (b) or (c) of this clause may, pursuant to FAR 23.506, render the Contractor subject to suspension of contract payments, termination of the contract for default, and suspension or debarment.

I.10 PROMPT PAYMENT (FAR 52.232-25) (MAR 1994)

Notwithstanding any other payment clause in this contract, the Government will make invoice payments and contract financing payments under the terms and conditions specified in this clause. Payment shall be considered as being made on the day a check is dated or an electronic funds transfer is made. Definitions of

pertinent terms are set forth in 32.902. All days referred to in this clause are calendar days, unless otherwise specified.

(a) *Invoice Payments.*

(1) For purposes of this clause, "invoice payment" means a Government disbursement of monies to a Contractor under a contract or other authorization for supplies or services accepted by the Government. This includes payments for partial deliveries that have been accepted by the Government and final cost or fee payments where amounts owed have been settled between the Government and the Contractor.

(2) Except as indicated in subparagraph (a)(3) and paragraph (c) of this clause, the due date for making invoice payments by the designated payment office shall be the later of the following two events:

(i) The 30th day after the designated billing office has received a proper invoice from the Contractor.

(ii) The 30th day after Government acceptance of supplies delivered or services performed by the Contractor. On a final invoice where the payment amount is subject to contract settlement actions, acceptance shall be deemed to have occurred on the effective date of the contract settlement. However, if the designated billing office fails to annotate the invoice with the actual date of receipt, the invoice payment due date shall be deemed to be the 30th day after the date the Contractor's invoice is dated, provided a proper invoice is received and there is no disagreement over quantity, quality, or Contractor compliance with contract requirements.

(3) The due date on contracts for meat, meat food products, or fish; contracts for perishable agricultural commodities, contracts for dairy products, edible fats or oils, and food products prepared from edible fats or oils, and contracts not requiring submission of an invoice shall be as follows:

(i) The due date for meat and meat food products, as defined in Section 2(a)(3) of the Packers and Stockyard Act of 1921 (7 U.S.C. 182(3)) and further defined in Pub. L. 98-181 to include any edible fresh or frozen poultry meat, any perishable poultry meat food product, fresh eggs, and any perishable egg product, will be as close as possible to, but not later than, the 7th day after product delivery.

(ii) The due date for fresh or frozen fish, as defined in Section 204(3) of the Fish and Seafood Promotion Act of 1986 (16 U.S.C. 4003(3)), will be as close as possible to, but not later than, the seventh day after product delivery.

(iii) The due date for perishable agricultural commodities, as defined in section 1(4) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499a(4)), will be as close as possible to, but not later than, the 10th day after product delivery, unless another date is specified in the contract.

(iv) The due date for dairy products, as defined in section 111(e) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502(e)), edible fats or oils, and food products prepared from edible fats or oils, will be as close as possible to, but not later than, the 10th day after the date on which a proper invoice has been received.

(v) If the contract does not require submission of an invoice for payment (e.g., periodic lease payments), the due date will be as specified in the contract.

(4) An invoice is the Contractor's bill or written request for payment under the contract for supplies delivered or services performed. An invoice shall be prepared and submitted to the designated billing office specified in the contract. A proper invoice must include the items listed in subdivisions (a)(4)(i) through

(a)(4)(viii) of this clause. If the invoice does not comply with these requirements, then the Contractor will be notified of the defect within 7 days after receipt of the invoice at the designated billing office (3 days for meat, meat food products, or fish, and 5 days for perishable agricultural commodities, edible fats or oils, and food products prepared from edible fats or oils). Untimely notification will be taken into account in the computation of any interest penalty owed the Contractor in the manner described in subparagraph (a)(6) of this clause.

- (i) Name and address of the Contractor.
- (ii) Invoice date.
- (iii) Contract number or other authorization for supplies delivered or services performed (including order number and contract line item number).
- (iv) Description, quantity, unit of measure, unit price, and extended price of supplies delivered or services performed.
- (v) Shipping and payment terms (e.g., shipment number and date of shipment, prompt payment discount terms). Bill of lading number and weight of shipment will be shown for shipments on Government bills of lading.
- (vi) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).
- (vii) Name (where practicable), title, phone number and mailing address of person to be notified in event of a defective invoice.
- (viii) Any other information or documentation required by other requirements of the contract (such as evidence of shipment).

