STANDARD FORM 26, JULY 1966
GENERAL SERVICES ADMINISTRATION
FED. PROC. REG (41CFR) 1-16.101

AWARD/CONTRACT

PAGE 1 OF

1. CONTRACT (*Proc. Inst. Ident.*) NO.: J-A67-M-097-1

2. EFFECTIVE DATE: 1/7/82

3. REQUISITION/PURCHASE REQUEST/PROJECT NO.:

4. CERTIFIED FOR NATIONAL DEFENSE UNDER BDSA REG. 2 AND/OR DMS REG. 1. RATING:

5. ISSUED BY CODE
United States Marshals Service
Prisoner Support Div., Contracts Branch
One Tysons Corner Center, Rm. 270
McLean, Virginia 22102

6. ADMINISTERED BY (*If other than block 5*) CODE

7. DELIVERY
☐ FOB DESTINATION
☐ OTHER (*See below*)

8. CONTRACTOR NAME AND ADDRESS CODE FACILITY CODE
(*Street, city, county, State, and ZIP code*)
Dauphin County Prison
501 Country Road
Harrisburg, Pennsylvania 17111

9. DISCOUNT FOR PROMPT PAYMENT
N/A

10. SUBMIT INVOICES (*4 copies unless otherwise specified*) TO ADDRESS SHOWN IN BLOCK
Article III of the B.O.A.

11. SHIP TO/MARK FOR CODE

12. PAYMENT WILL BE MADE BY CODE
As listed in Article III of the B.O.A.

13. THIS PROCUREMENT WAS ☐ ADVERTISED, ☒ NEGOTIATED, PURSUANT TO:
☐ 10 U.S.C. 2304 (c)( )
☒ 41 U.S.C. 252 (c)(10)

14. ACCOUNTING AND APPROPRIATION DATA

15. ITEM NO.	16. SUPPLIES/SERVICES	17. QUANTITY	18. UNIT	19. UNIT PRICE	20. AMOUNT
1.	Requirements contract for detention services for Federal prisoners in accordance with the provisions contained in Basic Ordering Agreement No. J-A67-M-097, dated January 7, 1982.				
2.	This contract expires December 31, 1984.				
	PRISONER TYPE	ESTIMATED PRISONER DAYS		PRISONER DAY RATE	
	Sentenced	300	PD	$28.50	$8,550.00
	Unsentenced	1,050	PD	$28.50	$29,925.00

21. Estimated TOTAL AMOUNT OF CONTRACT $ $38,475.00

CONTRACTING OFFICER WILL COMPLETE BLOCK 22 OR 26 AS APPLICABLE

22. ☐ CONTRACTOR'S NEGOTIATED AGREEMENT (*Contractor is required to sign this document and return _____ 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.*)

26. ☒ AWARD (*Contractor is not required to sign this document.*) Your offer on Solicitation Number BOA J-A67-M-097 dtd. 1/7/82 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.

23. NAME OF CONTRACTOR
BY _____ (Signature of person authorized to sign)

27. UNITED STATES OF AMERICA
BY _____ (Signature of Contracting Officer)

24. NAME AND TITLE OF SIGNER (*Type or print*)

25. DATE SIGNED

28. NAME OF CONTRACTING OFFICER (*Type or print*)

29. DATE SIGNED

FORM USM-241

UNITED STATES OF AMERICA
UNITED STATES DEPARTMENT OF JUSTICE
U.S. MARSHALS SERVICE

BASIC ORDERING AGREEMENT (BOA)

1. AGREEMENT NUMBER CODE	2. RCA NUMBER	3. ISSUE DATE
J-A67-M-097	654-C-67-80	February 12, 1981

4. ISSUING OFFICE

UNITED STATES MARSHALS SERVICE
PRISONER SUPPORT DIVISION
CONTRACTS BRANCH
1-TYSONS CORNER CENTER
MCLEAN, VIRGINIA 22102

5. ADDRESS OF GOVERNMENT CONTRACT MONITOR
[redacted] Inspector b6/b7C
U.S. Marshals Office
411 Federal Building
Washington Avenue & Lincoln Streets
Scranton, Pennsylvania 18501

AGREEMENT DEFINITION

6. THIS BOA IS FOR THE SERVICES SPECIFIED HEREIN IN ACCORDANCE WITH THE GUIDELINES FOR CONDITIONS OF CONFINEMENT AND IS DESIGNED TO RETAIL THE TERMS FOR ALL FUTURE PROCUREMENTS ENTERED INTO BETWEEN THE PARTIES HEREIN DURING THE INDEFINITE TERM OF THIS AGREEMENT. THE PERFORMANCE OF THE SERVICES STATED HEREIN CONTEMPLATE COVERAGE BY THE EXECUTION OF UNILATERAL ANNUAL OR SINGLE USE CONTRACTUAL DOCUMENT(S) WHICH UPON RECEIPT BY THE CONTRACTOR AND ACCEPTANCE OF THE FIRST PRISONER SUBSEQUENT TO RECEIPT OF THE ORDER, SHALL CONSTITUTE A FORMAL CONTRACT FOR THE PERIOD OF THE ORDER. ACCORDINGLY, THE SERVICES SPECIFIED HEREIN ARE ESTIMATES ONLY AND ARE NOT PURCHASED HEREBY.

THIS AGREEMENT CONSISTS OF THE FOLLOWING:

- [X] BOA cover page and certifications, 4 pages
- [X] The schedule attached hereto 3 page(s)
- [X] Guidelines for Conditions of Confinement, 12 page(s)
- [X] The General Contract Provisions, 26 page(s)
- [X] Service Contract Act of 1965, as amended, (Incorporated by Reference).

(pages 2 thru 4 must also be fully completed by offeror)

7. THE OFFEROR HAVING SATISFIED HIMSELF WITH THE GUIDELINES FOR CONDITIONS OF CONFINEMENT (EXCEPT AS NOTED IN THE COVER PAGE THEREOF) HEREBY AGREES TO PERFORM THE REQUIRED SERVICES AS STATED HEREIN SUBJECT TO AGREEMENT BY THE PARTIES ON RATES WHICH REFLECT THE GOVERNMENTS PRO RATA SHARE OF ACTUAL OPERATING COSTS OF THE FACILITY SUPPORTED BY COST AND PRICING DATA.

8. OFFEROR

NAME AND ADDRESS *(Street, city, county, State and ZIP code)*
Dauphin County Prison
501 County Road
Harrisburg, Pennsylvania 17111

AREA CODE AND TELEPHONE NO. ▶

9. NAME AND TITLE OF PERSON(S) AUTHORIZED TO SIGN OFFER

John E. Minnich — Date 12/10/81
(Signature)

Type or Print — Title

(Signature) — Date

Type or Print — Title

(To be completed by Government)

10. TYPE OF USE
- [ ] Hold Over
- [X] Regular Support
- [ ] Seasonal Support
- [ ] Other

12. LEVEL OF USE
- [ ] MINIMUM
- [ ] MEDIUM
- [X] MAJOR

11. PRISONER TYPE TO BE INCLUDED

UNSENTENCED	SENTENCED
[X] Adult Male	[X] Adult Male
[ ] Adult Female	[ ] Adult Female
[ ] Juvenile Male	[ ] Juvenile Male
[ ] Juvenile Female	[ ] Juvenile Female
[ ] INS	[ ] Work Release

ALIENS
- [ ] Material Witnesses
- [ ] Awaiting Deportation

13. ANTICIPATED ANNUAL USAGE

	UNSENTENCED	SENTENCED	ALIENS	TOTAL
No. of Prisoners				
Prisoner Days	350	100	0	450

14. Your offer on this solicitation including the additions or changes made by you which additions or changes are set forth in full herein, is hereby accepted as to the items listed and on any continuation sheets.

