

AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)	RATING	PAGE OF PAGES 1 29
2. CONTRACT (Proc. Inst. Ident.) NO. NRC-04-97-038		3. EFFECTIVE DATE NOV 4 1996	4. REQUISITION/PURCHASE REQUEST/PROJECT NO. RES-97-038/RES-C97-309	
5. ISSUED BY U.S. Nuclear Regulatory Commission Division of Contracts; MS T-7-1-2 Washington, DC 20555	CODE	6. ADMINISTERED BY (If other than Item 5)	CODE	

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State, and ZIP Code) The Regents of the University of Michigan, Div. of Research Development and Administration 3003 S. State Street 1060 Wolverine Tower Ann Arbor, MI 48109-1274		8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below) Destination
		9. DISCOUNT FOR PROMPT PAYMENT None
CODE		10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN: ITEM 5

11. SHIP TO/MARK FOR See Section C	CODE	12. PAYMENT WILL BE MADE BY U.S. Nuclear Regulatory Commission Division of Accounting and Finance Office of the Controller Washington, D.C. 20555	CODE
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 USC 2304(c)() <input type="checkbox"/> 41 USC 253(c)()		14. ACCOUNTING AND APPROPRIATION DATA 31X0200 76015114010 W6726 252A AMOUNT:\$187,180.00	

15A. ITEM NO.	15B. SUPPLIES/SERVICES	15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT
	See Section B				
15G. TOTAL AMOUNT OF CONTRACT					\$ 187,180

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 3 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)		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) Paul J. Stempie, Manager Office of Contract Administration		20A. NAME OF CONTRACTING OFFICER Mary H. Mace Contracting Officer	
19B. NAME OF CONTRACTOR	19C. DATE SIGNED OCT 31 1996	20B. UNITED STATES OF AMERICA	20C. DATE SIGNED
BY <i>Paul J. Stempie</i> (Signature of person authorized to sign)		BY <i>Mary H. Mace</i> (Signature of Contracting Officer)	

NSN 7540-01-152-8059
PREVIOUS EDITION UNUSABLE

26-107

GPO 19850-469-794

STANDARD FORM 26 (REV. 4-85)
Prescribed by GSA
FAR (48 CFR) 53.214(a)

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PART I - THE SCHEDULE

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 PROJECT TITLE

The title of this project is as follows:

Non-Destructive Examination for Material Properties

[End of Clause]

B.2 BRIEF DESCRIPTION OF WORK (MAR 1987)

The objective of this contract is to obtain Hot Cell availability for non-destructive examination of irradiated steel specimens as well as technical support, assistance and space for set-up, storage during nontesting periods prior to return, and repacking in the shipping containers provided by Oak Ridge National Laboratory.

[End of Clause]

B.3 CONSIDERATION AND OBLIGATION--COST REIMBURSEMENT
(JUN 1988)

(a) The total estimated cost to the Government for full performance under this contract is \$187,180.00.

(b) The amount presently obligated by the Government with respect to this contract is \$187,180.00.

[End of Clause]

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT**C.1 BACKGROUND**

The ability of the NRC to make decisions concerning the safety of reactor pressure vessels requires an understanding of the radiation effects on pressure vessel steels. The loss of fracture toughness and ductility during reactor operations must be predictable to assure that, despite degradation, sufficient fracture toughness and ductility remain to preclude unstable cracked propagations and to assure integrity of the vessel.

Embrittlement is monitored through surveillance programs in which representative material samples are periodically removed and tested. Many surveillance programs, however, do not contain the limiting vessel material. Therefore, non-destructive examination methods are sought which could be applied on site to detect neutron radiation embrittlement of the actual vessel materials. This would provide greater reliability and confidence in the evaluation of toughness measurements and monitoring.

A number of non-destructive examination (NDE) methods will be examined for their ability to characterize and quantify neutron embrittlement of nuclear reactor pressure (RPV) steels. Irradiated and unirradiated specimens will be provided, on loan from the NRC and Oak Ridge National Laboratory (ORNL), for testing purposes. Background information and material properties values for each specimen will be documented by ORNL, for later comparison to examination results and correlations.

C.2 OBJECTIVE

The objective of this contract is to provide Hot Cell availability for non-destructive examination of irradiated steel specimens, as well as technical support, assistance and space for set-up, storage during nontesting periods prior to return, and repacking in the shipping containers provided by ORNL.