(5) An interest penalty shall be paid automatically by the Government, without request from the Contractor, if payment is not made by the due date and the conditions listed in subdivisions (a)(5)(i) through (a)(5)(iii) of this clause are met, if applicable.

- (i) A proper invoice was received by the designated billing office.
- (ii) A receiving report or other Government documentation authorizing payment was processed and there was no disagreement over quantity, quality, or Contractor compliance with any contract term or condition.
- (iii) In the case of a final invoice for any balance of funds due the Contractor for supplies delivered or services performed, the amount was not subject to further contract settlement actions between the Government and the Contractor.

(6) The interest penalty shall be at the rate established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of 1978 (41 U.S.C. 611) that is in effect on the day after the due date, except where the interest penalty is prescribed by other governmental authority. This rate is referred to as the "Renegotiation Board Interest Rate," and it is published in the *Federal Register* semiannually on or about January 1 and July 1. The interest penalty shall accrue daily on the invoice payment amount approved by the Government and be compounded in 30-day increments inclusive from the first day after the due date through the payment date. That is, interest accrued at the end of any 30-day period will be added to the approved invoice payment amount and be subject to interest penalties if not paid in the succeeding 30-day period. If the designated billing office failed to notify the Contractor of a defective invoice within the periods prescribed in paragraph (a)(4) of this clause, then the due date on the corrected invoice will be adjusted by subtracting the number of days taken beyond the prescribed notification of defects period. Any interest penalty owed the Contractor will be based on this adjusted due date. Adjustments will be made by

the designated payment office for errors in calculating interest penalties, if requested by the Contractor.

(i) For the sole purpose of computing an interest penalty that might be due the Contractor, Government acceptance shall be deemed to have occurred constructively on the 7th day (unless otherwise specified in this contract) after the Contractor delivered the supplies or performed the services in accordance with the terms and conditions of the contract, unless there is a disagreement over quantity, quality, or contractor compliance with a contract provision. In the event that actual acceptance occurs within the constructive acceptance period, the determination of an interest penalty shall be based on the actual date of acceptance. The constructive acceptance requirement does not, however, compel Government officials to accept supplies or services, perform contract administration functions, or make payment prior to fulfilling their responsibilities.

(ii) The following periods of time will not be included in the determination of an interest penalty:

(A) The period taken to notify the Contractor of defects in invoices submitted to the Government, but this may not exceed 7 days (3 days for meat, meat food products, or fish, and 5 days for perishable agricultural commodities, dairy products, edible fats or oils, and food products prepared from edible fats or oils).

(B) The period between the defects notice and resubmission of the corrected invoice by the Contractor.

(iii) Interest penalties will not continue to accrue after the filing of a claim for such penalties under the clause at 52.233-1, Disputes, or for more than 1 year. Interest penalties of less than \$1.00 need not be paid.

(iv) Interest penalties are not required on payment delays due to disagreement between the Government and Contractor over the payment amount or other issues involving contract compliance or on amounts temporarily withheld or retained in accordance with the terms of the contract. Claims involving disputes, and any interest that may be payable, will be resolved in accordance with the clause at 52.233-1, Disputes.

(7) An interest penalty shall also be paid automatically by the designated payment office, without request from the Contractor, if a discount for prompt payment is taken improperly. The interest penalty will be calculated as described in subparagraph (a)(6) of this clause on the amount of discount taken for the period beginning with the first day after the end of the discount period through the date when the Contractor is paid.

(8) If this contract was awarded on or after October 1, 1989, a penalty amount, calculated in accordance with regulations issued by the Office of Management and Budget, shall be paid in addition to the interest penalty amount if the Contractor -

- (i) Is owed an interest penalty;
- (ii) Is not paid the interest penalty within 10 days after the date the invoice amount is paid; and
- (iii) Makes a written demand, not later than 40 days after the date the invoice amount is paid, that the agency pay such a penalty.

(b) *Contract Financing Payments.*

(1) For purposes of this clause, "contract financing payment" means a Government disbursement of monies to a Contractor under a contract clause or other authorization prior to acceptance of supplies or services by the Government. Contract financing payments include advance payments, progress payments based on cost under the clause at 52.232-16, Progress Payments, progress payments based on

a percentage or stage of completion (32.102(e)(1)) other than those made under the clause at 52.232-5, Payments Under Fixed-Price Construction Contracts, or the clause at 52.232-10, Payments Under Fixed-Price Architect-Engineer Contracts, and interim payments on cost type contracts.

