**A. INCORPORATION OF THE FEDERAL ACQUISITION REGULATION (FAR) AND THE DEPARTMENT OF DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS)**

The FAR and DFARS clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to this Contract. If the date or substance of any of the clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Contract, and nothing in this Contract grants SELLER a direct claim or cause of action against the U.S. Government. Any reference to a "Disputes" clause shall mean the "Disputes" clause of this Contract. SELLER shall include in each lower-tier subcontract the appropriate flow down clauses as required by the FAR and FAR Supplement clauses included in this Contract.

**B. GOVERNMENT SUBCONTRACT**

(a) This Contract is entered into by the parties in support of a U.S. Government contract.

(b) As used in the FAR and DFARS clauses referenced below and otherwise in this Contract:

1. "Commercial product" means any such product as defined in FAR 2.101.

2. "Commercial service" means any such service as defined in FAR 2.101.

3. "Commercially available off-the-shelf (COTS) item" means a COTS item as defined in FAR 2.101

4. "Contract" means this contract.

5. "Contracting Officer" shall mean the U.S. Government Contracting Officer for LOCKHEED MARTIN's government prime contract under which this Contract is entered.

6. "Contractor" and "Offeror" means the SELLER, which is the party identified on the face of the Contract with whom Lockheed Martin is contracting, acting as the immediate subcontractor to LOCKHEED MARTIN.

7. "Prime Contract" means the contract between LOCKHEED MARTIN and the U.S. Government or between LOCKHEED MARTIN and its higher-tier contractor who has a contract with the U.S. Government.

8. "Subcontract" means any contract placed by SELLER or lower-tier subcontractors under this Contract.

**C. INDEMNITY**

SELLER shall indemnify and hold LOCKHEED MARTIN harmless from and against any cost, price reduction, withholding, offset, penalty, interest, claim, demand, determination of unallowability, unallocability or unreasonableness, or any other civil, criminal, or administrative liability, whether arising under statute, regulation, contract or common law, and shall reimburse LOCKHEED MARTIN for all of its damages and associated costs, including reasonable attorney fees and other expenses, if said liability is attributable to the SELLER or SELLER’s suppliers’ failure to comply with these U.S. Government Provisions and Clauses.

**D. AMENDMENTS REQUIRED BY PRIME CONTRACT**

RESERVED

**E. PROVISIONS OF FAR/DFARS INCORPORATED BY REFERENCE**

The FAR/DFARS clauses listed herein are applicable to this Contract if required under the pertinent law or regulation. If the applicability condition(s) in the relevant law or regulation is(are) not met, or LOCKHEED MARTIN does not require information or data from SELLER to satisfy its obligations, the clause is not applicable to this Contract. The applicability statements, statutory references, and regulatory references set forth in the parentheticals, if any, after each clause below are for convenience only.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type** | **Clause No.**  | **Title**  | **Date** | **Modifications** |
| FAR | 52.215-12  | Subcontractor Certified Cost or Pricing Data | Jun-20 | Applies if this contract exceeds the threshold for submission of certified cost or pricing data at FAR 15.403-4 and is not otherwise exempt from the requirement to provide cost or pricing data. |
| FAR | 52.237-10 | Identification of Uncompensated Overtime. | Mar-15 | Applicable if this contract is for professional or technical services to be acquired on the basis of the number of hours to be provided ."Offeror" means "Seller." |
| DFARS | 252.204-7000  | Disclosure of Information | Oct-16 |   |
| DFARS | 252.243-7002 | Requests for Equitable Adjustment | Dec-22 | "Government" means "Lockheed Martin." |
| DFARS | 252.244-7000 | Subcontracts for Commercial Products or Commercial Services. | Jan-23 | None |
| DFAS | 252.246-7001 | Warranty of data | Mar-14 | "Government" means "Lockheed Martin or the Government." "Contracting Officer" means "Lockheed Martin. "The last sentence in paragraph (b) is changed to read as follows: The warranty period shall extend for three years after completion of delivery of the data to Lockheed Martin, or if the data is delivered to the Government, either by Lockheed Martin or Seller, the warranty period shall extend for three years after delivery to the Government." |

**F. GOVERNMENT SUBCONTRACT CLAUSES INCORPORATED BY FULL-TEXT**

**C-202-H001 ADDITIONAL DEFINITIONS–BASIC (NAVSEA) (OCT 2018)**

1. Department - means the Department of the Navy.

(b) Commander, Naval Sea Systems Command - means the Commander of the Naval Sea Systems Command of the

Department of the Navy or his duly appointed successor.

(c) References to The Federal Acquisition Regulation (FAR) - All references to the FAR in this contract shall be

deemed to also reference the appropriate sections of the Defense FAR Supplement (DFARS), unless clearly

indicated otherwise.

(d) National Stock Numbers - Whenever the term Federal Item Identification Number and its acronym FIIN or the

term Federal Stock Number and its acronym FSN appear in the contract, order or their cited specifications and

standards, the terms and acronyms shall be interpreted as National Item Identification Number (NIIN) and National

Stock Number (NSN) respectively which shall be defined as follows:

(1) National Item Identification Number (NIIN). The number assigned to each approved Item Identification under the Federal Cataloging Program. It consists of nine numeric characters, the first two of which are the National Codification Bureau (NCB) Code. The remaining positions consist of a seven digit non-significant number.

