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C-1 MEETINGS, REVIEWS AND CONFERENCES

The Contractor shall conduct a post-award conference within thirty (30) days after the effective date of this contract. The conference will be held at the Contractor's facility. The purpose of the conference is to (1) review the contract and technical documents, (2) ensure the Contractor's understanding of the technical and schedule requirements, and (3) discuss the roles and working relationships between the Contractor, the Single System Vendors (SSVs), the Noise Control Engineering Firm and the Government. Representatives from each SSV and from the Noise Control Engineering Firm shall attend.

Thereafter, the Contractor shall hold periodic status meetings at the Contractor's plant if requested with reasonable advance notice by the Government. The purpose of these meetings is for the Contractor and the Government to discuss engineering, design and production progress, anticipated problems, and any other relevant matters. Representatives from each SSV and from the Noise Control Engineering Firm shall attend. The Contractor shall provide agendas and minutes for these meetings.

In addition, other meetings such as technical interchange meetings may be conducted on an ad hoc basis as requested by either the Contractor or the Government.

C-2 ELECTRONIC INFORMATION MANAGEMENT SYSTEM

The Government will operate and maintain a secure, Web-based information management system which will be used for the review of deliverables provided by the Contractor. The Contractor shall utilize a reliable dedicated high speed Internet connection, T-1 or better and upload all deliverables required under this contract to the electronic information management system.

C-3 EQUIVALENT EQUIPMENT

In the event that the Contractor wishes to substitute equipment which it considers equivalent to an item referenced in the TP by manufacturer's make and model number "or equal," the Contractor shall submit a substitution request in

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writing to the Government for approval. The substitution request shall include sufficient detail to demonstrate that the proposed equivalent item meets all salient characteristics of the specified brand name or equal item as identified in ATTACHMENT J-3. Such requests shall be made at least sixty(60) days in advance of the Contractor's anticipated order of the equipment to allow the Government time to determine equivalency. Any equivalency request not approved within 30 days shall be considered disapproved by the Government. The requirements of the clause hereof entitled "BRAND NAME OR EQUAL" (FAR 52.211-6) apply to all requests for equipment substitution under this contract.

C-4 GROUNDING, DAMAGE OR COLLISION

In the event of grounding, damage or collision involving an item under this contract, the Contractor shall immediately notify the CONREP. If requested by the CONREP, the Contractor examine the ship in the manner required by the CONREP at no expense to the Government. A written Grounding/Damage/Collision report shall be made of the incident by the Contractor. As a minimum, the report shall include reasons for the occurrence, damage sustained, and effects on the ship's delivery schedule.

C-5 ACCESS TO THE VESSEL(S)

Officers, employees and associates of other Contractors with the Government and their subcontractors, shall, as authorized by the CONREP, have, at all reasonable times, admission to the plant, access to the vessel(s) where and as required, and be permitted, within the plant and on the vessel(s) to perform and fulfill their respective obligations to the Government. The Contractor shall make reasonable arrangements with the Government or Contractors of the Government, as shall have been identified and authorized by the CONREP to be given admission to the plant and access to the vessel(s) for office space, work areas, storage or shop areas, or other facilities and services, necessary for the performance of the respective responsibilities involved, and reasonable to their performance.

C-6 APPROVAL BY THE GOVERNMENT

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.

C-7 CONFIGURATION MANAGEMENT

(a) General Requirements:

(1) The Contractor shall provide engineering and technical services for configuration control to manage changes to the baseline FRV-40 Technical Package (TP). The baseline FRV-40 Technical Package consists of a Statement of Requirements (SOR), Project Peculiar Documents (PPD), guidance documents, and all revisions and modifications thereto dated prior to the award of this contract, and other documents, exhibits, and attachments listed in SECTION J of this contract. The Contractor shall not make any changes until Contracting Officer, or his designated representative, has approved the change.

(2) The Contractor shall maintain a Configuration Control Program to assure that all detail level work being performed under this contract is in compliance with appropriate TP documentation. The Contractor shall prepare Configuration Management Plan documenting the plan and approach to configuration management for approval by the Government.