THE UNITED STATES OF AMERICA
BY DIRECTION OF THE DIRECTOR OF THE UNITED STATES MARSHALS SERVICE

BY Robert Q. Ryan
(SIGNATURE OF CONTRACTING OFFICER)

NAME OF CONTRACTING OFFICER *(Type or Print)*
Robert Q. Ryan

17. DATE SIGNED
1/7/82

OFFEROR'S REPRESENTATIONS AND CERTIFICATIONS

1. CONTINGENT FEE REPRESENTATION (Check appropriate boxes): The offeror represents (a) that he ☐ has, ☑ has not, employed or retained any company or person (other than a full-time bona fide employee working solely for the bidder) to solicit or secure this contract, and (b) that he ☐ has, ☑ has not, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the bidder) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract; and agrees to furnish information relating to (a) and (b) above as requested by the Contracting Officer. (NOTE: For interpretation of the representation, including the term "bona fide employee," see Code of Federal Regulations, Title 41, Chapter 1, Subpart 1-1-5.)

2. EQUAL OPPORTUNITY

   (a) He ☑ has, ☐ has not, participated in a previous contract or subcontract subject either to the Equal Opportunity clause herein or the clause originally contained in section 301 of Executive Order No. 10925, or the clause contained in Section 201 of Executive Order No. 11114; that he ☑ has, ☐ has not, filed all required compliance reports; and that representations indicating submission of required compliance reports, signed by proposed subcontractors, will be obtained prior to subcontract awards. (The above representation need not be submitted in connection with contracts or subcontracts which are exempt from the equal opportunity clause.)

   (b) The bidder (or offeror) represents that (1) he ☑ has developed and has on file, ☐ has not developed and does not have on file, at each establishment affirmative action programs as required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2) or (2) he ☐ has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor. *(The above representation shall be completed by each bidder (or offeror) whose bid (offer) is $50,000 or more and who has 50 or more employees.)*

3. CERTIFICATION OF INDEPENDENT PRICE DETERMINATION:

   (a) By submission of this proposal, each offeror certifies, and in the case of a joint proposal each party thereto certifies as to its own organization, that in connection with this procurement:

      (1) The prices on this proposal have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor.

      (2) Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror prior to award directly or indirectly to any other offeror or to any competitor; and

      (3) No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

   (b) Each person signing this proposal certifies that:

      (1) He is the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein and that he has not participated, and will not participate, in any action contrary to (a) through (a)(3) above; or

      (2)(i) He is not the person in the offeror's organization responsible within that organization for the decision as to the prices being offered herein but that he has been authorized in writing to act as agent for the persons responsible for such decision in certifying that such persons have not participated, and will not participate, in any action contrary to (a)(1) through (a)(3), and as their agent does hereby so certify, and

      (ii) He has not participated, in any action contrary to (a)(3).

(c) This certification is not applicable to a foreign offeror submitting a proposal for a contract which requires performance or delivery outside the United States, its possessions, and Puerto Rico.

(d) A proposal will not be considered for award where (a)(1), (3), or (b) has been deleted or modified. Where (a)(2) has been deleted or modified, the proposal will not be considered for award unless the offeror furnished with the proposal a signed statement which sets forth in detail the circumstances of the disclosure and the head of the agency, or his designee, determines that such disclosure was not made for the purpose of restricting competition.

4. NOTICE OF REQUIREMENT FOR CERTIFICATION OF NONSEGREGATED FACILITIES:

Bidders and offerors are cautioned as follows: By signing this bid or offer, the bidder or offeror will be deemed to have signed and agreed to the provisions of the "Certification of Nonsegregated Facilities" in this solicitation. The certification provides that the bidder or offeror does not maintain or provide for his employees facilities which are segregated on a basis of race, creed, color, or national origin, whether such facilities are segregated by directive or on a de facto basis. The Certification also provides that he will not maintain such segregated facilities. Failure of a bidder or offeror to agree to the Certification of Nonsegregated Facilities will render his bid or offer nonresponsive to the terms of solicitation involving awards of contracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause.

5. CERTIFICATION OF NONSEGREGATED FACILITIES:

(Applicable to contracts, subcontracts, and agreements with applicants who are themselves performing Federally assisted construction contracts, exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause.)

By the submission of this bid, the bidder, offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control where segregated facilities are maintained. The bidder, offeror, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity clause in this contract. As used in this certification, the term "segregated facilities" means any waiting room, work areas, rest rooms and wash rooms, restaurants and other eating areas; time clocks, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, which are segregated by explicit national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certification from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity clause; that he will retain such certification in his files; and that he will forward the following notice to such proposed subcontractors (except where the proposed subcontractors have submitted identical certifications for specific time periods):

Notice to Prospective Subcontractors of Requirement for Certifications of Nonsegregated Facilities

A Certification of Nonsegregated Facilities as required by May 9, 1967, order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities by the Secretary of Labor, must be submitted prior to the award of a subcontract exceeding $10,000 which is not exempt from the provisions of the Equal Opportunity clause. The Certifications may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

6. CLEAN AIR AND WATER CERTIFICATION:

(Applicable if bid or offer exceeds $100,000, or the contracting officer has determined that orders under an indefinite quantity contract in any year will exceed $100,000 or a facility to be used has been the subject of a conviction under the Clean

Air Act (42 U.S.C. 1857c-8(c)(1) or the Federal Water Pollution Control Act (33 U.S.C. 1319(c) and is listed by EPA, or is not otherwise exempt.)

The bidder or offeror certifies as follows:

(a) Any facility to be utilized in the performance of this proposed contract has ☐ , has not ☑, been listed on the Environmental Protection Agency List of Violating Facilities.

(b) He will promptly notify the contracting officer, prior to award, of the receipt of any communication from the Director, Office of Federal Activities, U.S. Environmental Protection Agency, indicating that any facility which he proposed to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities.

(c) He will include substantially this certification, including this paragraph in every nonexempt subcontract.

7. MINORITY BUSINESS ENTERPRISE:

(Applicable if bid or offer is in excess of $10,000.) The offeror represents that he ☐ is, ☑ is not "business, at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which is owned by minority group members." For the purpose of this definition, minority group members are Negroes, Spanish-speaking American persons, American-Orientals, American-Indians, American-Eskimos, and American-Aleuts.