(2) For contracts that provide for contract financing, requests for payment shall be submitted to the designated billing office as specified in this contract or as directed by the Contracting Officer. Contract financing payments shall be made on the 30th day after receipt of a proper contract financing request by the designated billing office. In the event that an audit or other review of a specific financing request is required to ensure compliance with the terms and conditions of the contract, the designated payment office is not compelled to make payment by the due date specified.

(3) For advance payments, loans, or other arrangements that do not involve recurrent submissions of contract financing requests, payment shall be made in accordance with the corresponding contract terms or as directed by the Contracting Officer.

(4) Contract financing payments shall not be assessed an interest penalty for payment delays.

(c) If this contract contains the clause at 52.213-1, Fast Payment Procedure, payments will be made within 15 days after the date of receipt of the invoice.

I.11 BANKRUPTCY (FAR 52.242-13) (APR 1991)

In the event the Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the Contractor agrees to furnish, by certified mail, written notification of the bankruptcy to the Contracting Officer responsible for administering the contract. This notification shall be furnished within five days of the initiation of the proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the bankruptcy petition was filed, and a listing of Government contract numbers and contracting offices for all Government contracts against which final payment has not been made. This obligation remains in effect until final payment under this contract.

I.12 AUTHORIZED DEVIATIONS IN CLAUSES (FAR 52.252-6) (APR 1984)

(a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.

(b) The use in this solicitation or contract of any NASA/FAR Supplement (48 CFR Chapter 18) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

I.13 SECURITY CLASSIFICATION REQUIREMENTS (NASA 18-52.204-75) (SEP 1989)

Performance under this contract will involve access to and/or generation of classified information, work in a security area, or both, up to the level of SECRET. See Federal Acquisition Regulation clause 52.204-2 in this contract and DD Form 254, Contract Security Classification Specification, Exhibit B.

I.14 SECURITY PLAN FOR UNCLASSIFIED FEDERAL COMPUTER SYSTEMS
(NASA 18-52.204-78) (SEP 1993)

In addition to complying with any functional and technical security requirements set forth in the schedule and the clauses of this contract, the Contractor shall comply with the Security Plan For Unclassified Federal Computer Systems submitted pursuant to provision 18-52.204-77, Submission of Security Plan For Unclassified Federal Computer Systems, as approved by the Contracting Officer.

I.15 RESTRICTIONS ON PRINTING AND DUPLICATING (NASA 18-52.208-81)
(AUG 1993)

(a) The Contractor shall reproduce any documentation required by this contract in accordance with the provisions of the Government Printing and Binding Regulations, No. 26, S. Pub 101-9, U.S. Government Printing Office, Washington DC, 20402, published by the Joint Committee on Printing, U.S. Congress.

(b) The Contractor shall not perform, or procure from any commercial source, any printing in connection with the performance of work under this contract. The term "printing" includes the processes of composition, platemaking, presswork, silk screen processes, binding, microform, and the end items of such processes and equipment.

(c) "Duplicating/copying" is not considered to be printing. It is material produced by duplicating equipment employing the lithographic process and automatic copy-processing or copier-duplicating machines employing electrostatic, thermal, or other copying processes not requiring the use of negatives or metal plates. The Contractor is authorized to duplicate production units provided the requirement does not exceed 5,000 production units of any one page or 25,000 units in the aggregate of multiple pages. Such plates may not exceed a maximum image size of 10-3/4 by 14-1/4 inches. A "production unit" is one sheet, size 8-1/2 x 11 inches (215 x 280mm), one side only, and one color ink.

(d) This clause does not preclude writing, editing, preparation of manuscript copy, or preparation of related illustrative material as a part of this contract, or administrative duplicating/copying (for example, necessary forms and instructional materials used by the Contractor to respond to the terms of the contract).

(e) Costs associated with printing or duplicating/copying in excess of the limits set forth above are unallowable without prior written approval of the Contracting Officer. If the Contractor has reason to believe that any activity required in fulfillment of the contract will necessitate any printing or substantial duplicating/copying, it immediately shall provide written notice to the Contracting Officer and request approval prior to proceeding with the activity. Requests will be processed by the Contracting Officer in accordance with the provisions of the Government Printing and Binding Regulations and NFS 18-8.802.