(3) Whenever a situation arises wherein the Contractor cannot comply with a TP document, or whenever intent of such documentation is significantly changed by detail level documentation, the Contractor shall submit change documents to modify the TP documents to resolve the conflict or to allow for non-compliance. Whenever

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the cost of implementing a proposed change is less than \$500,000, the Contractor shall provide documentation explaining the nature of related costs as shown on the change document. Whenever the contract cost changes by more than \$500,000, the Contractor shall complete a SF 1411 detailing all related costs, and attach it to the change document. Change documentation shall be submitted to the CONREP in accordance with the Data Requirements List (DRL), and as described in paragraphs (c) through (f) below.

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(b) Engineering Changes Proposals (ECPs): The Contractor shall prepare ECPs whenever detail level physical configuration, material quality, or operational or functional performance will not be in compliance with the baseline. ECPs shall contain a detailed description of the scope of work, plans and sketches showing the "before and after" configurations, list of materials added or deleted, cost estimate, ILS impact, estimate of the effect on weight and moment, and/or estimate of effects on equipment delivery schedule.

(c) Request for Deviations (RFD) and Request for Waivers (RFWs): Deviations are written authorizations to depart from a particular performance or design requirement for a specific number of units or period of time. The Contractor shall prepare a Request For Deviation (RFD) for each occurrence and submit it to the Government for approval. Waivers are written authorizations accepting a configuration item or other designated item which, during production or after having been submitted for inspection, is found to depart from the specified requirements, but nevertheless, is considered suitable for use "as is" and is similarly processed. The Contractor shall prepare a Request For Waiver (RFW) for each occurrence and submit it to the Government for approval.

(d). Requests for engineering changes, deviations and waivers shall be in the Contractor's format. All such requests shall be numbered sequentially with the following prefixes:

"ECP" for Engineering Change Proposals

"RFD" for Request for Deviation

"RFW" for Request for Waiver

(e) Equitable Adjustments for Change Documentation Preparations - For its effort expended in preparing ECPS, Deviations and Waivers, the Contractor shall receive equitable adjustment under the following circumstances:

(1) In the event the Contractor, on its own initiative, and without written request from the Government, develops a change document that is later disapproved by the Government, the Contractor shall bear the cost of this effort.

(2) To avoid such loss, and at its option, the Contractor may submit a "preliminary" document that outlines intent, but without detailed supporting documentation and request the CONREP's approval for expenditure of effort to complete the detailed supporting documentation. In the event the CONREP denies this request, the Contractor will bear the cost of development of the "preliminary" document, and shall make no further effort to complete detailed supporting documentation.

(3) In the event the CONREP approves the Contractor's request to develop supporting documentation, the Contractor shall be equitably compensated for its effort for both the "preliminary" and "final" documentation, regardless of whether or not the change document is later approved.

(4) In the event the Government requests in writing that the Contractor develop change documentation, the effort expended by the Contractor in developing such documentation shall be subject to equitable adjustment, regardless of whether or not the change document is later approved.

(5) In the event the Contractor, on its own initiative, and without written request from the Government, develops a change document that is later approved by the Government, the cost of developing such documentation shall be incorporated in the contract modification that implements the change.

(6) The Contractor shall comply with the requirements of the clause hereof entitled "CHANGE ORDER ACCOUNTING" (FAR 52.243-6) for all changes with an estimated value in excess of \$100,000.00.

(7) Failure to agree to an equitable adjustment in contract price shall constitute a dispute, and shall be adjudicated in accordance with the requirements of the clause entitled "DISPUTES" (FAR 52.233-1).

C-8 CONTRACT PROBLEM IDENTIFICATION REPORTS

(a) Contract Problem Identification Reports (CPIRs) shall be used by the Contractor for the purpose of alerting the Government to actual or potential contract problems and of establishing an early dialogue between the Contractor and the Government with regard thereto.

(b) A "contract problem" is a fact or circumstance of which the Contractor is aware that does, will or reasonably is anticipated to (1) have a significant or substantial impact on the delivery schedule or completion of contract performance or the cost of performance of the contract (increase or decrease) or (2) requires modification to the contract or

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specification(s). The terms "significant" and "substantial" shall be interpreted in the same manner as they would be interpreted by a reasonably prudent business person under the relevant circumstances.