8. By submission of this proposal, the offeror hereby certifies that he is not barred by any Government agency from doing business with the Government

NAME OF OFFEROR OR BIDDER		RFP OR CONTRACT NO.
By (Signature)	TITLE	DATE

GPO 863-096

U.S. Department of Justice
United States Marshals Service

Solicitation Instructions and Conditions

(Support Of U.S. Prisoners)

INSTRUCTIONS

The following documents are enclosed herewith and must be completed as a part of this solicitation.

☒ GUIDELINES FOR CONDITIONS OF CONFINEMENT. The Detention Services called for in the Contract Schedule Form USM-246 are to be performed in accordance with the Guidelines for Conditions of Confinement of Federal Prisoners, Form USM-252. The Guidelines for Conditions of Confinement of Federal Prisoners, are submitted for your review and acceptance. Items which do not meet your approval, are not applicable and/or which you cannot comply with should be noted on the "COMMENTS" pages of the Guidelines for Conditions of Confinement. The Conditions should be signed and dated in the spaces provided on page eleven (11) and returned with your offer.

☒ BASIC DATA SHEET, FORM USM-253. This form which contains a certification of the average daily per capita cost must be submitted prior to the award of a contract. The Basic Data Sheet is enclosed with this solicitation and must be completed and returned with your offer.

☐ COST AND PRICING DATA SHEET–JAIL DETENTION CONTRACT, FORM USM-243

a. The Cost and Pricing Data form, is required by Federal Procurement Regulations for all negotiated service contracts. Detention Facilities which currently have an established procedure for calculating the daily per-capita cost rate for housing prisoners are to complete Form USM-243 using the available data. A completed copy of the facilities own cost and pricing data conclusions are to be submitted to support the USM-243.

b. The purpose of this form is to ascertain what the full operating costs are for your facility for a specific time period (preferably one year). If your facility already has an established budget for the current fiscal year, a copy of that budget may be submitted in lieu of this form; however, the cost certification statement (page 1 of this form) must be completed. Thank you for your assistance.

c. In order to complete the Cost Summary (page 1-2) the following cost schedules (worksheets) should be completed and attached to the Cost Summary Sheet:

Schedule A – Direct Personnel Costs – In-depth listing of personnel costs for facility. This provides backup for part of the direct costs listed on Page 1 of the Form USM-243.

Schedule B – Other Direct Costs – Costs for care and services for inmates such as medical, food, recreation, special programs, etc., as well as plant maintenance and operation costs.

Schedule C – Indirect Costs – Services provided by other municipal departments to support jail activities (example: if jail payroll, accounting, etc., is performed by other county/city personnel rather than by jail staff).

Schedule D – Equipment – Listing of jail equipment costs. Depreciation may also be included on this schedule as long as the method utilized to calculate the depreciation is shown.

Schedule E – Building Depreciation – To be used only if the local government has an established depreciation program.

d. If you have any questions or require further information when completing this form please contact the U.S. Marshals Service (ATTN: Prisoner Support Division – Contracting Officer) One Tysons Corner Center, McLean, Virginia 22102, (Area Code 703-285-1270) or the local U.S. Marshal.

CONDITIONS

1. The General Contract Provisions, Form USM-247, if applicable to this solicitation, set forth the general contract provisions that are to be applied to the contract awarded to your county. The General provisions are required in contracts which exceed $10,000 annually.

2. Adult. Depending upon the annual cost to the government of the resultant contract the Contracting Officer may request advisory adult assistance in the verification of the cost data submitted as a part of this proposal. Federal Procurement policy requires the Government to pay its fair share of operational cost when using local facilities. The purpose of such audit is to assure the accuracy of the data submitted, remove unallowable cost and to identify missing cost items which should be included.

3. Submission Requirements. Your proposal is to be addressed to the U.S. Marshal who will forward it to the Contracting Officer. After evaluation of the proposal by the Contracting Officer negotiations will be held.

4. Term of Contract. The term of any resultant contract shall be for a period of three (3) years from the date of execution by the Contracting Officer unless otherwise specified. Subsequent extensions may be affected if determined to be the advantage of the program effort.

5. Authority to Bind the City or County. The offeror's proposal is to identify the individual(s) having authority to contractually bind the city or county. This information is to include: Name, Title, Address, Telephone number, and Area Code.

6. Authority to Obligate Government. The Contracting Officer is the only individual who may legally commit the Government to the expenditure of public funds. No cost chargeable to the proposed contract may be incurred before receipt of either a fully executed contract or a specific, written authorization from the Contracting Officer.

7. Order of Precedence. In the event of any inconsistency among the provisions of this solicitation, the inconsistency is to be resolved by giving precedence in the following order:

   a. Solicitation Instructions and Conditions (Form USM-251)
   b. The Jail Contract General Provisions (Form USM-247); (if applicable)
   c. The Statement of Work, (Article I of the Contract Schedule, Form USM-246) and
   d. The Guidelines for Conditions of Confinement (Form USM-252)

ARTICLE I - STATEMENT OF WORK

A. Upon the execution of a contract/purchase order against this agreement and placement of prisoners, the contractor shall furnish the necessary facilities, equipment and personnel to provide for the safekeeping, care and subsistence of Federal prisoners. A Federal prisoner, as interpreted by this contract, is any prisoner held under any Federal statute, with exceptions as noted in Block 11 of Page 1 of this agreement.

B. The contractor shall be responsible for the secure custody of all federal prisoners from the time the prisoners are accepted for custody by the contractor until they are properly removed from custody by an authorized Federal official. Adequate secure custody requires physical control of the prisoner at all times. The physical control of the prisoner exercised by the contractor shall be sufficient to prevent escape, especially when the prisoner is not contained within the confines of the cell block. The contractor is responsible for maintaining constant supervision of housing areas at all times that the prisoner is contained within its confines. The contractor is responsible for maintaining secure control of the prisoner at all times when he is outside the confines of the housing area through use of armed guards or constant observation, or both, over any indoor and outdoor areas which contain the prisoner.

C. The contractor shall accept all Federal prisoners offered for custody and confinement by Federal Law Enforcement officials up to the maximum number of prisoners capable of being accommodated within the contractor's facility. The Federal Law Enforcement official will present his badge and credential to the contractor at the time of the prisoner acceptance as his authority for offering the prisoner for custody and confinement. The contractor shall accept prisoners only from Federal Law Enforcement officials who can provide proper badges and notify the U.S. Marshal or his Deputy immediately upon acceptance of any prisoner presented by a Law Enforcement official other than a U.S. Marshal or Deputy. The contractor shall accept Federal Prisoners at any time of the day or night.

D. Basic medical care shall be provided to federal prisoners by the contractor. Basic medical care includes sick call and self-care, i.e., care of any condition which can be treated by the prisoner which may include "over the counter" type medications as may be prescribed by the jail medical staff. Basic medical also includes care of any condition which requires immediate assistance by a person trained in first aid procedures.

ARTICLE II - EFFECTIVE PERIOD/TERMINATION

This agreement shall be in effect from the date of execution by the contracting officer until terminated in writing by either party giving written notice to the other party. provided that such discontinuance shall not affect any annual contract invoking the provisions of this agreement.