(2) National Stock Number (NSN). The National Stock Number (NSN) for an item of supply consists of

the applicable four-position Federal Supply Class (FSC) plus the applicable nine-position NIIN assigned to the item of supply.

(End of text)

**C-204-H001 USE OF NAVY SUPPORT CONTRACTORS FOR OFFICIAL CONTRACT FILES (NAVSEA)**

**(OCT 2018)**

(a) NAVSEA may use a file room management support contractor, hereinafter referred to as "the support

contractor", to manage its file room, in which all official contract files, including the official file supporting this procurement, are retained. These official files may contain information that is considered a trade secret, proprietary,

business sensitive or otherwise protected pursuant to law or regulation, hereinafter referred to as “protected information”. File room management services consist of any of the following: secretarial or clerical support; data entry; document reproduction, scanning, imaging, or destruction; operation, management, or maintenance of paper based or electronic mail rooms, file rooms, or libraries; and supervision in connection with functions listed herein.

(b) The cognizant Contracting Officer will ensure that any NAVSEA contract under which these file room

management services are acquired will contain a requirement that:

1. The support contractor not disclose any information;

(2) Individual employees are to be instructed by the support contractor regarding the sensitivity of the official

contract files;

(3) The support contractor performing these services be barred from providing any other supplies and/or

services, or competing to do so, to NAVSEA for the period of performance of its contract and for an additional three years thereafter unless otherwise provided by law or regulation; and,

(4) In addition to any other rights the contractor may have, it is a third party beneficiary who has the right of

direct action against the support contractor, or any person to whom the support contractor has released or disclosed protected information, for the unauthorized duplication, release, or disclosure of such protected information.

(c) Execution of this contract by the contractor is considered consent to NAVSEA's permitting access to any

information, irrespective of restrictive markings or the nature of the information submitted, by its file room management support contractor for the limited purpose of executing its file room support contract responsibilities.

(d) NAVSEA may, without further notice, enter into contracts with other contractors for these services. Contractors

should enter into separate non-disclosure agreements with the file room contractor. Contact the Procuring

Contracting Officer for contractor specifics. However, any such agreement will not be considered a prerequisite before information submitted is stored in the file room or otherwise encumber the government.

(End of text)

**C-211-H016 SPECIFICATIONS AND STANDARDS (NAVSEA) (OCT 2018)**

1. Definitions.

(i) A "zero-tier reference" is a specification, standard, or drawing that is cited in the

contract (including its attachments).

(ii) A "first-tier reference" is either: (1) a specification, standard, or drawing cited in

a zero-tier reference, or (2) a specification cited in a first-tier drawing.

(b) Requirements. All zero-tier and first-tier references, as defined above, are mandatory for use. All lower tier

references shall be used for guidance only unless specifically identified below.

None

(End of text)

**C-211-H017 UPDATING SPECIFICATIONS AND STANDARDS (NAVSEA) (DEC 2018)**

The contractor may request that this contract be updated to include the current version of the applicable specification or standard if the update does not affect the form, fit or function of any deliverable item or increase the cost/price of

the item to the Government. The contractor should submit update requests to the Procuring Contracting Officer with

copies to the Administrative Contracting Officer and cognizant program office representative for approval. The

contractor shall perform the contract in accordance with the existing specifications and standards until notified of

approval/disapproval of its request to update by the Procuring Contracting Officer. Any approved alternate

specifications or standards will be incorporated into the contract.

(End of text)

**C-211-H018 APPROVAL BY THE GOVERNMENT (NAVSEA) (JAN 2019)**

Approval by the Government as required under this contract and applicable specifications shall not relieve the

Contractor of its obligation to comply with the specifications and with all other requirements of the contract, nor

shall it impose upon the Government any liability it would not have had in the absence of such approval.

(End of text)

**C-216-H001 MODIFICATION AND TERMINATION OF BASIC ORDERING AGREEMENT (BOA)**

**(NAVSEA) (OCT 2018)**

This agreement shall be reviewed at least annually and revised, on or before the anniversary of its effective date, to

conform with all requirements of statutes, Executive Orders, or regulations. Termination, expiration or modification

of this agreement shall not affect any orders issued under this agreement prior to such termination, expiration or

modification.

(End of text)

**C-223-H003 EXCLUSION OF MERCURY (NAVSEA) (MAR 2019)**

1. Definitions. As used in this text:

Article means a manufactured item other than a fluid or particle: (i) which is formed to a specific shape or

design during manufacture; (ii) which has end use function(s) dependent in whole or in part upon its shape or design

during end use; and (iii) which under normal conditions of use does not release more than very small quantities, e.g.,

minute or trace amounts of a hazardous chemical and does not pose a physical hazard or health risk to employees.

Boundary of containment means a continuous tight seal (barrier) to prevent the release of functional mercury during normal operation and maintenance. Examples include the exterior of a fluorescent lamp, glass capsule of a

mercury switch, and container for mercury reagents. A double boundary of containment consists of two independent seals.