(c) The Contractor shall report each contract problem promptly and in no event later than ten (10) calendar days, after the Contractor identifies such contract problem. A written CPIR shall be transmitted via the CONREP to the Contracting Officer. Each CPIR shall be entitled "Contract Problem Identification Report", shall be dated, numbered sequentially and shall set forth the following based on the best and most complete information then known or available to the Contractor:

- (1) The nature of the contract problem;
 - (2) The date on which the contract problem arose and the date on which the contract problem was identified as such;
 - (3) The anticipated direct and consequential effects of the contract problem upon the delivery schedule or completion of contract performance or the cost of performance of the contract;
 - (4) Identification of the supplies and/or services which are or may be affected; and
 - (5) The Contractor's recommended solution to the reported contract problem.
- (d) CPIRs shall not be submitted when notice of the same contract problem is required to be furnished to the Government pursuant to any other requirement of this contract. The submission of a CPIR, however, does not relieve the Contractor of its obligations to provide notice required under any other requirement of this contract.

C-9 DRYDOCKING FACILITIES AND SHIPBUILDING WAYS CERTIFICATION

(a) Drydocking, launching, building way and transfer facilities and methods employed in the performance of this contract shall be certified by either of the two following methods:

(1) In accordance with the standards and criteria of an internationally recognized certifying authority acceptable to the Contracting Officer, (examples of such authority include, but are not limited to, the American Bureau of Shipping (ABS), Lloyds Registry of Shipping, Det Norske Veritas, Engineering, Inc. in effect on the date of contract award, or;

(2) In accordance with the current version of MIL-STD-1625, Safety Certification for Drydock Facilities and Building Ways for U.S. Navy Ships, in effect on the date of contract award.

A "Facility Certification Report" shall also be prepared and submitted to the CONREP in accordance with the DRL.

(b) The Contractor may propose an alternate drydocking/launching method for those situations not covered by the existing certification criteria. The documentation to support this proposal shall be as close as practicable to that required by the existing certification criteria and shall identify any potential impact/modification to the ship's structure. Additionally, the Contractor shall submit certification from an independent naval architect, acceptable to the Contracting Officer, which shall certify that the method being proposed, including equipment and procedures, complies with sound naval architectural principles.

(c) The ship shall be drydocked for survey, repair, and final hull preservation and painting not more than 180 days prior to delivery to the Government. The Contractor shall notify the Regulatory Bodies to witness the final drydocking for certification purposes.

C-10 INFORMATION AND DATA FURNISHED BY THE GOVERNMENT

(a) Contract Specifications. The Government will furnish, if not included as an attachment to the contract, any unique contract specifications set forth in Section C.

(b) Contract Drawings and Data. The Government will furnish contract drawings, design agent drawings, ship construction drawings, and/or other design or alteration data cited or referenced in Section C or in the contract specification as mandatory for use or for contract performance.

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(c) Government Furnished Information (GFI). GFI is defined as that information essential for the installation, test, operation, and interface support of all Government Furnished Material to be provided under the terms of the contract. The GFI furnished to the Contractor need not be in any particular format. Further, the Government reserves the right to revise the listing of GFI as follows:

- (1) The Contracting Officer may at any time by written order:
 - (i) delete, supersede, or revise, in whole or in part, as applicable; or
 - (ii) add items of data or information, as applicable; or
 - (iii) establish or revise due dates for items of data or information, as applicable.

(2) If any action taken by the Contracting Officer pursuant to subparagraph (1) immediately above causes an increase or decrease in the costs of, or the time required for, performance of any part of the work under this contract, an equitable adjustment may be made in the contract price and delivery schedule in accordance with the procedures provided for in the clause of this contract entitled "CHANGES--FIXED-PRICE" (FAR 52.243-1).

(d) Except for the Government information and data specified by paragraphs (a), (b), and (c) above, the Government will not be obligated to furnish the Contractor any specification, standard, drawing, technical documentation, or other publication, notwithstanding anything to the contrary in the contract specifications, the clause of this contract entitled "GOVERNMENT PROPERTY (FIXED-PRICE)" (FAR 52.245-2), or any other term or condition of this contract.

Commercial specifications and standards, which may be referenced in the contract specification or any sub-tier specification or standard, are not available from Government sources and should be obtained from the publishers.

C-11 OFFICE FACILITIES

(a) The Contractor shall provide suitable office facilities and services for an on-site Government staff of approximately nine personnel. The facilities to be provided shall be equal to those provided by the Contractor for his use for generally similar purposes. The offices provided shall be located convenient to the ship, management and other shipyard shops and offices.