However, with regard to any contract placed under this agreement, it is recognized by the contracting parties that changed conditions beyond the contractor's control might rise under the contract, (i.e. overcrowding conditions, enactment of local laws, Federal court order, etc.) in which it may become actually impossible to continue housing Federal prisoners within the basic contract objectives contemplated. Should conditions of an unusual nature occur making it impractical or undesirable to continue housing prisoners,

the contractor may unilaterally suspend the use of the facility by any or all Federal agencies by giving thirty (30) days written notice to the Contracting Officer. Notice to the contracting officer shall be by registered mail and addressed to the Contracting Officer, One Tysons Corner Center, McLean, Virginia 22102. The thirty (30) days notice shall be computed from the date of mailing of such notice.

ARTICLE III - FINANCIAL PROVISIONS

A. In consideration of the contractor's satisfactory performance of work called for under this contract, the government shall reimburse the Contractor for orders placed against this agreement in accordance with rates negotiated pursuant to the provisions herein. The rate shall cover one person per manday. The government may not be billed for two days when a prisoner is admitted one evening and removed the following morning. The contractor may bill for the day of arrival or the day of departure, but not both.

B. The contractor represents that he has an accounting system that is sufficiently accurate and reliable to segregate and report the actual operational costs of the jail facility. It is contemplated that the actual cost shall be the basis for per diem rates and that such rates shall be adjusted periodically.

C. If, in the event the contractor does not have an adequate system for reporting actual operating costs, the contractor may, subject to approval by the contracting officer, have a facility cost, study performed by an independent audit firm, for the establishment of a cost methodology which will assure the identification of all allowable and allocable cost to the contract, the costs of which the government may bear. As a minimum, the audit shall consist of the following.

1. Evaluation of the adequacy of the cost methodology used in arriving at the proposed rates to assure the identification of all allowable and allocable to the Federal contract;

2. Identification of the estimated total direct cost of the facility;

3. Identification of a pro rata share of the indirect costs of the county if the county had an indirect cost plan which meets the requirements of FMC 74-4;

4. Determination of the per diem costs attributable to Federal prisoners.

5. Preparation of appropriate cost and pricing data sheets;

6. Establishment of a recommended written procedure or cost methodology which will allow a reliable reporting of actual cost to support future rate adjustments to reflect current costs and occupancy which will account for the over or under recovery of cost through a roll-forward adjustment. (This written procedure must be approved by the Federal contracting officer and incorporated into a written negotiation agreement.)

D. The billing address of the agencies using this agreement as indicated in Block 11 is as follows:

Prisoner Type	Payor
1. Pre-trial Detainees (unsentenced)	United States Marshal 411 Federal Building Washington Avenue & Lincoln Streets Scranton, Pennsylvania 18501
2. Sentenced Prisoners (Non-Work Release)	Community Programs Officer Bureau of Prisons U.S. Courthouse, Room 601 101 W. Lombard Street Baltimore, Maryland 21201

ARTICLE IV - PRICING ARRANGEMENT

A. It is anticipated that contracts placed in accordance with this Basic Ordering Agreement will be a "Cost Contract", in which the initial per-capita rate will be established on the actual costs of the operation of the facility during the contractor's last annual accounting period, or on an APPROVED budget, prior to the issuance of a contract award by the Government. This per-capita rate shall remain in effect until the contractor has established costs based on a subsequent annual accounting period or a subsequent APPROVED budget. The contractor may request a per-capita rate adjustment at this time by the submission of Cost and Pricing Data. Unless the contractor can justify that unusual circumstances occurred such as substantial staff increases, substantial increase in facility services provided, etc., the request for per-capita adjustments shall be limited to once per 12 month period.

B. No rate adjustment shall be deemed as approved until the receipt by the contractor of a formal modification to the contract placed against this agreement issued by the Contracting Officer.

ARTICLE V - MODIFICATION AUTHORITY

This Agreement may be re-evaluated at any time at the request of either party, to determine whether modifications are necessary. The contractor shall not accept any modifications of the terms, conditions, or General Provisions by any person other than the Contracting Officer.

U.S. DEPARTMENT OF JUSTICE
UNITED STATES MARSHALS SERVICE

GENERAL PROVISIONS FOR CONTRACTS AND/OR ASSISTANCE AGREEMENTS

APPLICABLE PROVISION	CLAUSE NO.	TITLE	PAGE	TYPE OF AGREEMENT			
				CONTRACT			ASSISTANCE
				COST NO FEE ☒	CPFF ☐	FFP ☐	CA ☐
X	1	Definitions	1	R	R	R	R
X	2	Changes	1	R	R	R	R
X	3	Inspection Services	1	R	R	R	R
____	4	Payments	1	N/A	N/A	R	N/A
____	5	Default	1	N/A	N/A	R	N/A
X	6	Disputes	2	R	R	R	R
X	7	Equal Opportunity	3	R	R	R	R
X	8	Employment of the Handicapped	4	R	R	R	R
X	9	Clean Air and Water	4	R	R	R	R
X	10	Privacy	5	R	R	R	R
____	11	Termination for the Convenience of the Government	5	N/A	N/A	R	R
X	12	Convict Labor	5	R	R	R	R
X	13	Officials not to Benefit	5	R	R	R	R
____	14	Examination of Records	5	N/A	N/A	R	O
____	15	Pricing of Adjustments	6	N/A	N/A	R	N/A
X	16	Price Reduction for Defective Cost or Pricing Data	6	R	R	R	R
X	17	Disabled Veterans and Veterans of the Vietnam Era	6	R	R	R	R
X	18	Utilization of Small Business and Small Disadvantaged Business Concerns Owned and Controlled by Socially and Economically Disadv. Indivi.	7	R	R	R	R

R - Required
N/A - Not Applicable
O - Optional

U.S. DEPARTMENT OF JUSTICE
UNITED STATES MARSHALS SERVICE

GENERAL PROVISIONS FOR CONTRACTS AND/OR ASSISTANCE AGREEMENTS

APPLICABLE PROVISION	CLAUSE NO.	TITLE	PAGE	TYPE OF AGREEMENT			
				CONTRACT			ASSISTANCE
				COST NO FEE/X	CPFF/	FFP/	CA/
X	19	Utilization of Women Owned Business Concerns	8	R	R	R	R
b	20	Limitation of Funds	9	R	R	N/A	R
b	21	Allowable Cost & Payment	9	R	N/A	N/A	R
	22	Allowable Cost Fixed Fee & Payment	11	N/A	R	N/A	N/A
	23	Payments of Allowable Cost Prior to Definitization of Contract	12	O	O	O	O
	24	Advance Payments	12	O	O	N/A	O
X	25	Assignment of Claims	15	R	R	R	R
b	26	Payment for overtime Premiums	16	R	R	N/A	R
X	27	Contract Work Hours Standards Act - Overtime Compensation	16	R	R	R	R
	28a	Negotiater Overhead Rates (Post determined)	16	R*	N/A	N/A	R*
	28b	Negotiated Overhead Rates (Pre determined)	17	R*	N/A	N/A	R*
	28c	Negotiated Overhead Rates *Contracting Officer Specifies Desired Clause	17	N/A	R	N/A	N/A
b	29a	Audit and Records	18	R	R	N/A	R
	29b	Audit	19	N/A	N/A	R	N/A
X	30	Price Reduction for Defective Cost or Pricing Data - Price Adjustments	19	R	R	R	R
X	31	Subcontractor Cost & Pricing Data	19	R	R	R	R