(f) The Contractor shall include in each subcontract which may involve a requirement for any printing and/or any duplicating/copying in excess of the limits specified in Paragraph (c) of this clause, a provision substantially the same as this clause, including this Paragraph (f).

I.16 NASA SMALL DISADVANTAGED BUSINESS GOAL (NASA 18-52.219-76) (JUL 1991)

(a) Definitions.

"Historically Black Colleges and Universities," as used in this clause, means institutions determined by the Secretary of Education to meet the requirements of 34 CFR Section 608.2 and listed therein.

"Minority educational institutions," as used in this clause, means institutions meeting the criteria established in 34 CFR 607.2 by the Secretary of Education.

"Small disadvantaged business concern," as used in this clause, means a small business concern owned or controlled by individuals who are both socially and economically disadvantaged (within the meaning of section 8(a)(5) and (6) of the Small Business Act (15 U.S.C. 637 (a)(5) and (6)). For purposes of this clause, socially and economically disadvantaged individuals shall be deemed to include women.

(b) The NASA Administrator is required to ensure, to the fullest extent possible, that at least 8% of the total value of prime and subcontracts awarded in support of authorized programs, including the space station by the time operational status is obtained, is made available to small business concerns or other organizations owned or controlled by socially and economically disadvantaged individuals (including women), Historically Black Colleges and Universities, and minority educational institutions.

(c) The Contractor hereby agrees to assist NASA in achieving this goal by using its best efforts to award subcontracts to small disadvantaged business concerns, Historically Black Colleges and Universities, and minority educational institutions, as defined in this clause, to the fullest extent consistent with efficient contract performance.

(d) Contractors acting in good faith may rely on written representations by their subcontractors regarding their status as small disadvantaged business concerns, Historically Black Colleges and Universities, and minority educational institutions.

I.17 SAFETY AND HEALTH (NASA 18-52.223-70) (DEC 1988)

(a) The Contractor shall take all reasonable safety and health measures in performing under this contract and shall, to the extent set forth in the Contract Schedule, submit a safety plan and a health plan for the Contracting Officer's approval. The Contractor shall comply with all Federal, State, and local laws applicable to safety and health in effect on the date of this contract and with the safety and health standards, specifications, reporting requirements, and provisions set forth in the Contract Schedule.

(b) The Contractor shall take or cause to be taken such other safety and health measures the Contracting Officer may reasonably direct. To the extent that the Contractor may be entitled to an equitable adjustment for those measures under the terms and conditions of this contract, the equitable adjustment shall be determined pursuant to the procedures of the changes clause of this contract; provided, that no adjustment shall be made under this safety and health clause for

any change for which an equitable adjustment is expressly provided under any other provision of the contract.

(c) The Contractor shall immediately notify and promptly report to the Contracting Officer or a designee any accident, incident, or exposure resulting in fatality, lost-time occupational injury, occupational disease, contamination of property beyond any stated acceptable limits set forth in the Contract Schedule, or property loss of \$25,000 or more arising out of work performed under this contract. The Contractor is not required to include in any report an expression of opinion as to the fault or negligence of any employee. Service contractors (excluding construction contracts) shall provide quarterly reports specifying lost-time frequency rate, number of lost-time injuries, exposure, and accident/incident dollar losses as specified in the Contract Schedule. The Contractor shall investigate all work-related incidents or accidents to the extent necessary to determine their causes and furnish the Contracting Officer a report, in such form as the Contracting Officer may require, of the investigative findings and proposed or completed corrective actions.

(d) (1) The Contracting Officer may notify the Contractor in writing of any noncompliance with this clause and specify corrective actions to be taken. The Contractor shall promptly take and report any necessary corrective action.

(2) If the Contractor fails or refuses to institute prompt corrective action in accordance with subparagraph (1) above, the Contracting Officer may invoke the stop-work order clause in this contract or any other remedy available to the Government in the event of such failure or refusal.

(e) The Contractor (or subcontractor or supplier) shall insert the substance of this clause, including this paragraph (e) and any applicable Schedule provisions, with appropriate changes of designations of the parties, in subcontracts of every tier that (1) amount to \$1,000,000 or more (unless the Contracting Officer makes a written determination that this is not required), (2) require construction, repair, or alteration in excess of \$25,000, or (3) regardless of dollar amount, involve the use of hazardous materials or operations.