Testing will be performed by six teams from the Japan Power Engineering and Inspection Corporation (JAPEIC). JAPEIC will provide the NDE test equipment and personnel to operate the NDE equipment, as well as any ancillary equipment, supplies, and services that may be required. In addition, twelve other teams, to be named by the NRC at a later date, will also perform testing.

C.3 SCOPE OF WORK**C.3.1 TASK 1: RECEIPT, STORAGE, AND RETURN OF SPECIMENS**

C.3.1 (Continued)

The contractor shall coordinate receipt and return of 18 irradiated and 18 unirradiated steel specimens (approximately 2.5" x 1.5" x 1") with ORNL. Upon receipt, the specimens shall be placed in a storage location to await NDE testing. The contractor shall be prepared for receipt of specimens as of the contract effective date (currently projected to be November 1, 1996). Upon placement of specimens in storage, the contractor shall return the shipping containers to ORNL at ORNL's expense. At the end of this contract, the contractor shall package the specimens in containers provided by ORNL and deliver the specimens to the pickup delivery point arranged by ORNL. All costs for the packing materials and shipping will be borne by ORNL.

C.3.2 TASK 2: HOT CELL TRAINING AND USE

NDE testing shall take place in the Hot Cell facilities provided by the contractor. It is estimated that six teams (comprising three members each) from JAPEIC will require six consecutive weeks for testing, one week per team. In addition, the contractor shall provide for twelve additional teams, three members each, to be named by the NRC at a later date, at one week each, to use the Hot Cell facilities. One technician shall be provided by the contractor during all testing periods in the Hot Cell.

Prior to testing, the contractor shall provide each team with health physics training, including decontamination procedures, and monitoring devices for each team in accordance with all applicable laws and regulations.

One month's notice shall be provided for scheduling the testing period. In the Monthly Technical Progress Report (see Section F), the contractor shall document the level of technical assistance provided to each testing team.

In addition, furnished office space shall be provided by the contractor for each team. The office space shall comprise a room of approximately 10' by 15' and include, at a minimum, three desks, three chairs, a telephone and access to a facsimile machine.

C.4 NRC-FURNISHED MATERIALS

Testing specimens shall be on loan from the NRC/ORNL.

[End of Clause]

SECTION E - INSPECTION AND ACCEPTANCE

E.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (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. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

NUMBER	TITLE	DATE
52.246-5	INSPECTION OF SERVICES - COST-REIMBURSEMENT	APR 1984

[End of Clause]

E.2 PLACE OF INSPECTION AND ACCEPTANCE (MAR 1987)

Inspection and acceptance of the deliverable items to be furnished hereunder shall be made by the Project Officer at the destination.

[End of Clause]

SECTION F - DELIVERIES OR PERFORMANCE**F.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (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. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

NUMBER	TITLE	DATE
52.242-15	STOP-WORK ORDER Alternate I (APR 1984)	AUG 1989

[End of Clause]

F.2 NRCAR 2052.212-70 PREPARATION OF TECHNICAL REPORTS (JAN 1993)

All technical reports required by Section C and all Technical Progress Reports required by Section F are to be prepared in accordance with the attached Management Directive 3.8, "Unclassified Contractor and Grantee Publications in the NUREG Series." Management Directive 3.8 is not applicable to any Contractor Spending Plan (CSP) and any Financial Status Report that may be included in this contract. (See Section J for List of Attachments).

[End of Clause]

F.3 NRCAR 2052.212-71 TECHNICAL PROGRESS REPORT

The contractor shall provide a monthly Technical Progress Report to the project officer and the contracting officer. The report is due within 15 calendar days after the end of the report period and must identify the title of the project, the contract number, job code number, project manager and/or principal investigator, the contract period of performance, and the period covered by the report. Each report must include the following for each discrete task/task order:

- (a) A listing of the efforts completed during the period, and milestones reached or, if missed, an explanation provided;
- (b) Any problems or delays encountered or anticipated and recommendations for resolution. If the recommended resolution involves a contract modification, e.g., change in work

F.3 (Continued)

requirements, level of effort (cost) or schedule delay, the contractor shall submit a separate letter to the contracting officer identifying the required change and estimated cost impact.

- (c) A summary of progress to date; and
- (d) Plans for the next reporting period.