U.S. DEPARTMENT OF JUSTICE
UNITED STATES MARSHALS SERVICE

GENERAL PROVISIONS FOR CONTRACTS AND/OR ASSISTANCE AGREEMENTS

APPLICABLE PROVISION	CLAUSE NO.	TITLE	PAGE	TYPE OF AGREEMENT			
				CONTRACT			ASSISTANCE
				COST NO FEE ☒	CPFF ☐	FFP ☐	CA ☐
X	32	Subcontracts	20	R	R	R	R
	33	Subcontracts	21	N/A	N/A	R	N/A
X	34	Award of Subcontracts	21	R	R	R	R
X	35	Lease or Purchase of Equipment	21	R	R	R	R
	36a	Termination for Convenience of the Government	21	R	N/A	N/A	N/A
D	36b	Termination for Default or Convenience of the Gov't.	22	N/A	R	N/A	N/A
X	37	Insurance - Liability to Third Persons	25	R	R	N/A	R
X	38	Covenant Against Contingent fees	26	R	R	R	R
D	39	Competition in subcontracting	26	R	R	N/A	R
D	40	Excusable Delays	26	R	R	N/A	R

1. DEFINITIONS.

1. As used throughout this contract, the following terms shall have the meaning set forth below:

a. The term "head of the agency" or "Director" means the Director, United States Marshals Service and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the head of the agency or the Director.

b. The term "Contracting Officer" means the person or persons executing this contract on behalf of the Government and any other officer or employee who is properly designated Contracting Officer acting within the limits of his authority.

c. The term "Service" means the United States Marshals Service.

d. USMS means the United States Marshals Service.

e. Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

f. The term "Government" means the United States Government.

g. The Contract Monitor is responsible for the technical aspects of the contract and technical liaison with the Contractor. The Contract Monitor is also responsible for the preliminary acceptance of all the work required under the contract, including the preliminary approval of any and all reports, and such other specific responsibilities as are stipulated in various Articles of the contract. The Contract Monitor is not authorized to make any commitments or otherwise obligate the Government or authorize any changes which affect the contract price, terms, or conditions. Any such changes shall be referred to the Contracting Officer through the Contract Monitor. No such changes shall be made without the expressed prior authorization of the Contracting Officer. The Contract Monitor may designate assistant Contract Monitor(s) to act for him by naming such assistants in writing and transmitting a copy of such designation through the Contracting Officer to the Contractor. The specific Contract Monitor will be designated in the contract schedule.

2. CHANGES (1971 NOV).

The Contracting Officer may at any time, by a written order, and without notice to the sureties, make changes, within the general scope of this contract, in the definition of services to be performed, and the time (i.e., hours of the day, days of the week, etc.) and place of performance thereof. If any such changes causes an increase or decrease in the cost of, or the time required for the performance of any part of the work under this contract, whether changed or not changed by any such order, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within 30 days from the date of receipt by the Contractor of the notification of change, provided, however, that the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Where the cost of property made obsolete or excess as result of a change is included in the Contractor's claim for adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of such property. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

3. INSPECTION OF SERVICES (1971 NOV).

(a) All services (which term throughout this clause includes services performed, material furnished or utilized in the performance of services, and workmanship in the performance of services) shall be subject to inspection and test by the Government, to the extent practicable, at all times and places during the term of the contract. All inspections by the Government shall be made in such a manner as not to unduly delay the work.

(b) If any services performed hereunder are not in conformity with the requirements of the contract, the Government shall have the right to require the Contractor to perform the services again in conformity with the requirements of the contract, at no additional increase in total contract amount. When the services to be performed are of such a nature that the defect cannot be corrected by reperformance of the services, the Government shall have the right to (i) require the Contractor to immediately take all necessary steps to ensure future performance of the services conformity with the requirements of the contract, and (ii) reduce the contract price to reflect the reduced value of the services performed. In the event the Contractor fails promptly to perform the services again or to take necessary steps to insure future performance of the services in conformity with the requirements of the contract, the Government shall have the right to, either by contract or otherwise, have the services performed in conformity with the contract requirements.

4. PAYMENTS.

The Contractor shall be paid, upon the submission of proper invoices or vouchers, the prices stipulated herein for supplies delivered and accepted or services rendered and accepted, less deduction, if any, as herein provided. Unless otherwise specified, payment will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or, when requested by the Contractor, payment for accepted deliveries shall be made whenever such payment would equal or exceed either $1,000 or 50 percent of the total amount of this contract.

5. DEFAULT.

1. The Government may, subject to the provisions of paragraph "3" of this clause, by written notice of default

to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances:

a. If the Contractor fails to perform the work called for by this contract within the time(s) specified herein or any extension thereof; or

b. If the Contractor fails to perform any of the other provisions of this contract, or so fails to prosecute the work as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.

2. In the event the Government terminates this contract in whole or in part as provided in paragraph "1" of this clause, the Government may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, work similar to the work so terminated and the Contractor shall be liable to the Government for any excess costs for such similar work: PROVIDED, that the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

3. Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule or other performance requirements.

4. If this contract is terminated as provided in paragraph "1" of this clause, The Government, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the Government, in the manner and to the extent directed by the Contracting Officer, any of the completed or partially completed work not theretofore delivered to, and accepted by, the Government and any other property, including contract rights, specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon direction of the Contracting Officer, protect and preserve property in the possession of the Contractor in which the Government has an interest. The Government shall pay to the Contractor the contract price, if separately stated, for completed work accepted by the Government and the amount agreed upon by the Contractor and the Contracting Officer for (i) completed work for which no separate price is stated, (ii) partially completed work, (iii) other property described above which is accepted by the Government, and (iv) the protection and preservation of property. Failure to agree shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." The Government may withhold from amounts otherwise due the Contractor for such completed supplies or manufacturing materials such sum as the Contracting Officer determines to be necessary to protect the Government against loss because of outstanding liens or claims of former lien holders.

5. If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the Government, be the same as if the notice of termination has been issued pursuant to such clause. If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, and if this contract does not contain a clause providing for termination for convenience of the Government, the contract shall be equitably adjusted to compensate for such termination and the contract modified accordingly; failure to agree to any such adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

6. The right and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

7. As used in paragraph "3" of this clause the terms "subcontractor" and subcontractors" mean subcontractor(s) at any tier.

6. DISPUTES.

1. This contract is subject to the Contract Disputes Act of 1978 (41 U.S.C. 601, et seq.). If a dispute arises relating to the contract, the Contractor may submit a claim to the Contracting Officer who shall issue a written decision on the dispute in the manner specified in FPR 1-1.318.

2. "Claim" means:

a. A written request submitted to the Contracting Officer;

b. For payment of money, adjustment of contract terms, or other relief;

c. Which is in dispute or remains unsolved after a reasonable time for its review and disposition by the Government; and

d. For which a Contracting Officer's decision is demanded.