Functional mercury means mercury or mercury compound(s) contained in equipment that is required for the

equipment to operate properly, such as that found in mercury switches, fluorescent lamps, flat-panel monitors,

thermostats, thermostat probes, small coin type batteries, barometers, and dental amalgams.

Hardware means any article, container, piece of material, individual part, subassembly, assembly, component, or

system to which mercury control requirements apply.

Mercury-free means hardware that does not contain functional mercury and is not contaminated by mercury or

mercury compounds.

Portable means items that are frequently transported during normal operation. Desk lamps, shop lights, and handheld instruments are considered portable, while bulbs in stationary light fixtures are not. In general, items that

require transport only during maintenance, installation, and removal of the items are not considered portable.

(b) The Contractor, and all subcontractors and vendors, shall ensure that mercury or mercury containing compounds

are not intentionally added to, or come in direct contact with, hardware or supplies furnished under this contract.

1. The Contractor shall ensure that mercury and mercury compounds are not taken onboard naval vessels by Contractor, subcontractor, or vendor personnel except for functional mercury used in batteries, dental amalgams, fluorescent lamps, flat-panel monitors, required instruments, sensors or controls, weapon systems, and chemical analysis reagents specified by the Naval Sea Systems Command (NAVSEA).

(2) Portable fluorescent lamps and portable instruments containing elemental mercury must be shock-proof

in accordance with MIL-DTL-901E entitled Requirements for Shock Tests, H.I. (High Impact) Shipboard

Machinery, Equipment, and Systems and have mercury enclosed by a double boundary of containment. Some

devices with liquid crystal display (LCD) screens utilize a fluorescent bulb backlight to illuminate the LCD screen. No additional restrictions or controls apply to devices with LCD screens; however, the Contractor shall remove the LCD screen and seal it in plastic following any evidence that the backlight failed.

(3) For Submarines, any use of mercury containing items must be approved as required by the Nuclear

Powered Submarine Atmosphere Control Manual (S9510-AB-ATM-010/U) Volume 1.

(4) The Contractor shall ensure that mercury and mercury compounds do not contact hardware surfaces in

systems covered by NAVSEA Manual NAVSEA 0989-064-3000 entitled Cleanliness Requirements for Nuclear Propulsion Plant Maintenance and Construction, submarine air systems, level I systems per NAVSEA Publication 0948-LP-045-7010, NAVSEA Material Control Standard, or the submarine safety program (SUBSAFE) surfaces during maintenance or repair. Such hardware is designated as mercury-free. The Contractor shall ensure that all other hardware that could be structurally degraded by contamination with elemental mercury or reactive mercury compounds is separated from it by sufficient distance, or boundaries of containment that effectively prevents contact in all but the most extreme circumstances.

(5) The Contractor shall check any hardware surfaces in the above systems which are known or suspected

to have come in contact with mercury or mercury compounds for evidence of structural degradation and external mercury contamination. The existence of external mercury contamination can be determined following MIL-STD-2041D entitled Control of Detrimental Materials.

(6) The presence of mercury in a product may be determined by checking product labeling on material

safety data sheets or safety data sheets. Chemical analysis is not required.

(7) The Contractor shall dispose of any mercury and mercury compounds in accordance with OPNAV

Manual (OPNAV M-5090.1) entitled Environmental Readiness Program Manual of 10 January 2014.

(8) If the use of mercury or mercury compounds cannot be avoided, a risk assessment and waiver request, if

required, must be performed and submitted per the NAVSEA Hazardous Material Avoidance Process (T9070-ALDPC-020/077-2). For systems covered by the NAVSEA Manual NAVSEA 0989-064-3000 entitled Cleanliness Requirements for Nuclear Propulsion Plant Maintenance and Construction, submit the risk assessment and waiver request, if required to Nuclear Propulsion (NAVSEA 08).

(c) In all cases where mercury or a mercury compound has contacted hardware surfaces required to be mercury-free

the Contractor shall immediately provide a report to the NAVSEA Dry Environmental Systems and Hazardous

Materials (NAVSEA 05P5) via the cognizant contract administration safety office. Reports concerning systems covered by NAVSEA Manual 0989-064-3000 must include NAVSEA Nuclear Propulsion Directorate (SEA 08) in

the distribution. Reports must be in letter form and include the date and details of the contact, the surfaces contacted,

the recovery actions taken, and the status of the affected surfaces.

(End of Text)

**C-227-H006 DATA REQUIREMENTS (NAVSEA) (OCT 2018)**

The data to be furnished hereunder shall be prepared in accordance with the Contract Data Requirements List, DD Form 1423, Exhibit(s) A, attached hereto.

(End of Text)

**C-227-H007 SOFTWARE DEVELOPMENT REQUIREMENTS (NAVSEA) (OCT 2018)**

(a) The contractor shall define a general Software Development Plan (SDP) appropriate for the computer software

effort to be performed under this contract. The SDP shall be delivered to the Government for concurrence under

CDRLs A002 and A003 and shall not vary significantly from that proposed to the Government for evaluation for

award. The contractor shall follow the Government concurred with SDP for all computer software to be developed or maintained under this effort. Any changes, modifications, additions or substitutions to the SDP also require prior Government concurrence.