[End of Clause]

F.4 2052.212-72 FINANCIAL STATUS REPORT (DEC 1995)

The contractor shall provide a monthly Financial Status Report to the project officer and the contracting officer. Also, whenever the report reference the acquisition of, or changes in status of, property valued at the time of purchase at \$50,000 or more, send a copy of the report to the Chief, Property Management Branch, Division of Facilities and Property Management, Office of Administration. The report is due within 15 calendar days after the end of the report period and shall identify the title of the project, the contract number, job code, project manager and/or principal investigator, the contract period or performance, and the period covered by the report. Each report must include the following for each discrete task:

- (a) Total estimated contract amount.
- (b) Total funds obligated to date.
- (c) Total costs incurred this reporting period.
- (d) Total costs incurred to date.
- (e) Detail of all direct and indirect costs incurred during the reporting period for the entire contract or each task, if it is a task ordering contract.
- (f) Balance of obligations remaining.
- (g) Balance of funds required to complete contract/task order.
- (h) Contractor Spending Plan (CSP) status:
 - (1) Projected percentage of completion cumulative through the report period for the project/task order as reflected in the current CSP.
 - (2) Indicate if there has been a significant change in the original CSP projection in either dollars or percentage of completion. Identify the change, the reasons for the

F.4 (Continued)

change, whether there is any projected overrun, and when additional funds would be required. If there have been no changes to the original NRC-approved CSP projections, a written statement to that effect is sufficient in lieu of submitting a detailed response to item h.

- (3) A revised CSP is required with the Financial Status Report whenever the contractor or the contracting officer has reason to believe that the total cost for performance of this contract will be either greater or substantially less than what had been previously estimated.

(i) Property status:

- (1) List property acquired for the project during the month with an acquisition cost of \$500 or more and less than \$50,000. Give the item number for the specific piece of equipment.
- (2) List property acquired for the project during the month with an acquisition cost of \$50,000 or more. Provide the following information for each item of property: item description or nomenclature, manufacturer, model number, serial number, acquisition cost, and receipt date. If no property was acquired during the month, include a statement to that effect. Note: The same information shall be provided for any component or peripheral equipment which is part of a "system or system unit."
- (3) For multi-year projects, in the September monthly financial status report provide a cumulative listing of property with an acquisition cost of \$50,000 or more (\$5,000 or more if purchased prior to October 1, 1995) showing the above information.
- (4) In the final monthly status report provide a closeout property report containing the same elements as described above for the monthly financial status reports, for all property purchased with NRC funds regardless of value unless title has been vested in the contractor. If no property was acquired under the contract, provide a statement to that effect. The report should note any property requiring special handling for security, health, safety, or other reasons as part of the report.

(j) Travel status:

List the starting and end dates for each trip, the starting point and destination, and the traveler(s) for each trip.

F.4 (Continued)

If the data in this report indicates a need for additional funding beyond that already obligated, this information may only be used as support to the official request for funding required in accordance with the Limitation of Cost (LOC) Clause (FAR 52.232-20) or the Limitation of Funds (LOF) Clause (FAR 52.232-22).

[End of Clause]

F.5 PLACE OF DELIVERY--REPORTS (JUN 1988)

The items to be furnished hereunder shall be delivered, with all charges paid by the Contractor, to:

(a) Project Officer (1 copies)

U.S. Nuclear Regulatory Commission
Office of Nuclear Regulatory Research
Mail Stop T-10-E-10
Washington, DC 20555

(b) Contracting Officer (1 copy)

[End of Clause]

F.6 DURATION OF CONTRACT PERIOD (MAR 1987)

This contract shall commence on the contract effective date as indicated in block 3 of the SF 26 Award/Contract and will expire 12 months thereafter.

[End of Clause]

F.7 RESOLVING NRC CONTRACTOR DIFFERING PROFESSIONAL VIEWS (DPVs)

The Nuclear Regulation Commission's (NRC) policy is to support the contractor's expression of professional health and safety related concerns associated with the contractor's work for NRC that (1) may differ from a prevailing NRC staff view, (2) disagree with an NRC decision or policy position, or (3) take issue with proposed or established agency practices. An occasion may arise when an NRC contractor, contractor's personnel, or subcontractor personnel believes that a conscientious expression of a competent judgement is required to document such concerns on matters directly associated with its performance of the contract. The procedure that will be used provides for the expression and resolution of differing professional views (DPVs) of health and safety related concerns associated with the mission of the agency

F.7 (Continued)

by NRC contractors, contractor personnel or subcontractor personnel on matters directly associated with its performance of the contract, may be found in Section J of the solicitation. The contractor shall provide a copy of the NRC DPV procedure to all of its employees performing under this contract and to all subcontractors who shall, in turn, provide a copy of the procedure to its employees. NOTE: The prime contractor or subcontractor shall submit all DPV's received by need not endorse them.