3. In the case of disputed requests or amendments to such requests for payment exceeding $50,000, or with any amendment causing the total request in dispute to exceed $50,000, the Contractor shall certify, at the time of submission as a claim, as follows:

I certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of my knowledge and belief; and that the amount requested accurately reflects the contract adjustment for which the contractor believes the Government is liable.

(Contractor's Name) _____

(Title) _____

4. The Government shall pay the contractor interest:

a. On the amount found due on claims submitted under this clause;

b. At the rates fixed by the Secretary of the Treasury under the Renegotiation Act, Public Law 92-41;

c. From the date the Contracting Officer receives the claim, until the Government makes payment.

5. The decision of the Contracting Officer shall be final and conclusive and not subject to review by any forum, tribunal, or Government agency unless an appeal or action is timely commenced within the times specified by the Contract Disputes Act of 1978.

6. The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal or action related to the contract, and comply with any decision of the Contracting Officer.

7. EQUAL OPPORTUNITY.

The following clause is applicable unless this contract is exempt under the rules, regulations, and relevant orders of the Secretary of Labor (41 CFR, ch. 60).

During the performance of this contract, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

2. The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

3. The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of the Contractor's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and of the rules, regulations, and relevant orders of the Secretary of Labor.

5. The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6. In the event of the Contractor's noncompliance with the Equal Opportunity clause of the contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated or suspended, in whole or in part, and the Contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

7. The Contractor will include the provisions of paragraphs 1 through 6 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No. 11246 of September 24, 1965, as amended by Executive Order No. 11375 of October 13, 1967, so that such provisions will be binding upon each subcontract or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation with a

subcontractor or vendor as a result of such direction by the contracting agency, the Contractor may request the United States to enter into such litigation to protect the interest of the United States.

8. EMPLOYMENT OF THE HANDICAPPED.

1. The Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeships.

2. The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, as amended.

3. In the event of the Contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Act.

4. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, Department of Labor, provided by or through the Contracting Officer. Such notices shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.

5. The Contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor is bound by the terms of section 503 of the Act and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.

6. The Contractor will include the provisions of this clause in every subcontract or purchase order of $2,500 or more unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 503 of the Act, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such actions with respect to any subcontract or purchase order as the Director, Office of Federal Contract Compliance Programs, may direct to enforce such provisions, including action for noncompliance.

9. CLEAN AIR AND WATER.

(Applicable only if the contract exceeds $100,000, or the Contracting Officer has determined that the orders under an indefinite quantity contract in any one year will exceed $100,000, or a facility to be used has been the subject of a conviction under the Clean Air Act (42 U.S.C. 1319(c)) and is listed in EPA, or the contract is not otherwise exempt.)

1. The Contractor agrees as follows:

a. To comply with all the requirements of section 114 of the Clean Air Act, as amended (42 U.S.C. 1857, et. seq., as amended by Public Law 91-604) and section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251, as amended by Public Law 92-500), respectively, relating to inspection, monitoring, entry reports, and information as well as other requirements specified in section 114 and section 308 of the Air Act and the Water Act respectively, and all regulations and guidelines issued thereunder before the award of this contract.

b. That no portion of the work required by this prime contract will be performed in a facility listed on the Environmental Protection Agency List of Violating Facilities on the day when this contract was awarded unless and until the EPA eliminates the name of such facility or facilities for such listing.

c. To use his best efforts to comply with clean air standards and clean water standards at the facilities in which the contract is being performed.

d. To insert the substance of the provisions of this clause in any nonexempt subcontract, including this paragraph 1(d).

2. The terms used in this clause have the following meanings:

a. The term "Air Act" means the Clean Air Act, as amended (42 U.S.C. 1857 et seq., as amended by Public Law 91-604).

b. The term "Water Act" means Federal Water Polution Control Act as amended (33 U.S.C. 1251 et seq., as amended by Public Law 92-500).

c. The term "clean air standards" means any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to the Air Act or Executive Order 11738, an applicable implementation plan as described in section 110(d) of the Clean Air Act (42 U.S.C. 1957-5(d)), an approved implementation procedure or plan under section 111(c) or section 111(d), respectively, of the Air Act (42 U.S.C. 1857c-6(c) or (d), or an approved implementation procedure under section 112(d) of the Air Act (42 U.S.C. 1957c-7(d)).

d. The term "clean water standards" means an enforceable limitation, control, condition, prohibition, standards, or other requirement which is promulgated pursuant to the Water Act or contained in a permit issued to a discharger by the Environmental Protection Agency or by a

state under an approved program, as authorized by section 402 of the Water Act (33 U.S.C. 1324), or by a local government to ensure compliance with retreatment regulations as required by section 307 of the water act (33 U.S.C. 1317).

e. The term "compliance" means compliance with clean air or water standards. Compliance shall also mean compliance with a schedule or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency or an air or water pollution control agency in accordance with the requirements of the Air Act or Water Act and regulations issued pursuant thereto.

f. The term "facility" means any building, plant, installation, structure, mine, vessel, or other floating craft, location, or site of operations, owned, leased, or supervised by a Contractor, subcontractor, to be utilized in the performance of a contract or subcontract. Where a location or site of operations contains or includes more than one building, a plant installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are located in one geographical area.

10. PRIVACY

The following clause is applicable when the statement of work requires the design, development, or operation of a system of records on individuals to accomplish an agency function (see 40 CFR 1-1.337-5).

1. The Contractor agrees:

a. To comply with the Privacy Act of 1974 and the rules and regulations issued pursuant to the Act in the design, development, or operation of any system of records on individuals in order to accomplish an agency function when the contract specifically identifies (i) the system or systems of records and (ii) the work to be performed by the Contractor in terms of any one or combination of the following: (A) design, (B) development, or (C) operation;

b. to include the solicitation notification contained in this contract in every solicitation and resulting subcontract and in every subcontract awarded without a solicitation when the statement of work in the proposed subcontract requires the design, development, or operation of a system of records on individuals to accomplish an agency function; and

c. to include this clause, including this paragraph c, in all subcontracts awarded pursuant to this contract which require the design, development, or operation of such a system or records.

2. In the event of violations of the Act, a civil action may be brought against the agency involved where the violation concerns the design, development, or operation of a system of records on individuals to accomplish an agency function, and criminal penalties may be imposed upon the officers or employees of the agency where the violation concerns the operation of a system of records on individuals to accomplish an agency function. For purposes of the Act when the contract is for the operation of a system of records on individuals to accomplish an agency function, the contractor and any employee of the contractor is considered to be an employee of the agency.

3. The terms used in this clause have the following meanings:

a. "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records including the collection, use, and dissemination of records.

b. "Record" means any item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol, or other identifying particular assigned to the indivdual, such as a finger or voice print or a photograph.

11. TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (1968 FEB)

The Contracting Officer, by written notice may terminate this contract, in whole or in part, when it is in the best interest of the Government. If this contract is so terminated, the Government shall be liable only for payment in accordance with the payment provisions of this contract for services rendered prior to the effective date of termination.

12. CONVICT LABOR (1975 OCT)

In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment except as provided by Public Law 89-176, September 10, 1965 (18 U.S.C. 408 (c)(2)) and Executive Order 11755, December 29, 1973.