1. The SDP shall, at a minimum:

(1) Define the contractor's proposed life cycle model and the processes used as a part of that model. In this

context, the term "life cycle model" is as defined in IEEE Std. 12207:2017;

(2) Contain the information defined by ISO/IEC/IEEE 15289:2017, section 7.3 “Plan - generic content” and

Table 2 “Mapping of ISO/IEC 12207:2008 (IEEE Std. 12207:2008) Clauses to Information Items for Each Software Life Cycle Process.” In all cases, the level of detail shall be sufficient to define all software development processes, activities, and tasks to be conducted for this contract;

(3) Identify the specific standards, methods, tools, actions, strategies, and responsibilities associated with

development and qualification;

(4) Document all processes applicable to the system to be acquired, including the Primary, Supporting, and

Organizational life cycle processes as defined by IEEE Std. 12207:2017 as appropriate. Such processes shall be

equivalent to those articulated by CMMI®;

(5) Adhere to the characteristics defined in ISO/IEC/IEEE 15289:2017 section 6.1 “Life-cycle data

characteristics,” as appropriate;

(6) Be in accordance with the framework defined in IEEE Std. 12207:2017, including, but not limited to,

defining the processes, the activities to be performed as a part of the processes, the tasks which support the

activities, and the techniques and tools to be used to perform the tasks;

(7) Contain a level of information sufficient to allow the use of the SDP as the full guidance for the

developers. In accordance with ISO/IEC/IEEE 15289:2017 Section 7.3, such information shall at a minimum

contain, specific standards, methods, tools, actions, reuse strategy, and responsibility associated with the

development and qualification of all requirements, including safety and security.

(End of text)

**C-227-H010 COMPUTER SOFTWARE AND COMPUTER DATA BASES DELIVERED TO OR RECEIVED FROM THE GOVERNMENT (NAVSEA) (JAN 2019)**

(a) The Contractor agrees to test for viruses, malware, Trojan Horses, and other security threats such as those listed

in NIST Special Publication 800-12 Rev 1, An Introduction to Computer Security, The NIST Handbook, Chapter 4,

in all computer software and computer data bases (as defined in the clause entitled “Rights In Noncommercial

Computer Software and Noncommercial Computer Software Documentation” (DFARS 252.227-7014)), before

delivery of that computer software or computer data base in whatever media and on whatever system the computer

software or data base is delivered whether delivered separately or imbedded within delivered equipment. The

Contractor warrants that when delivered any such computer software and computer data base shall be free of iruses,

malware, Trojan Horses, and other security threats such as those listed in NIST Special Publication 800-12 Rev 1.

(b) The Contractor agrees that prior to use under this contract, it shall test any computer software and computer data

base received from the Government for viruses, malware, Trojan Horses, and other security threats listed in NIST Special Publication 800-12 Rev 1, An Introduction to Computer Security, The NIST Handbook, Chapter 4.

(c) Any license agreement governing the use of any computer software or computer software documentation

delivered to the Government as a result of this contract must be paid-up, irrevocable, world-wide, royalty-free,

perpetual and flexible (user licenses transferable among Government employees and personnel under Government

contract).

(d) The Contractor shall not include or permit to be included any routine to enable the contractor or its

subcontractor(s) or vendor(s) to disable the computer software or computer data base after delivery to the

Government.

(e) No copy protection devices or systems shall be used in any computer software or computer data base delivered

under this contract with unlimited or Government purpose rights (as defined in DFARS 252.227-7013 and 252.227-

7014) to restrict or limit the Government from making copies.

(f) It is agreed that, to the extent that any technical or other data is computer software by virtue of its delivery in

digital form, the Government shall be licensed to use that digital-form data with exactly the same rights and

limitations as if the data had been delivered as hard copy.

(g) Any limited rights legends or other allowed legends placed by a Contractor on technical data or other data

delivered in digital form shall be digitally included on the same media as the digital-form data and must be associated with the corresponding digital-form technical data to which the legend(s) apply to the extent possible.

Such legends shall also be placed in human-readable form on a visible surface of the media carrying the digital-form data as delivered, to the extent possible.

(End of text)

**C-237-W001 ELECTRONIC COST REPORTING AND FINANCIAL TRACKING (eCRAFT) SYSTEM**

**REPORTING (NAVSEA) (MAY 2022)**

(a) The Contractor agrees to upload the Contractor's Funds and Man-hour Expenditure Reports in the

Electronic Cost Reporting and Financial Tracking (eCRAFT) System and submit the Contract Status Report on

the day and for the same timeframe the contractor submits an invoice into the Wide Area Workflow (WAWF)

module on the Procurement Integrated Enterprise Environment (PIEE)system. Compliance with this

requirement is a material requirement of this contract. Failure to comply with this requirement may result in

contract termination.

(b) The Contract Status Report indicates the progress of work and the status of the program and of all assigned

tasks. It informs the Government of existing or potential problem areas.

(c) The Contractor’s Fund and Man-hour Expenditure Report reports contractor expenditures for labor,

materials, travel, subcontractor usage, and other contract charges.