(f) Authorized Government representatives of the Contracting Officer shall have access to and the right to examine the sites or areas where work under this contract is being performed in order to determine the adequacy of the Contractor's safety and health measures under this clause.

(g) As a part of the Contractor's safety plan (and health plan, when applicable) and to the extent required by the Schedule, the Contractor shall furnish a list of all hazardous operations to be performed, including operations indicated in paragraphs (a) and (b) above, and a list of other major or key operations required or planned in the performance of the contract, even though not deemed hazardous by the Contractor. NASA and the Contractor shall jointly decide which operations are to be considered hazardous, with NASA as the final authority. Before hazardous operations commence, the Contractor shall submit for NASA concurrence either or both of the following as required by the Contract Schedule or by the Contracting Officer:

- (1) Written hazardous operating procedures for all hazardous operations.
- (2) A certification program for personnel involved in hazardous operations.

I.18 MINIMUM INSURANCE COVERAGE (NASA 18-52.228-75) (OCT 1988)

The Contractor shall obtain and maintain insurance coverage as follows for the performance of this contract:

(a) Worker's compensation and employer's liability insurance as required by applicable Federal and State workers' compensation and occupational disease statutes. If occupational diseases are not compensable under those statutes, they shall be covered under the employer's liability section of the insurance policy, except when contract operations are so commingled with the Contractor's commercial operations that it would not be practical. The employer's liability coverage shall be at least \$100,000, except in States with exclusive or monopolistic funds that do not permit workers' compensation to be written by private carriers.

(b) Comprehensive general (bodily injury) liability insurance of at least \$500,000 per occurrence.

(c) Motor vehicle liability insurance written on the comprehensive form of policy which provides for bodily injury and property damage liability covering the operation of all motor vehicles used in connection with performing the contract. Policies covering motor vehicles operated in the United States shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury liability and \$20,000 per occurrence for property damage. The amount of liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

(d) Comprehensive general and motor vehicle liability policies shall contain a provision worded as follows:

"The insurance company waives any right of subrogation against the United States of America which may arise by reason of any payment under the policy."

I.19 TECHNICAL DIRECTION (NASA 18-52.242-70) (SEP 1993)

(a) Performance of the work under this contract is subject to the written technical direction of the Contracting Officer's Technical Representative (COTR), who shall be specifically appointed by the Contracting Officer in writing in accordance with NASA FAR Supplement 18-42.270. "Technical direction" means a directive to the Contractor that approves approaches, solutions, designs, or refinements; fills in details or otherwise completes the general description of work or documentation items; shifts emphasis among work areas or tasks; or furnishes similar instruction to the Contractor. Technical direction includes requiring studies and pursuit of certain lines of inquiry regarding matters within the general tasks and requirements in Section C of this contract.

(b) The COTR does not have the authority to, and shall not, issue any instructions purporting to be technical direction that -

(1) Constitutes an assignment of additional work outside the statement of work;

(2) Constitutes a change as defined in the changes clause;

(3) In any manner causes an increase or decrease in the total estimated contract cost, the fixed fee (if any), or the time required for contract performance;

(4) Changes any of the expressed terms, conditions, or specifications of the contract; or

(5) Interferes with the Contractor's rights to perform the terms and conditions of the contract.

(c) All technical direction shall be issued in writing by the COTR.

(d) The Contractor shall proceed promptly with the performance of technical direction duly issued by the COTR in the manner prescribed by this clause and within the COTR's authority. If, in the Contractor's opinion, any instructions or direction by the COTR falls within any of the categories defined in paragraph (b) above, the Contractor shall not proceed but shall notify the Contracting Officer in writing within 5 working days after receiving it and shall request the Contracting Officer to take action as described in this clause. Upon receiving this notification, the Contracting Officer shall either issue an appropriate contract modification within a reasonable time or advise the Contractor in writing within 30 that the instruction is -

- (1) Rescinded in its entirety; or
- (2) Within the requirements of the contract and does not constitute a change under the changes clause of the contract and that the Contractor should proceed promptly its performance.