(b) Office Space and Equipment. The Contractor shall provide separate but adjacent offices, drafting rooms, conference room, rooms and equipment for the reproduction of items such as plans, booklets, test memoranda, and allowance lists for the use of personnel designated in paragraph (a) above. These spaces shall be of adequate size for such purposes and shall be furnished, ventilated, lighted and heated. The Contractor shall furnish services for keeping the rooms in order and clean, and toilet facilities including soap and towels. These spaces shall be maintained and stocked with supplies as needed. Air conditioning and interior communication shall be provided in the offices that are utilized. Furniture, desks, chairs, stools, clothes lockers, drafting tables and classified or unclassified file cabinets for cards, letters, plans and reports shall be furnished by the Contractor for the on-site Government office facilities (including locks where appropriate).

(c) Telephone Service. The Contractor shall provide and maintain telephone service for the on-site Government office spaces, with at least one private line per office space for calls to be direct dial, local and long distance (not through the shipyard switchboard). Voice mail capabilities, as well as provision for computer modem connections, shall be included with the telephone service. In addition, the Contractor must provide a T-1 digital link to the FRV-40 Acquisition Office in Silver Spring, MD within 60 days after award.

(1) As soon as practical in the construction phase, the Contractor shall provide, at the direction of the CONREP, telephone service to the Ship's Master's office and the Chief Engineer's office. When the ship's telephone system becomes active, these two lines may be removed.

(2) The Contractor shall include in the contract price the full cost of providing all telephone service except for long distance calls. Long distance calls shall be billed to the Government on the basis of actual cost.

(d) Parking Spaces. The Contractor shall provide lighted, secure parking spaces adjacent to the office to accommodate their normal occupants.

C-12 NUCLEUS CREW

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(a) A crew furnished by the Government of approximately 3 persons, referred hereinafter in this contract as the "Nucleus Crew," may be present at the Contractor's plant for a period of not more than 270 working days prior to the delivery of the vessel.

(b) Office space with furnishings, services, parking and equipment requirements shall be provided by the Contractor as set forth in the clause of this contract titled "OFFICE FACILITIES." The Nucleus Crew shall be permitted to use the facilities, equipment and services furnished to the CONREP. The Nucleus Crew personnel shall be required to comply with the Contractor's rules and regulations governing personnel at its plant relating to safety and security. Communications between the Nucleus Crew and the Contractor shall be via the CONREP. The Master and Engineering Officer shall be permitted to attend Contractor or CONREP status meetings and shall receive copies via the CONREP of all status reports transmitted to the CONREP.

(c) The Nucleus Crew will be allowed reasonable access to the ship(s) in the performance of its duties, on a non-interference basis, to accomplish the following tasks:

- (1) Familiarization and indoctrination with the general arrangement and condition of the ship(s); and,
- (2) Participating as observers and operators during sea trials, including trial gear operations to the extent permitted by available ship accommodations.

C-13 PERMITS AND RESPONSIBILITIES

The Contractor shall, without additional expense to the Government, be responsible for obtaining any necessary licenses and permits, and for complying with any applicable Federal, State, and Municipal laws, codes, and regulations, in connection with any movement over the public highways of overweight/over dimensional materials.

C-14 PLANS AND OTHER DATA

Whenever the Government shall so require, the Contractor shall, at the cost of reproduction, furnish to whomsoever may be designated by the Government (including other shipbuilding Contractors), copies of working plans (including reproducible), selected record plans, indices, material schedules, plan schedules, purchase specifications and other data relating to the construction of the vessel. The furnishing of such data shall not constitute any guaranty or warranty, either express or implied, by the Contractor other than that they are correct copies of such data.

C-15 PROTECTION OF THE SHIP DURING ADVERSE ENVIRONMENTAL CONDITIONS

The Contractor shall ensure that the ship(s) and all related material at the Contractor's facilities are protected during conditions of heavy weather, high winds, heavy snow and icing, high water or similar adverse environmental conditions. The Contractor shall develop, maintain, and implement as necessary an "Adverse Environmental Conditions Plan" which prescribes the actions and procedures and assigns responsibilities for action to be taken in preparation for and during the period of adverse environmental conditions. The Contractor shall furnish the plan to the CONREP and shall make such changes in the plan as the CONREP considers necessary to provide for adequate protection of the ship(s) and the materials and equipment to be installed therein.