(1) Access: eCRAFT: Reports are uploaded through the eCRAFT System Periodic Report Utility

(EPRU). The EPRU spreadsheet and user manual can be obtained at:

https://www.navsea.navy.mil/Home/Warfare-Centers/NUWC-Newport/Partnerships/Commercial-

Contracts/Information-eCraft-/ under eCRAFT information. The link for eCRAFT report submission is:

https://www.pdrep.csd.disa.mil/pdrep\_files/other/ecraft.htm. If you have problems uploading reports, please see the Frequently Asked Questions at the site address above.

(2) Submission and Acceptance/Rejection: The contractor shall submit their reports on the same day

and for the same timeframe the contractor submits an invoice in WAWF. The amounts shall be the same.

eCRAFT acceptance/rejection will be indicated by e-mail notification from eCRAFT.

(End of text)

**C-242-H001 EXPEDITING CONTRACT CLOSEOUT (NAVSEA) (OCT 2018)**

(a) As part of the negotiated fixed price or total estimated amount of this contract, both the Government and the

Contractor have agreed to waive any entitlement that otherwise might accrue to either party in any residual dollar amount of $1,000 or less at the time of final contract closeout. The term "residual dollar amount" shall include all money that would otherwise be owed to either party at the end of the contract, except that, amounts connected in any way with taxation, allegations of fraud and/or antitrust violations shall be excluded. For purposes of determining residual dollar amounts, offsets of money owed by one party against money that would otherwise be paid by that party may be considered to the extent permitted by law.

(b) This agreement to waive entitlement to residual dollar amounts has been considered by both parties. It is agreed that the administrative costs for either party associated with collecting such small dollar amounts could exceed the amount to be recovered.

(End of text)

**C-242-H003 TECHNICAL INSTRUCTIONS (NAVSEA) (OCT 2018)**

(a) Performance of the work hereunder may be subject to written technical instructions signed by the Contracting

Officer and the Contracting Officer's Representative specified in Section G of this contract. As used herein,

technical instructions are defined to include the following:

(1) Directions to the Contractor which suggest pursuit of certain lines of inquiry, shift work emphasis, fill in

details or otherwise serve to accomplish the contractual statement of work.

(2) Guidelines to the Contractor which assist in the interpretation of drawings, specifications or technical

portions of work description.

(b) Technical instructions must be within the general scope of work stated in the contract. Technical instructions

may not be used to: (1) assign additional work under the contract; (2) direct a change as defined in the "CHANGES" clause of this contract; (3) increase or decrease the contract price or estimated contract amount (including fee), as

applicable, the level of effort, or the time required for contract performance; or (4) change any of the terms,

conditions or specifications of the contract.

(c) If, in the opinion of the Contractor, any technical instruction calls for effort outside the scope of the contract or

is inconsistent with this requirement, the Contractor shall notify the Contracting Officer in writing within ten (10)

working days after the receipt of any such instruction. The Contractor shall not proceed with the work affected by

the technical instruction unless and until the Contractor is notified by the Contracting Officer that the technical

instruction is within the scope of this contract.

(d) Nothing in the foregoing paragraph shall be construed to excuse the Contractor from performing that portion of

the contractual work statement which is not affected by the disputed technical instruction.

(End of text)

**C-244-H002 SUBCONTRACTORS/CONSULTANTS (NAVSEA) (FEB 2023)**

In addition to the information required by FAR 52.244-2(e) of the contract, when consent to subcontract is required per FAR 52.244-2, the contractor shall also include the following information in requests to add subcontractors or

consultants during performance:

1. Impact on subcontracting goals,
2. Impact on providing support at the contracted value,

(3) IF SEAPORT TASK ORDER - The results of negotiations to incorporate fee rate caps no higher than the lower of (i) SeaPort NXG fee rate caps for the prime contractor, or in the case where the proposed subcontractor is also a SeaPort NXG prime, (ii) fee rate caps that are no higher than the subcontractor's prime SeaPort NXG contract.

(End of Text)

**C-247-H001 PERMITS AND RESPONSIBILITIES (NAVSEA) (DEC 2018)**

The Contractor shall, without additional expense to the Government, be responsible for obtaining any necessary

licenses and permits for complying with any applicable Federal, State, and Municipal laws, codes, and regulations for shipping and transportation including, but not limited to, any movement over public highways of

overweight/over dimensional materials.

(End of text)

**D-211-H001 PACKAGING OF DATA (NAVSEA) (FEB 2022)**

Data to be delivered by Integrated Digital Environment (IDE) or other electronic media shall be as specified in the

contract.

All unclassified data to be shipped shall be prepared for shipment in accordance with best commercial practice.

Classified reports, data, and documentation shall be prepared for shipment in accordance with National Industrial

Security Program Operating Manual (NISPOM), 32 CFR Part 117.

(End of text)

**E-246-H012 INSPECTION AND ACCEPTANCE FOR BASIC ORDERING AGREEMENTS (NAVSEA) (**OCT 2018)

Inspection and acceptance of the supplies or services furnished by the Contractor shall be set forth in orders issued

by the Contracting Officer in accordance with the special contract requirement(s) of this agreement entitled

“Orders”.

(End of Text)

**E-246-H013 INSPECTION AND ACCEPTANCE OF DATA (NAVSEA) (OCT 2018)**

Inspection and acceptance of all data shall be as specified on the attached Contract Data Requirements List(s), DD Form 1423.