[End of Clause]

SECTION G - CONTRACT ADMINISTRATION DATA

G.1 NRCAR 2052.215-71 PROJECT OFFICER AUTHORITY
(JAN 1993)

- (a) The contracting officer's authorized representative hereinafter referred to as the project officer for this contract is:

Name: Carolyn Fairbanks

Address: U.S. Nuclear Regulatory Commission
Office of Nuclear Regulatory Research
Mail Stop T-10-E-10
Washington, DC 20555

Telephone Number: (301) 415-6719

- (b) Performance of the work under this contract is subject to the technical direction of the NRC project officer. The term technical direction is defined to include the following:

- (1) Technical direction to the contractor which shifts work emphasis between areas of work or tasks, fills in details, or otherwise serves to accomplish the contractual statement of work.
- (2) Provide advice and guidance to the contractor in the preparation of drawings, specifications, or technical portions of the work description.
- (3) Review and, where required by the contract, approval of technical drawings, specifications, and technical information to be delivered by the contractor to the Government under the contract.

- (c) Technical direction must be within the general statement of work stated in the contract. The project officer does not have the authority to and may not issue any technical direction which:

- (1) Constitutes an assignment of work outside the general scope of the contract.
- (2) Constitutes a change as defined in the "Changes" clause of this contract.
- (3) In any way causes an increase or decrease in the total

G.1 (Continued)

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.
 - (5) Terminates the contract, settles any claim or dispute arising under the contract, or issues any unilateral directive whatever.
- (d) All technical directions must be issued in writing by the project officer or must be confirmed by the project officer in writing within ten (10) working days after verbal issuance. A copy of the written direction must be furnished to the contracting officer.
- (e) The contractor shall proceed promptly with the performance of technical directions duly issued by the project officer in the manner prescribed by this clause and within the project officer's authority under the provisions of this clause.
- (f) If, in the opinion of the contractor, any instruction or direction issued by the project officer is within one of the categories as defined in paragraph (c) of this section, the contractor may not proceed but shall notify the contracting officer in writing within five (5) working days after the receipt of any instruction or direction and shall request the contracting officer to modify the contract accordingly. Upon receiving the notification from the contractor, the contracting officer shall issue an appropriate contract modification or advise the contractor in writing that, in the contracting officer's opinion, the technical direction is within the scope of this article and does not constitute a change under the "Changes" clause.
- (g) Any unauthorized commitment or direction issued by the project officer may result in an unnecessary delay in the contractor's performance and may even result in the contractor expending funds for unallowable costs under the contract.
- (h) A failure of the parties to agree upon the nature of the instruction or direction or upon the contract action to be taken with respect there to is subject to FAR 52.233-1 - Disputes.
- (i) In addition to providing technical direction as defined in paragraph (b) of the section, the project officer shall:
- (1) Monitor the contractor's technical progress, including surveillance and assessment of performance, and recommend to the contracting officer changes in requirements.

G.1 (Continued)

- (2) Assist the contractor in the resolution of technical problems encountered during performance.
- (3) Review all costs requested for reimbursement by the contractor and submit to the contracting officer recommendations for approval, disapproval, or suspension of payment for supplies and services required under this contract.

[End of Clause]

**G.2 NRCAR 2052.216-72 INDIRECT COST RATES
- ALTERNATE 1 (JAN 1993)**

The contractor is reimbursed for allowable indirect costs in accordance with the following predetermined rates:

Rate Name	Rate%	Applicable Period
PHOENIX MEMORIAL LAB INDIRECT	44.0%	DURATION OF CONTRACT
INDIRECT COST ON CAMPUS RESEARCH	52.5%	DURATION OF CONTRACT

[End of Clause]

G.3 ELECTRONIC PAYMENT

The Debt Collection Improvement Act of 1996 requires that all payments except IRS tax refunds be made by Electronic Funds Transfer. It is the policy of the Nuclear Regulatory Commission to pay vendors by the Automated Clearing House (ACH) electronic funds transfer payment system. The electronic system is known as Vendor Express. Payment shall be made in accordance with FAR 52.232-33, entitled "Mandatory Information for Electronic Funds Transfer Payment".