C-16 ORDERING ITEMS

(a) Contract Modification - Items and Other Requirements to be Furnished When Ordered by the Government. The Contractor shall furnish supplies or other requirements under Items 0002, 0003, 0005, 0006, 0009, 0010, 0012, 0013, 0016, 0017, 0019, 0020, 0023, 0024, 0026 or 0027 when a contract modification or delivery order is issued by the Government in accordance with the procedures specified herein. The Government shall not be liable for any expenses incurred by the Contractor under any Item set forth herein until a contract modification or order is issued by the Government.

(b) Contractor Proposal - Requirements Being Ordered. When required by the Contracting Officer (CO), the Contractor shall submit a proposal for the requirements the Government contemplates ordering hereunder. Such proposal shall be supported by cost or pricing data as prescribed in FAR 15.804 unless such requirements have been waived for the contract pursuant to FAR 15.804-3.

(c) Ordering Period and Terminal Date for Delivery or Performance. Contract modifications or delivery orders for supplies or other requirements may be issued at any time during the period of performance of this contract through final acceptance. Contract modifications issued in accordance with this requirement shall provide that deliveries or performance shall be completed in accordance within the period of performance specified in each order.

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(d) Ordering. The CO will issue contract modifications or delivery orders for supplies or requirements to be furnished by the Contractor in accordance with the terms set forth below. Each contract modification or delivery order issued in accordance with paragraph (e), (f) or (h) below shall:

- (1) Be prepared on a Standard Form 30 (Amendment of Solicitation/Modification of Contract) or Optional Form 347;
- (2) Be numbered as a modification to/action under this contract;
- (3) State that the action is issued in accordance with this requirement;
- (4) Identify the Item number set forth in SECTION B of the Schedule under which the supplies or services are being procured;
- (5) Set forth in full detail the supplies or other requirements and the quantities being procured;
- (6) Set forth packing and marking requirements for supplies being procured;
- (7) Set forth consignment and marking instructions for supplies being procured to the extent they are known at the time the contract modification or delivery order is issued;
- (8) Set forth negotiated delivery or performance dates;
- (9) Set forth the applicable inspection and acceptance requirements;
- (10) Obligate funds to cover priced orders issued under paragraph (e) below, or ceiling priced orders issued under paragraph (f) below and unilateral orders issued under paragraph (h) below; and
- (11) Set forth the applicable accounting and appropriation data.

(e) Issuance of Contract Modifications or Delivery Orders Covering Priced Orders. For each order placed pursuant to this requirement, the CO will prepare a contract modification or delivery order under this contract in the form of a priced order when supplies or other requirements are to be furnished by the Contractor, unless otherwise provided for under paragraphs (f) or (h) below. The supplies or other requirements being procured shall be clearly defined in the contract modification or delivery order. Such contract modification or order shall be fully priced and otherwise fully definitive at the time of issuance and shall be signed by the Contractor and the CO.

(f) Issuance of Contract Modifications or Delivery Orders Covering Ceiling Priced Orders. In those cases where it is not possible to fully price supplies or other requirements in accordance with paragraph (e) above due to urgency such as safety or readiness impact, the CO will prepare a contract modification or delivery order to this contract in the form of a ceiling priced order. Each ceiling priced order shall clearly define the supplies or other requirements being procured and shall set forth a not-to-exceed ceiling price and a limitation of Government liability, which shall be an amount not greater than fifty percent (50%) of the ceiling price. The ceiling price set forth in any ceiling priced order shall not be used as a billing price for delivered items. Each ceiling priced order shall provide for total performance of the order for the specified ceiling price and such ceiling price shall bear a reasonable relationship to the work to be performed. A milestone schedule which culminates in a mutually agreed date upon which complete definitization will occur shall be included in each ceiling priced order of \$25,000 (net value) or more. The milestone schedule established in the ceiling priced order concerned shall be within the period set forth in paragraph (j) below. Each contract modification covering a ceiling priced order shall be signed by the Contractor and the CO. Additional requirements or quantities shall not be added to any ceiling priced order issued hereunder.