(End of text)

**E-246-H014 INSPECTION AND ACCEPTANCE OF ENGINEERING SERVICES (NAVSEA) (OCT 2018)**

Item(s) To be identified at the negotiated order level - Inspection and acceptance shall be made by the Contracting Officer’s Representative (COR) or a designated representative of the Government.

(End of Text)

**E-246-H015 INSPECTION AND ACCEPTANCE OF ENGINEERING SERVICES IN SUPPORT OF SUPPLIES (NAVSEA) (FEB 2019)**

Item(s) To be identified at the negotiated order level - For engineering services in support of delivered supplies,

authorization for services shall be made by the PCO or Contracting Officer’s Representative (COR). Inspection and

acceptance shall be made by the COR or a designated representative of the Government following the receipt of the

certification of performance on the delivered hardware.

(End of text)

**E-246-H016 INSPECTION AND ACCEPTANCE OF F.O.B. DESTINATION DELIVERIES (NAVSEA) (OCT 2018)**

Item(s) To be identified at the negotiated order level - Inspection and acceptance shall be made at destination by a

representative of the Government.

(End of text)

**E-246-H017 INSPECTION AND ACCEPTANCE OF F.O.B. ORIGIN DELIVERIES (NAVSEA) (OCT 2018)**

Item(s) To be identified at the negotiated order level - Inspection and acceptance shall be made at source by a

representative of the cognizant Contract Administration Office or other representative of the Government.

(End of text)

**E-246-H019 INSPECTION AND ACCEPTANCE OF PROVISIONING TECHNICAL DOCUMENTATION**

**(NAVSEA) (OCT 2018)**

Item(s) To be identified at the negotiated order level - The Government may accept, conditionally accept, or reject the Provisioning Technical Documentation (PTD) within sixty days after its delivery, or as specified on the applicable CDRL(s). A notice of conditional acceptance shall state any corrective action required by the Contractor. If PTD is rejected, the Contractor may be required, at the option of the Government, to correct any or all of the PTD. The Contractor shall at no additional cost to the Government make any necessary changes, modifications, or corrections to the PTD. The Government shall take action on the corrected PTD within the time limit specified above. Government action under this requirement shall not affect or limit any other rights it may have under this contract.

(End of text)

**E-246-H020 QUALITY MANAGEMENT SYSTEM REQUIREMENTS (NAVSEA) (OCT 2018)**

The Contractor shall provide and maintain a quality management system that, as a minimum, adheres to the requirements of ASQ/ANSI/ISO 9001:2015 “Quality Management Systems – Requirements” and supplemental requirements imposed by this contract. The quality management system procedures, planning, and all other documentation and data that comprise the quality management system shall be made available to the Government for review. Existing quality documents that meet the requirements of this contract may continue to be used. The Government may perform any necessary inspections, verifications, and evaluations to ascertain conformance to requirements and the adequacy of the implementing procedures. The Contractor shall flow down such standards, as applicable, to lower-tier subcontractors under instances covered in FAR 52.246-11(b) or at the direction of the Contracting Officer. The Government reserves the right to disapprove the quality management system or portions thereof when it fails to meet the contractual requirements.

(End of text)

**E-246-H021 COST DATA FOR QUALITY MANAGEMENT SYSTEM (NAVSEA) (JAN 2019)**

The contractor shall maintain and use cost data as a management element of the Quality Management System. The

specific cost data to be maintained and used will be determined by the contractor. The data shall, on request, be identified and made available for on-site review by the Contracting Officer or designated Government representative.

(End of text)

**E-246-H022 INSPECTION AND TEST RECORDS (NAVSEA) (JAN 2019)**

Inspection and test records shall, as a minimum, indicate the nature of the observations, number of observations made, and the number and type of deficiencies found. Data included in inspection and test records shall be complete and accurate, and shall be used for trend analysis and to assess corrective action and effectiveness. The data shall, on

request, be identified and made available for on-site review by the Contracting Officer or designated Government representative.

(End of text)

**E-246-H023 QUALITY REQUIREMENT FOR SOFTWARE DEVELOPMENT OR PRODUCTION (NAVSEA) (JAN 2019)**

The contractor's software quality program shall be an integral part of the overall Quality Management System.

Software quality program controls shall be applicable to all project software that is developed, maintained, or

modified within the following categories:

1. All deliverable software
2. All deliverable software that is included as part of deliverable hardware or firmware.

(c) Non deliverable software (commercially available or user-developed) used for development, fabrication,

testing, or acceptance of deliverable software or hardware (includes automated fabrication, test, and

inspection/acceptance equipment software and software design, test, and inspection tools).

1. Commercially available, reusable, or Government software designated as part of a deliverable item.

(End of text)

**F-247-H001 DELIVERY OF DATA (NAVSEA) (OCT 2018)**

All data to be furnished under this contract shall be delivered prepaid to the destination(s) and at the time(s)

specified on the Contract Data Requirements List(s), DD Form 1423.