To receive payment, the contractor shall complete the "Company Information" portion of the Standard Form 3881, entitled "ACH Vendor/Miscellaneous Payment Enrollment Form" found in Section J. The contractor shall take the form to the ACH Coordinator at the financial institution that maintains its company's bank account. The contractor shall discuss with the ACH Coordinator how the payment identification information (addendum record) will be passed to them once the payment is received by the financial institution. To ensure that adequate payment information will be available to the contractor, the contractor should inform the financial institution that the addendum record must not be stripped from the payment. Further information concerning the addendum is provided at Attachment . The ACH Coordinator should fill out the "Financial Institution Information" portion of the

G.3 (Continued)

form and return it to the Office of the Controller at the following address: Nuclear Regulatory Commission, Division of Accounting and Finance, Financial Operations Section, Mail Stop T-9-H-4, Washington, DC 20555, ATTN: ACH/Vendor Express. It is the responsibility of the contractor to ensure that the financial institution returns the completed form to the above cited NRC address. If the contractor can provide the financial information, signature of the financial institution's ACH Coordinator is not required. The NRC is under no obligation to send reminders. Only after the Office of the Controller has processed the contractor's sign-up form will the contractor be eligible to receive payments.

Once electronic funds transfer is established for payments authorized by NRC, the contractor needs to submit an additional SF 3881 only to report changes to the information supplied.

Questions concerning ACH/Vendor Express should be directed to the Financial Operations staff at (301) 415-7520.

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H.1 NRCAR 2052.215-70 KEY PERSONNEL (JAN 1993)

- (a) The following individuals are considered to be essential to the successful performance of the work hereunder:

Ronald F. Fleming
Philip A. Simpson

The contractor agrees that personnel may not be removed from the contract work or replaced without compliance with paragraphs (b) and (c) of this section.

- (b) If one or more of the key personnel, for whatever reason, becomes, or is expected to become, unavailable for work under this contract for a continuous period exceeding 30 work days, or is expected to devote substantially less effort to the work than indicated in the proposal or initially anticipated, the contractor shall immediately notify the contracting officer and shall, subject to the concurrence of the contracting officer, promptly replace the personnel with personnel of at least substantially equal ability and qualifications.
- (c) Each request for approval of substitutions must be in writing and contain a detailed explanation of the circumstances necessitating the proposed substitutions. The request must also contain a complete resume for the proposed substitute and other information requested or needed by the contracting officer to evaluate the proposed substitution. The contracting officer or his/her authorized representative shall evaluate the request and promptly notify the contractor of his or her approval or disapproval in writing.
- (d) If the contracting officer determines that suitable and timely replacement of key personnel who have been reassigned, terminated, or have otherwise become unavailable for the contract work is not reasonably forthcoming, or that the resultant reduction of productive effort would be so substantial as to impair the successful completion of the contract or the service order, the contract may be terminated by the contracting officer for default or for the convenience of the Government, as appropriate. If the contracting officer finds the contractor at fault for the condition, the contract

H.1 (Continued)

price or fixed fee may be equitably adjusted downward to compensate the Government for any resultant delay, loss, or damage.

[End of Clause]

H.2 NRCAR 2052.235-72 SAFETY, HEALTH, AND FIRE PROTECTION (JAN 1993)

The contractor shall take all reasonable precautions in the performance of the work under this contract to protect the health and safety of its employees and of members of the public, including NRC employees and contractor personnel, and to minimize danger from all hazards to life and property and shall comply with all applicable health, safety, and fire protection regulations and requirements (including reporting requirements) of the Commission and the Department of Labor. In the event that the contractor fails to comply with these regulations or requirements, the contracting officer may, without prejudice to any other legal or contractual rights of the Commission, issue an order stopping all or any part of the work; thereafter, a start order for resumption of work may be issued at the discretion of the contracting officer. The contractor shall make no claim for an extension of time or for compensation or damages by reason of, or in connection with, this type of work stoppage.