(g) Limitation of Government Liability Under Ceiling Priced Orders. The ceiling price specified in each ceiling priced order shall be the maximum limitation on the Government's obligation to pay for the supplies or other requirements being ordered, i.e., the parties agree that the definitized price for any ceiling priced order shall be no greater than the ceiling price of such order. Additionally, the Contractor shall not be authorized to incur obligations and, in any event, the Government shall not be obligated to make expenditures in excess of the limitation of Government liability until such time as the parties have established firm prices for the order in accordance with paragraph (j) below. If at any time the Contractor has reason to believe that the total price to the Government for the supplies or other requirements called for in any ceiling priced order will be substantially less than the ceiling price specified, the Contractor shall promptly notify the CO in writing. The CO will, based upon such notification, decrease the ceiling price and limitation of Government

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liability of the ceiling priced order concerned. A decrease in the ceiling price and limitation of Government liability of any ceiling priced order shall be set forth in a modification to this contract and shall be signed by the Contractor and the CO.

(h) Unilateral Orders. In the event the CO determines that time does not permit negotiation of a bilateral modification either fully priced or ceiling priced, a unilateral order may be issued by the CO which will specify a dollar limitation (see paragraph (i) below), a limitation of Government liability (which shall be an amount not greater than fifty percent (50%) of the dollar limitation), and desired delivery schedule for the supplies or services ordered, together with a detailed description of the supplies or services to be furnished and a statement of the cost and pricing data required to be furnished. Price and delivery schedule will later be the subject of a bilateral modification (see paragraph (j) below) to be executed on behalf of the Government by the CO. The unilateral modification shall not be used for end item billing purposes for delivered items under this contract or as a billing price for any deliverables under such unilateral order.

(i) Limitation of Obligations with Respect to Orders not Finally Priced. The Contractor shall immediately commence work upon receipt of any unilateral order to this contract. If at any time the Contractor has reason to believe that the price of a unilateral order placed hereunder will exceed the dollar limitation established by the CO in a unilateral order, the Contractor shall so notify the CO in writing and propose an appropriate increase in the dollar limitation and limitation of Government liability of such order. Within thirty (30) days of such notice, the CO 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 a unilateral order beyond the point where his costs incurred plus a reasonable profit thereon 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 unilateral order prior to establishment of firm prices therefore, in accordance with paragraph (j) below.

(j) Establishment of Firm Prices for Ceiling Priced Orders and Unilateral Orders. The Contractor shall submit to the CO not later than thirty (30) days after issuance of each ceiling priced or unilateral order, a price proposal for the supplies or other requirements ordered by the Government, which shall include: (i) a statement of costs incurred and an estimate of the costs expected to be incurred in the performance of the ceiling priced or unilateral order together with sufficient data to support the accuracy and reliability of such estimate and (ii) supporting cost or pricing data (see paragraph (n) below), except that if a price proposal including supporting cost or pricing data was submitted to the CO before the issuance of the ceiling priced order concerned, only revisions to such price proposal and the supporting cost or pricing data are required to be submitted to the CO. Upon submission of the Contractor's price proposal, or revisions thereto, the Contractor and the CO shall promptly negotiate and establish a firm price for the supplies or other requirements called for in the ceiling priced or unilateral order concerned. The firm price for the supplies or other requirements, as agreed upon by the Contractor and the CO, shall be set forth in a modification to this contract which shall supersede the applicable ceiling priced or unilateral order. The item identifications shown in the applicable ceiling priced order or unilateral order shall be set forth in such contract modification. The firm price of each ceiling priced order or unilateral order shall be established within one-hundred eighty (180) days after issuance of the ceiling priced or unilateral order, or upon completion of forty percent (40%) of the work, whichever occurs earlier. If agreement on a definitive contract modification to supersede any ceiling priced or unilateral order is not reached within the period specified above, the CO may determine a reasonable price for the ceiling priced or unilateral order concerned in accordance with FAR 15.8 and Part 31 subject to appeal by the Contractor as provided in the "DISPUTES" clause referenced in SECTION I of this contract.

(k) Segregation of Costs of Ceiling Priced and Unilateral Orders. The Contractor shall segregate by order all incurred costs (less allocable credits) for work allocable to each ceiling priced and to each unilateral order issued pursuant to paragraphs (f) or (h) above. The requirement for the Contractor to segregate the costs of each ceiling priced or unilateral order shall continue until the ceiling priced order or unilateral order is superseded by a contract modification establishing a firm price for the order.