(End of Text)

**F-247-H002 DELIVERY OF SUPPLIES OR SERVICES FOR BASIC ORDERING AGREEMENTS (NAVSEA) (OCT 2018)**

All supplies or services shall be delivered in accordance with the special contract requirement of this agreement entitled “Orders”. The Contractor shall furnish supplies or services under the items specified in Section B of the

Schedule in accordance with the delivery schedule set forth in orders issued by the Contracting Officer.

(End of text)

**F-247-H003 F.O.B. ORIGIN (NAVSEA) (OCT 2018)**

All supplies hereunder shall be delivered free of expense to the Government in accordance with instructions specified in the clause hereof entitled "F.O.B. Origin" (FAR 52.247-29) at or near the Contractor's plant, (TBD at the order level; insert city, county, and state), for shipment at Government expense (normally on Government bill(s) of lading) in accordance with the delivery instructions specified herein. This paragraph is required pursuant to 52.247-29 (a)(1).

FMS item(s), if any, shall be shipped on a separate bill of lading and Interstate Commerce Act 49 U.S.C. Section 10721 and 13712 rates do not apply.

(End of text)

**G-216-H002 ORDERS (NAVSEA) (MAR 2019)**

1. General. Orders for supplies or services specified in Section B of the Schedule may be issued by the Contracting Officer at any time during the effective period of this agreement. Except as otherwise provided in paragraph (d) below, the Contractor agrees to accept and perform orders issued by the Contracting Officer within the scope of this agreement. It is understood and agreed that the Government has no obligation under the terms of this agreement to issue any orders. Except as otherwise provided in any order, the Contractor shall furnish all materials and services necessary to accomplish the work specified in each order issued hereunder; provided, however, that this agreement shall not be used for the furnishing of supplies or services which are covered by any "guaranty" or "warranty" clause(s) of the contract(s) under which the supplies were manufactured. In the event of any inconsistency between any order and this agreement, this agreement shall take precedence. All requirements of this agreement shall be applicable to all orders issued hereunder. Wherever the word "contract" appears in this agreement, it shall be deemed to include within its meaning the word "order", and each order shall be considered a separate binding contract as of its effective date. The Contractor shall segregate the costs incurred in the performance of any order issued hereunder from the costs of all other orders issued under this agreement.
2. Ordering. Orders and revisions thereto shall be made in writing and be signed by any authorized Contracting Officer for activities cited in paragraph (i). Each order shall:
3. set forth detailed specifications or requirements for the supplies or services being ordered, (or reference applicable specifications or requirements in Section C of this agreement), and, shall refer to the appropriate item under Section B of this agreement;
4. set forth quantities being ordered;

(3) set forth preservation, packaging and packing instructions, if any;

(4) set forth delivery or performance dates;

(5) designate the place(s) where inspection and acceptance will be made

by the Government;

(6) set forth either the amount or, in the case of an undefinitized order, the definitization schedule and

both the monetary limitation on Government liability for the undefinitized order and the maximum

ceiling amount at which the order may be definitized;

(7) set forth appropriation and accounting data for the work being ordered;

(8) set forth any discount offered for prompt payment;

(9) be dated;

(10) be identified by number in accordance with DFARS 204.7004;

(11) set forth the property, if any, to be furnished by the Government and the date(s) such property is to be

delivered to the Contractor;

(12) set forth the disbursing office where payment is to be made and other applicable contract

administration data;

(13) cite the applicable circumstance or exception and the justification control number. Orders for items

not identified in the class justification, or an individual justification, and the basic ordering agreement

are unauthorized (applies to BOA orders only);

(14) be issued on an SF 26 or a DD Form 1155; and

(15) set forth any other pertinent information.

1. Orders. Orders may be issued on a fixed price or cost reimbursable basis at the discretion of the Contracting Officer to the extent permitted by the CLIN structure. Except as otherwise provided in paragraph (e) below, the Contractor shall not begin any work on an order until a firm priced order or an estimated cost and fixed fee order is issued by the Contracting Officer. Upon receipt of a proposed order, the Contractor shall promptly submit to the Contracting Officer a proposal for the work specified in the order. The Contractor agrees that it will submit such cost or pricing data as the Contracting Officer may require. Promptly after receipt of the Contractor's proposal and supporting cost or pricing data, if required, the Contractor and the Contracting Officer shall negotiate and agree upon a price and delivery schedule for the work being ordered. The price and delivery schedule, as agreed upon, shall be set forth in the priced order and the order shall be signed by both the Contracting Officer and the Contractor. Upon receipt of the order, the Contractor shall promptly commence work and shall diligently complete it.

(d) Rejection of Unilateral Orders. The Contractor may reject any unilateral order if the Contractor determines it cannot feasibly perform the order, or if it does not concur with the maximum ceiling amount. However, each unilateral order shall be deemed to have been accepted by the Contractor unless within fifteen (15) days of issuance of the order the Contractor notifies the Contracting Officer in writing of its rejection of the order.

(e) Undefinitized Orders. Whenever the Contracting Officer determines that urgent demands or requirements prevent the issuance of a definitized order, the Contracting Officer may issue an unpriced order. Such order may be unilateral or bilateral and shall establish a limitation on Government liability, a maximum ceiling amount and a schedule for definitization, as described in subparagraph (f)(2) below. Upon request, the Contractor shall submit a maximum ceiling amount proposal before the undefinitized order is issued. The maximum ceiling amount is the maximum price at which the order may be definitized. Except as provided in paragraph (d) above, the Contractor shall commence performance of the order upon receipt. The clause entitled "Contract Definitization" (DFARS 252.217-7027) shall be included in any undefinitized order.