[End of Clause]

H.3 SUMMARY REPORT FOR RADIOACTIVE, HAZARDOUS, AND MIXED WASTE GENERATED UNDER CONTRACT

The contractor shall provide, on an annual basis, a summary report of the radioactive, hazardous and mixed waste generated by activities conducted under this contract. The information contained in the summary report shall include the following:

- 1) the volume of hazardous waste, by waste stream and EPA waste code (40 CFR 261);
- 2) the volume of radioactive waste by waste stream;
- 3) the activity of radioactive waste, by waste stream and radionuclide;
- 4) the volume of mixed waste, by waste stream and EPA waste code; and
- 5) the activity of the mixed waste, by waste stream and radionuclide.

The report shall also summarize:

H.3 (Continued)

- 1) the volume of radioactive waste disposed of during the reporting period and the volume and activity of radioactive waste in storage at an on-site or off-site storage facility during the reporting period;
- 2) the volume of hazardous waste treated or disposed of during the reporting period; and
- 3) the volume and activity of mixed waste stored, treated, disposed of during this reporting period.

This summary report shall be submitted to the NRC Project Officer not later than the 30th day of September of each year that the contract is in effect and will reflect radioactive, hazardous and mixed waste inventory information for the preceding 12-month (365 day) period.

PART II - CONTRACT CLAUSES

SECTION I - CONTRACT CLAUSES

I.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (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. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES

NUMBER	TITLE	DATE
52.202-1	DEFINITIONS	OCT 1995
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 1995
52.203-7	ANTI-KICKBACK PROCEDURES	JUL 1995
52.203-10	PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY	SEP 1990
52.203-12	LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS	JAN 1990
52.204-4	PRINTING/COPYING DOUBLE-SIDED ON RECYCLED PAPER	JUN 1996
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT	JUL 1995
52.215-2	AUDIT AND RECORDS--NEGOTIATION Alternate II (OCT 1995)	AUG 1996
52.215-33	ORDER OF PRECEDENCE	JAN 1986
52.216-11	COST CONTRACT - NO FEE	APR 1984
52.216-15	PREDETERMINED INDIRECT COST RATES	AUG 1996
52.219-8	UTILIZATION OF SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS CONCERNS	OCT 1995
52.222-3	CONVICT LABOR	AUG 1996
52.222-26	EQUAL OPPORTUNITY	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
52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA	JAN 1988

I.1 (Continued)

NUMBER	TITLE	DATE
52.223-2	CLEAN AIR AND WATER	APR 1984
52.223-6	DRUG-FREE WORKPLACE	JUL 1990
52.223-14	TOXIC CHEMICAL RELEASING REPORTING	OCT 1996
52.225-11	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES	OCT 1996
52.225-19	EUROPEAN UNION SANCTION FOR SERVICES	JAN 1996
52.227-1	AUTHORIZATION AND CONSENT Alternate I (APR 1984)	JUL 1995
52.227-2	NOTICE AND ASSISTANCE REGARDING PATENT AND COPYRIGHT INFRINGEMENT	AUG 1996
52.227-14	RIGHTS IN DATA - GENERAL Alternate IV (JUN 1987)	JUN 1987
52.228-7	INSURANCE - LIABILITY TO THIRD PERSONS	MAR 1996
52.232-17	INTEREST	JUN 1996
52.232-22	LIMITATION OF FUNDS	APR 1984
52.232-23	ASSIGNMENT OF CLAIMS	JAN 1986
52.232-25	PROMPT PAYMENT	MAR 1994
52.232-33	MANDATORY INFORMATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT	AUG 1996
52.233-1	DISPUTES	OCT 1995
52.233-3	PROTEST AFTER AWARD Alternate I (JUN 1985)	AUG 1996
52.242-1	NOTICE OF INTENT TO DISALLOW COSTS	APR 1984
52.242-13	BANKRUPTCY	JUL 1995
52.243-2	CHANGES - COST-REIMBURSEMENT Alternate I (APR 1984)	AUG 1987
52.244-2	SUBCONTRACTS (COST-REIMBURSEMENT AND LETTER CONTRACTS)	MAR 1996
52.244-5	COMPETITION IN SUBCONTRACTING	JANUARY 1996
52.245-5	GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS) Alternate I (JUL 1985)	JAN 1986
52.249-5	TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (EDUCATIONAL AND OTHER NONPROFIT INSTITUTIONS)	SEP 1996
52.253-1	COMPUTER GENERATED FORMS	JAN 1991

[End of Clause]

I.2 52.203-9 REQUIREMENT FOR CERTIFICATE OF PROCUREMENT
INTEGRITY--MODIFICATION (SEP 1995)

- (a) Definitions. The definitions set forth in FAR 3.104-4 are hereby incorporated in this clause.