(e) A failure of the Contractor and Contracting Officer to agree that the instruction or direction is both within the requirements of the contract and does not constitute a change under the changes clause, or a failure to agree upon the contract action to be taken with respect to the instruction or direction shall be subject to the Disputes clause of this contract.

(f) Any action(s) taken by the Contractor in response to any direction given by any person other than the Contracting Officer or the COTR shall be at the Contractor's risk.

I.20 ACQUISITION OF CENTRALLY REPORTABLE EQUIPMENT (NASA 18-52.245-70) (MAR 1989)

(a) "Centrally reportable equipment," as used in this clause, means plant equipment, special test equipment (including components), special tooling and non-flight space property (including ground support equipment) (1) generally commercially available and used as a separate item or as a component of a system, (2) having an acquisition cost of \$1,000 or more (unless a lower threshold is specified elsewhere in this contract), and (3) is identifiable by a manufacturer and model number.

(b) (1) Before acquiring (including acquiring by fabrication) any item of centrally reportable equipment under this contract (unless for incorporation into flight-qualified or flight-monitoring deliverable end items), the Contractor shall provide to the Contracting Officer, at the earliest possible date, a description of the item sufficiently detailed to enable screening of existing Government inventories. (2) For this purpose, the Contractor shall (i) prepare a separate DD Form 1419, DOD Industrial Plant Equipment Requisition for each item of centrally reportable equipment to be acquired and (ii) forward it through the Contracting Officer to the NASA Equipment Management System (NEMS) Coordinator at the cognizant NASA installation at least 30 days in advance of the date the Contractor intends to acquire or begin fabricating the item. If a certificate of nonavailability is not received within that period, the Contractor may proceed to acquire the item, subject to any other applicable provisions of this contract. Instructions for preparing the DD Form 1419 are contained in NASA FAR Supplement 18-45.7103. The same data may be provided in an alternate format when requesting other than Defense Industrial Plant Equipment Center (DIPEC) controlled items.

(3) Upon receiving the item on the DD Form 1419 (regardless of whether it is Contractor-acquired or Government-furnished), the Contractor shall prepare and submit a DD Form 1342 or equivalent data, in accordance with NASA FAR Supplement 18-45.505-670.

I.21 FINANCIAL REPORTING OF GOVERNMENT-OWNED/CONTRACTOR-HELD PROPERTY
(NASA 18-52.245-73) (JUL 1994)

(a) The Contractor shall prepare and submit annually a NASA Form 1018, Report of Government-Owned/Contractor-Held Property, in accordance with 18-45.505-14 and the instructions on the form and in Section 18-45.7101 of the NASA FAR Supplement, except that the reporting of space hardware shall be required only as directed in clause 18-52.245-78, Space Hardware Reporting, of this contract, if applicable.

(b) If administration of this contract has been delegated to the Department of Defense, the original of NASA Form 1018 shall be submitted to the NASA installation Financial Management Officer and three copies shall be sent concurrently through the DOD Property Administrator to the NASA office identified below. If the contract is administered by NASA, the original of NASA Form 1018 shall be submitted to the installation Financial Management Officer and three copies shall be sent concurrently to the following NASA office:

ATTN INDUSTRIAL PROPERTY OFFICE
NASA LANGLEY RESEARCH CENTER
MAIL STOP 377
HAMPTON VA 23681-0001

(c) The annual reporting period shall be from October 1 of each year to September 30 of the following year. The report shall be submitted by October 31.

(d) The Contractor agrees to insert the reporting requirement in all first-tier subcontracts, except that the requirement shall provide for the submission of the subcontractors' reports to the Contractor, not to the Government. The Contractor shall require the subcontractors' reports to be submitted in sufficient time to meet the reporting date in paragraph (c) above.

(e) The Contractor's report shall consist of a consolidation of the subcontractors' reports and the Contractor's own report.

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J - LIST OF EXHIBITS

- Exhibit A Contract Documentation Requirements, 6 pages
- Exhibit B Contract Security Classification Specification, DD Form 254,
 2 pages
- Exhibit C List of Government-Furnished Property, 2 pages
- Exhibit D Procedures for the Preparation and Approval of Contractor
 Reports for Langley Research Center, Form PROC./P-72,
 May 1992, 4 pages
- Exhibit E Subcontracting Plan, December 1994, 34 pages
- Exhibit F Security Plan for Unclassified Federal Computer Systems,
 December 1994, 23 pages