(f) Definitization of Undefinitized Orders.

(l) The Contractor agrees that following the issuance of an undefinitized order, it will promptly begin negotiating with the Contracting Officer the price and terms of a definitive order that will include: (A) all clauses required by regulation on the date of the order; (B) all clauses required by law on the date of execution of the definitive order; and, (C) other mutually agreeable clauses, terms and/or conditions. No later than sixty (60) days after the undefinitized order is issued, the Contractor shall submit a cost proposal with sufficient data to support the accuracy and derivation of its price; and, when required by FAR or the Contracting Officer, cost or pricing data. If additional cost information is available prior to the conclusion of negotiations, the Contractor shall provide that information to the Contracting Officer. The amount agreed upon shall be set forth in a bilateral modification to the order. In no event shall the amount exceedthe maximum ceiling amount specified in the undefinitized order.

(2) Each undefinitized order shall contain a schedule for definitization which shall include a target date for

definitization and dates for submission of a qualifying proposal, beginning of negotiations and, if appropriate,

submission of make-or-buy and subcontracting plans and cost or pricing data. Submission of a qualifying proposal in accordance with the definitization schedule is a material element of the order. The schedule shall provide for

definitization of the order by the earlier of:

(i) specified target date which is not more than 180 days after the issuance of the undefinitized order.

However, that target date may be extended by the Contracting Officer for up to l80 days after the

Contractor submits a qualifying proposal as defined in DFARS 2l7.740l; or

(ii) the date on which the amount of funds obligated by the Government under the undefinitized order

exceeds fifty percent (50%) of the order's maximum ceiling amount.

(3) If agreement on a definitive order is not reached within the time provided pursuant to subparagraph (f)(2) above,

the Contracting Officer may, with the approval of the Head of the Contracting Activity, determine a reasonable amount in accordance with Subpart l5.4 and Part 3l of the FAR, and issue a unilateral order subject to Contractor appeal as provided in the "Disputes" clause (FAR 52.233-1). In any event, the Contractor shall proceed with completion of the

order, subject to the "Limitation of Government Liability" clause (FAR 52.216-24).

(g) Limitation of Government Liability.

(l) Each undefinitized order shall set forth the limitation of Government liability, which shall be the maximum amount that the Government will be obligated to pay the Contractor for performance of the order until the order is definitized. The Contractor is not authorized to make expenditures or incur obligations exceeding the limitation of Government liability set forth in the order. If such expenditures are made, or if such obligations are incurred, those expenditures and obligations will be at the Contractor's sole risk and expense. Further, the limitation of liability shall be the maximum Government liability if the order is terminated. The clause at FAR 52.216-24 shall be included in any undefinitized order.

(2) Except for undefinitized orders for Foreign Military Sales; purchases at or below the simplified acquisition

threshold; special access programs; and Congressionally-mandated long lead procurements; and except as otherwise

provided in subparagraph (g)(3) below, the limitation of Government liability shall not exceed fifty percent (50%) of the maximum ceiling amount of an undefinitized order. In the case of orders within these excepted categories, however, the procedures set forth herein shall be followed to the maximum extent practical.

 (3) If the Contractor submits a qualifying proposal, as defined in DFARS 217.7401, to definitize an order before the

Government obligated fifty percent (50%) of the maximum ceiling amount, the Contracting Officer may increase the

limitation of Government liability up to no more than seventy-five percent (75%) of the maximum ceiling amount or up to seventy-five percent (75%) of the amount proposed by the Contractor, whichever is less.

(4) If at any time the Contractor believes that its expenditures under an order will exceed the limitation of

Government liability, the Contractor shall so notify the Contracting Officer, in writing, and propose an appropriate

increase in the limitation of Government liability of such order. Within thirty (30) days of such notice, the Contracting Officer will either (i) notify the Contractor in writing of such appropriate increase, or (ii) instruct the Contractor how and to what extent the work shall be continued; provided, however, that in no event shall the Contractor be obligated to proceed with work on an undefinitized order beyond the point where its costs incurred plus a reasonable profit or fee exceed the limitation of Government liability, and provided also that in no event shall the Government be obligated to pay the Contractor any amount in excess of the limitation of Government liability specified in any such order prior to definitization.

(h) Initial Spares. The limitations set forth in paragraph (e) and subparagraphs (f)(2), (g)(2) and (g)(3), do not apply to undefinitized orders for the purchase of initial spares.

(i) Ordering Activities. The following activities are authorized to issue orders hereunder:

 NSWC, Crane Division (DODAAC: N00164)

The procuring and administrative contracting officers are responsible for the submission and accuracy of CARs. CARs are not required to be submitted to NAVSEA.

(j) Funds in the following amount are committed under this Basic Ordering Agreement for use by the Ordering Activity in obligating funds to pay for orders placed hereunder:

 Item Funds

To be identified at the negotiated order level

(End of text)