I.2 (Continued)

- (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. The certification in paragraph (c)(2) of this clause is not required for a modification which procures commercial items.

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 subsection 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 EXISTS)

I.2 (Continued)

[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.

- (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 the 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.

[End of Clause]

I.3 52.216-7 ALLOWABLE COST AND PAYMENT (AUG 1996)

- (a) Invoicing. The Government shall make payments to the Contractor when requested as work progresses, but (except for small business concerns) not more often than once every 2 weeks, in amounts determined to be allowable by the Contracting Officer in accordance with Subpart 31.3 of the Federal Acquisition Regulation (FAR) in effect on the date of this contract and the terms of this contract. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as the representative may require, an invoice or voucher supported by a statement of the claimed allowable cost for performing this contract.
- (b) Reimbursing costs. (1) For the purpose of reimbursing allowable costs (except as provided in subparagraph (2) below, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term "costs" includes only--
- (i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;
 - (ii) When the Contractor is not delinquent in paying costs of contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for--
 - (A) Materials issued from the Contractor's inventory and placed in the production process for use on the contract;
 - (B) Direct labor;
 - (C) Direct travel;
 - (D) Other direct in-house costs; and
 - (E) Properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts; and
 - (iii) The amount of progress payments that have been paid to the Contractor's subcontractors under similar cost standards.
- (2) Contractor contributions to any pension or other postretirement benefit, profit-sharing or employee stock

I.3 (Continued)

ownership plan funds that are paid quarterly or more often may be included in indirect costs for payment purposes; Provided, that the Contractor pays the contribution to the fund within 30 days after the close of the period covered. Payments made 30 days or more after the close of a period shall not be included until the Contractor actually makes the payment. Accrued costs for such contributions that are paid less often than quarterly shall be excluded from indirect costs for payment purposes until the Contractor actually makes the payment.

- (3) Notwithstanding the audit and adjustment of invoices or vouchers under paragraph (g) below, allowable indirect costs under this contract shall be obtained by applying indirect cost rates established in accordance with paragraph (d) below.
 - (4) Any statements in specifications or other documents incorporated in this contract by reference designating performance of services or furnishing of materials at the Contractor's expense or at no cost to the Government shall be disregarded for purposes of cost-reimbursement under this clause.
- (c) Small business concerns. A small business concern may be paid more often than every 2 weeks and may invoice and be paid for recorded costs for items or services purchased directly for the contract, even though the concern has not yet paid for those items or services.
- (d) Final indirect cost rates. (1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with Subpart 42.7 of the Federal Acquisition Regulation (FAR) in effect for the period covered by the indirect cost rate proposal.
- (2) The Contractor shall, within 90 days after the expiration of each of its fiscal years, or by a later date approved by the Contracting Officer, submit to the cognizant Contracting Officer responsible for negotiating its final indirect cost rates and, if required by agency procedures, to the cognizant audit activity proposed final indirect cost rates for that period and supporting cost data specifying the contract and/or subcontract to which the rates apply. The proposed rates shall be based on the Contractor's actual cost experience for that period. The appropriate Government representative and Contractor shall establish the final indirect cost rates as promptly as practical after receipt of the Contractor's proposal.

I.3 (Continued)