13. OFFICIALS NOT TO BENEFIT.

No member of or delegate to Congress or resident commissioner, shall be admitted to any share or part of the contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

14. EXAMINATION OF RECORDS BY THE COMPTROLLER GENERAL (1975 JUN)

1. This clause is applicable if the amount of this contract exceeds $10,000 and was entered into by means of negotiation, including small business restricted advertising, but is not applicable if this contract was entered into by means of formal advertising.

2. The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract or such lesser time specified in the Federal Procurement Regulations Part 1-20, as appropriate, have access to and the right to examine any

directly pertinent books, documents, papers and records of the Contractor involving transactions related to this contract.

3. The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under the subcontract or such lesser time specified in the Federal Procurement Regulations Part 1-20, as appropriate, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (i) purchase orders not exceeding $10,000 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

4. The periods of access and examination described in 2 and 3 above for records which relate to (a) appeals under the "Disputes" clause of this contract, (b) litigation or the settlement of claims arising out of the performance of this contract, or (c) costs and expenses of this contract as to which exception has been taken by the Comptroller General or any of his duly authorized representatives, shall continue until such appeals, litigation, claims or exceptions have been disposed of.

15. PRICING OF ADJUSTMENTS (1970 JUL)

When costs are a factor in any determination of a contract price adjustment pursuant to the "Changes" clause or any other provision of this contract, such costs shall be in accordance with Part 15 of the Federal Procurement Regulations as in effect on the date of this contract.

16. PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA

1. If the Contracting Officer determines that any price, including profit or fee, negotiated in connection with this contract or any cost reimbursable under this contract was increased by any significant sums because the Contractor, or any subcontractor pursuant to the clause of this contract entitled "Subcontractor Cost or Pricing Data" or "Subcontractor Cost or Pricing Data-Price Adjustments" or any subcontract clause therein required, furnished incomplete or inaccurate cost or pricing data or data not current as certified in his Contractor's Certificate of Current Cost or Pricing Data, then such price or cost shall reflect such reduction.

2. Failure to agree on a reduction shall be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract.

(NOTE: Since the contract is subject to reduction under this clause by reason of defective cost or pricing data submitted in connection with certain subcontracts, it is expected that the Contractor may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify the Contractor. It is also expected that any subcontractor subject to such indemnification will generally require substantially similar indemnification for defective cost or pricing data required to be submitted by his lower-tier subcontractors.)

17. DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA

1. The Contractor will not discriminate against any employee or applicant for employment because he or she is a disabled veteran or veteran of the Vietnam era in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled veterans and veterans of the Vietnam era without discrimination based upon their disability or veterans status in all employment practices such as the following: employment upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

2. The Contractor agrees that all suitable employment openings of the contractor which exist at the time of the execution of this contract and those which occur during the performance of this contract, including those not generated by this contract and including those occurring at an establishment of the Contractor other than the one wherein the contract is being performed but excluding those of independently operated corporate affiliates, shall be listed at an appropriate local office of the State employment service system wherein the opening occurs. The Contractor further agrees to provide such reports to such local office regarding employment openings and hires as may be required.

State and local government agencies holding Federal contracts of $10,000 or more shall also list all their suitable openings with the appropriate office of the State employment service, but are not required to provide those reports set forth in paragraphs 4 and 5.

3. Listing of employment openings with the employment service system pursuant to this clause shall be made at least concurrently with the use of any other recruitment source or effort and shall involve the normal obligations which attach to the placing of a bonafide job order, including the acceptance of referrals of veterans and nonveterans. The listing of employment openings does not require the hiring of any particular job applicant or from any particular group of job applicants, and nothing herein is intended to relieve the contractor from any requirements in Executive orders or regulations regarding nondiscrimination in employment.

4. The reports required by paragraph 2 of this clause shall include, but not be limited to, periodic reports which shall be filed at least quarterly with the appropriate local office or, where the Contractor has more than one hiring location in a State, with the central office of that State employment service. Such reports shall indicate for each hiring location (a) the number of individuals hired during the reporting period, (b) the number of nondisabled veterans of the Vietnam era hired, (c) the number of disabled veterans of the Vietnam era hired, and (d) the total number of disabled veterans hired. The reports should include covered veterans

hired for on-the-job training under 38 U.S.C. 1787. The Contractor shall submit a report within 30 days after the end of each reporting period wherein any performance is made on this contract identifying data for each hiring location. The Contractor shall maintain at each hiring location copies of the reports submitted until the expiration of one year after final payment under the contract, during which time these reports and related documentation shall be made available, upon request, for examination by any authorized representatives of the Contracting Officer or of the Secretary of Labor. Documentation would include personnel records respecting job openings, recruitment, and placement.

5. Whenever the Contractor becomes contractually bound to the listing provisions of this clause, it shall advise the employment service system in each State where it has establishments of the name and location of each hiring location in the State. As long as the Contractor is contractually bound to these provisions and has so advised the State system, there is no need to advise the State system of subsequent contracts. The Contractor may advise the State system when it is no longer bound by this contract clause.

6. This clause does not apply to the listing of employment openings which occur and are filled outside the 50 States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

7. The provisions of paragraphs 2, 3, 4, and 5 of this clause do not apply to openings which the contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement. This exclusion does not apply to a particular opening once an employer decides to consider applicants outside of his own organization or employer-union arrangement for that opening.

8. As used in this clause: (a) "All suitable employment openings" includes, but is not limited to, openings which occur in the following job categories: production and nonproduction; plant and office; laborers and mechanics; supervisory and nonsupervisory; technical; and executive, administrative, and professional openings that are compensated on a salary basis of less than $25,000 per year. This term includes full-time employment, temporary employment of more than 3 days' duration, and part-time employment. It does not include openings which the Contractor proposes to fill from within his own organization or to fill pursuant to a customary and traditional employer-union hiring arrangement nor openings in an educational institution which are restricted to students of that institution. Under the most compelling circumstances an employment opening may not be suitable for listing, including such situations where the needs of the Government cannot reasonably be otherwise supplied, where listing would be contrary to national security, or where the requirement of listing would otherwise not be for the best interest of the Government; (b) "Appropriate office of the State employment service system" means the local office of the Federal/State national system of public employment offices with assigned responsibility for serving the area where the employment opening is to be filled, including the District of Columbia, Guam, Puerto Rico, and the Virgin Islands; (c) "Openings which the contractor proposes to fill from within his own organization" means employment openings for which no consideration will be given to persons outside the contractor's organization (including any affiliates, subsidiaries, and the parent companies) and includes any openings which the contractor proposes to fill from regularly established "recall" lists; (d) "Openings which the Contractor proposes to fill pursuant to a customary and traditional employer-union hiring arrangement" means employment openings which the contractor proposes to fill from union halls, which is part of the customary and traditional hiring relationship which exists between the Contractor and representatives of his employees.

9. The Contractor agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

10. In the event of the Contractor's non-compliance with the requirements of this clause, actions for non-compliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.

11. The Contractor agrees to post in conspicuous places available to employees and applicants for employment notices in a form to be prescribed by the Director, provided by or through the Contracting Officer. Such notice shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era for employment, and the rights of applicants and employees.