(l) Progress Payments -- Withholding or Suspension -- Ceiling Priced and Unilateral Orders. Submission by the Contractor of a price proposal adequate for negotiations for each ceiling priced and unilateral order issued hereunder is a material requirement of this contract in order that complete definitization will occur within the period specified in paragraph (j) above. Therefore, if the Contractor fails to submit an adequate price proposal for any ceiling priced or unilateral order, progress payments may be reduced or suspended for the order concerned unless such failure of the Contractor is due to causes beyond its control and without its fault or negligence. The CO will notify the Contractor in writing as to any reduction or suspension of progress payments pursuant to this paragraph.

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(m) Modification to Priced Orders, Ceiling Priced Order or Unilateral Orders. Modifications to priced orders, ceiling priced or unilateral orders issued hereunder shall be effected in accordance with the procedures for issuing contract modifications specified in this requirement. Modifications to ceiling priced orders issued pursuant to paragraph (f) and unilateral orders pursuant to paragraph (h) above shall not include additional requirements or quantities.

(n) Cost and Pricing Data. Whenever cost or pricing data, as defined in FAR 15.801, are required in accordance with FAR 15.804, the Contractor shall submit a signed Standard Form 1411 (SF 1411), Contract Pricing Proposal Cover Sheet, with supporting attachments.

C-17 REGULATORY BODIES, STANDARDS, CERTIFICATIONS AND DATA REQUIREMENTS

(a) The ship as delivered shall comply with all the applicable laws of the United States and the requirements of the various regulatory bodies and rules, in issue at the time of the proposal due date, and as identified in the TP or other terms of the contract. All necessary certifications or documents that cover the approval and indicate compliance shall be obtained by the Contractor. Data necessary for the Contractor to obtain the required USCG, ABS, SOLAS, FCC, and USPHS certifications shall be provided by the Contractor to the appropriate regulatory bodies. Additionally, the Contractor shall accomplish all work necessary to comply with those applicable laws of the United States, the requirements of the various regulatory bodies and imposed rules. All of the above which are imposed as a requirement subsequent to contract award must be accomplished in order to obtain certification prior to delivery.

(b) The TP requires that the ship be designed, constructed and certificated by the United States Coast Guard (USCG) in accordance with 46 CFR Subchapter U. The Government will provide USCG support for the FRV certification process normally associated with non-public, commercial vessels. The Government will notify the Contractor of a specific point of contact at USCG within 30 days after Contract Award. The Contractor shall be responsible for providing the office space, parking, technical information and other interface support for USCG personnel to the degree required for a comparable, commercial vessel certification program.

(c) Copies of all correspondence between the Contractor and Regulatory Bodies shall be provided to the CONREP.

(d) Before delivery of the ship, the original certificates/documents demonstrating approval by regulatory bodies or indicating compliance with the TP shall be mounted onboard the ship as required either by the issuing regulatory body or as directed by the CONREP. Interim documents will be acceptable pending receipt of signed originals.

(e) The Contractor in all other cases shall provide data to the Government as required by the Data Requirements List, attached hereto.

C-18 STANDARDIZATION

(a) Standardization of the vessels under this contract shall be in accordance with the requirements of the TP. The vessels constructed under this contract shall have identical machinery and equipment; provided, however, that if the Contractor considers that strict compliance with the requirements is impracticable for any individual item of machinery or equipment or any component thereof, the Contractor shall notify the Government in accordance with the Section C clause entitled "CONFIGURATION MANAGEMENT."

(b) The Contractor shall utilize appropriate procurement techniques to comply with this standardization objective and shall include the substance of this clause and the specification in subcontracts and purchase orders.

C-19 TESTS AND TRIALS

During the conduct of required tests and trials, the vessel shall be under the control of the Contractor and the Contractor's crew with representatives of the Contractor and the Government on board to determine whether or not the work done by the Contractor has been satisfactorily performed. The Contractor shall (1) provide all necessary licensed crew and required staffing; (2) install all fittings and appliances which may be necessary for dock and sea trials to enable the representatives of the Government to determine whether the requirements of the contract have been met, and (3) install and remove instruments and apparatus furnished by the Government for such trials, as required by the TP.