- (3) The Contractor and the appropriate Government representative shall execute a written understanding setting forth the final indirect cost rates. The understanding shall specify (i) the agreed-upon final annual indirect cost rates, (ii) the bases to which the rates apply, (iii) the periods for which the rates apply, (iv) any specific indirect cost items treated as direct costs in the settlement, and (v) the affected contract and/or subcontract, identifying any with advance agreements or special terms and the applicable rates. The understanding shall not change any monetary ceiling, contract obligation, or specific cost allowance or disallowance provided for in this contract. The understanding is incorporated into this contract upon execution.
- (4) Failure by the parties to agree on a final annual indirect cost rate shall be a dispute within the meaning of the Disputes clause.
- (e) Billing rates. Until final annual indirect cost rates are established for any period, the Government shall reimburse the Contractor at billing rates established by the Contracting Officer or by an authorized representative (the cognizant auditor), subject to adjustment when the final rates are established. These billing rates--
- (1) Shall be the anticipated final rates; and
 - (2) May be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.
- (f) Quick-closeout procedures. Quick-closeout procedures are applicable when the conditions in FAR 42.708(a) are satisfied.
- (g) Audit. At any time or times before final payment, the Contracting Officer may have the Contractor's invoices or vouchers and statements of cost audited. Any payment may be (1) reduced by amounts found by the Contracting Officer not to constitute allowable costs or (2) adjusted for prior overpayments or underpayments.
- (h) Final payment. (1) The Contractor shall submit a completion invoice or voucher, designated as such, promptly upon completion of the work, but no later than one year (or longer, as the Contracting Officer may approve in writing) from the completion date. Upon approval of that invoice or voucher, and upon the Contractor's compliance with all terms of this contract, the Government shall promptly pay any

I.3 (Continued)

balance of allowable costs and that part of the fee (if any) not previously paid.

(2) The Contractor shall pay to the Government any refunds, rebates, credits, or other amounts (including interest, if any) accruing to or received by the Contractor or any assignee under this contract, to the extent that those amounts are properly allocable to costs for which the Contractor has been reimbursed by the Government. Reasonable expenses incurred by the Contractor for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by the Contracting Officer. Before final payment under this contract, the Contractor and each assignee whose assignment is in effect at the time of final payment shall execute and deliver--

- (i) An assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including interest, if any) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and
- (ii) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, except--
 - (A) Specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known;
 - (B) Claims (including reasonable incidental expenses) based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that the claims are not known to the Contractor on the date of the execution of the release, and that the Contractor gives notice of the claims in writing to the Contracting Officer within 6 years following the release date or notice of final payment date, whichever is earlier; and
 - (C) Claims for reimbursement of costs, including reasonable incidental expenses, incurred by the Contractor under the patent clauses of this contract, excluding, however, any expenses arising from the Contractor's indemnification of the Government against patent liability.

I.4 52.222-2 PAYMENT FOR OVERTIME PREMIUMS (JUL 1990)

(a) The use of overtime is authorized under this contract if the overtime premium cost does not exceed \$0.00 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.

[End of Clause]

I.5 52.242-4 CERTIFICATION OF INDIRECT COSTS (OCT 1995)

(a) The Contractor shall--

- (1) Certify any proposal to establish or modify billing rates or to establish final indirect cost rates;
- (2) Use the format in paragraph (c) of this clause to certify; and
- (3) Have the certificate signed by an individual of the Contractor's organization at a level no lower than a vice president or chief financial officer of the business segment of the Contractor that submits the proposal.

(b) Failure by the Contractor to submit a signed certificate, as described in this clause, shall result in payment of indirect costs at rates unilaterally established by the Government.

(c) The certificate of indirect costs shall read as follows:

Certificate of Indirect Costs

This is to certify that to the best of my knowledge and belief:

1. I have reviewed this indirect cost proposal;
2. All costs included in this proposal (identify proposal and date) to establish billing or final indirect costs rates for (identify period covered by rate) are allowable in accordance with the requirements of contracts to which they apply and with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to those contracts;
3. This proposal does not include any costs which are unallowable under applicable cost principles of the FAR or its supplements, including, but not limited to: advertising and public relations costs, contributions and donations, entertainment costs, fines and penalties, lobbying costs, defense of fraud proceedings, and goodwill; and
4. All costs included in this proposal are properly allocable to Government contracts on the basis of a beneficial or casual relationship between the expenses incurred and the contracts to which they are allocated in accordance with applicable acquisition regulations.

I declare under penalty of perjury that the foregoing is

I.5 (Continued)

true and correct.

Firm:

Signature:

Name of Certifying Official:

Title:

Date of Execution:

[End of Clause]

PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J - LIST OF ATTACHMENTS

J.1 ATTACHMENTS (MAR 1987)

<u>Attachment Number</u>	<u>Title</u>
01	Billing Instructions
02	NRC Handbook 3.8
03	Contractor Spending Plan (CSP) Instructions
04	EFT Addenda Samples