12. The Contractor will notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding that the Contractor is bound by terms of the Vietnam Era Veteran's Readjustment Assistance Act and is committed to take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era.

13. The Contractor will include the provisions of this clause in every subcontract or purchase order of $10,000 or more unless exempted by rules, regulations, or orders of the Secretary issued pursuant to the Act, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

18. UTILIZATION OF SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS CONCERNS OWNED AND CONTROLLED BY SOCIALLY AND ECONOMICALLY DISADVANTAGED INDIVIDUALS.

This Clause is required in contracts which exceeds $10,000

1. It is the policy of the United States that small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals shall have the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency.

2. The Contractor hereby agrees to carry out this policy in the awarding of subcontracts to the fullest extent consistent with the efficient performance of this contract. The Contractor further agrees to cooperate in any studies or surveys that may be conducted by the Small Business Administration or the contracting agency which may be necessary to determine the extent of the Contractor's compliance with this clause.

a. The term "small business concern" shall mean a small business as defined pursuant to Section 3 of the Small Business Act and in relevant regulations promulgated pursuant thereto.

b. The term "small business concern owned and controlled by socially and economically disadvantaged individuals' " shall mean a small business concern —

(1) which is at least 51 per centum owned by one or more socially and economically disadvantaged individuals; or in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and

(2) whose management and daily business operations are controlled by one or more of such individuals.

3. The Contractor shall presume that socially and economically disadvantaged individuals include Black Americans, Hispanic Americans, Native Americans, and other minorities, or any other individual found to be disadvantaged by the Small Business Administration pursuant to Section 8 (a) of the Small Business Act.

4. Subcontractors shall provide a notarized statement to the Contractor certifying their status as either a small business concern or a small business concern owned and controlled by socially and economically disadvantaged individuals.

19. UTILIZATION OF WOMEN-OWNED BUSINESS CONCERNS

1. It is the policy of the United States Government that women-owned businesses shall have the maximum practicable opportunity to participate in the performance of contracts awarded by any Federal agency.

2. The Contractor agrees to use his best efforts to carry out this policy in the award of subcontracts to the fullest extent consistent with the efficient performance of this contract. As used in this contract, a "woman-owned business" concern means a business that is at least 51% owned by a woman or women who also control and operate it. "Control" in this context means being actively involved in the day-to-day management. "Women" mean all women business owners.

20 Limitation of Funds.

1. It is estimated that the cost to the Government for the performance of this contract will not exceed the estimated cost set forth in the Schedule, and the Contractor agrees to use his best efforts to perform the work specified in the Schedule and all obligations under this contract within such estimated cost.

2. The amount presently available for payment and allotted to this contract, the items covered thereby, and the period of performance which it is estimated the allotted amount will cover, are specified in the Schedule. It is contemplated that from time to time additional funds will be allotted to this contract up to the full estimated cost set forth in the Schedule, exclusive of any fee. The Contractor agrees to perform or have performed work on this contract up to the point at which the total amount paid and payable by the Government pursuant to the terms of this contract approximates but does not exceed the total actually allotted to the contract.

3. If at any time the Contractor has reason to believe that the costs which he expects to incur in the performance of this contract in the next succeeding sixty (60) days, when added to all costs previously incurred, will exceed seventy-five percent (75%) of the total amount then allotted to the contract, the Contractor shall notify the Contracting Officer in writing to that effect. The notice shall state the estimated amount of additional funds required to continue performance for the period set forth in the Schedule. Sixty (60) days prior to the end of the period specified in the Schedule, the Contractor will advise the Contracting Officer in writing as to the estimated amount of additional funds, if any, that will be required for the timely performance of the work under the contract or for such further period as may be specified in the Schedule or otherwise agreed to by the parties. If, after such notification additional funds are not allotted by the end of the period set forth in the Schedule or an agreed date substituted therefor, the Contracting Officer will, upon written request by the Contractor, terminate this contract pursuant to the provisions of the Termination clause on such date. If the Contractor, in the exercise of his reasonable judgment, estimates that the funds available will allow him to continue to discharge his obligations hereunder for a period extending beyond such date, he shall specify the later date in his request, and the Contracting Officer, in his discretion, may terminate this contract on that later date.

4. Except as required by other provisions of this contract specifically citing and stated to be an exception from this clause, the Government shall not be obligated to reimburse the Contractor for costs incurred in excess of the total amount from time to time allotted to the contract, and the Contractor shall not be obligated to continue performance under the contract (including actions under the Termination clause) or otherwise to incur costs in excess of the amount allotted to the contract, unless and until the Contracting Officer has notified the Contractor in writing that such allotment amount has been increased and has specified in such notice an increased amount constituting the total amount then allotted to the contract. To the extent the amount allotted exceeds the estimated cost set forth in the Schedule, such estimated cost shall be correspondingly increased. No notice, communication or representation in any other form or from any person other than the Contracting Officer shall affect the amount allotted to this contract. In the absence of the specified notice, the Government shall not be obligated to reimburse the Contractor for any costs in excess of the total amount then allotted to the contract, whether those excess costs were incurred during the course of the contract or as a result of termination. When and to the extent that the amount allotted to the contract has been increased, any costs incurred by the Contractor in excess of the amount previously allotted shall be allowable to the same extent as if such costs had been incurred after such increase in the amount allotted; unless the Contracting Officer issues a termination or other notice and directs that the increase is solely for the purpose of covering termination or other specified expenses.

5. Change orders issued pursuant to the Changes clause of this contract shall not be considered an authorization to the Contractor to exceed the amount allotted in the Schedule in the absence of a statement in the change order, or other contractual modification, increasing the amount allotted.

6. Nothing in this clause shall affect the right of the Government to terminate this contract. In the event this contract is terminated, the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the contract based upon the share of costs incurred by each.

7. In the event that sufficient funds are not allotted to this contract to allow completion of the work contemplated by this contract, the Contractor shall be entitled to that percentage of the fee set forth in the Schedule equivalent to the percentage of completion of the work contemplated by this contract.

21. Allowable Cost and Payment.

1. For the performance of this contract, the Government shall pay to the Contractor the cost thereof (hereinafter referred to as "allowable cost") determined by the Contracting Officer to be allowable in accordance with--

a. Subpart 1-15.3 of the Federal Procurement Regulations as in effect on the date of this contract; and

b. the terms of this contract;

2. Payments shall be made to the Contractor when requested as work progresses, but not more frequently than bi-weekly, in amounts approved by the Contracting Officer. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as such representative may require, an invoice or public voucher supported by a statement of cost for the performance of this contract and claimed to constitute allowable cost. For this purpose, the term "costs" shall include only those recorded costs which result, at the time of the request for reimbursement, from payment by cash, check, interdivisional notices of payments, or other form of actual payment for items or services purchased directly for the contract, together with (when the Contractor is not delinquent in payment of costs of contract performance in the ordinary course of business) costs incurred, but not necessarily paid, for materials which have been issued from the Contractor's stores inventory and placed in the production process for use on the contract, for direct labor, for direct travel, for other direct in-house costs, and for properly allocated and allowable indirect costs, as is shown by records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts plus the amount of progress payments which have been paid to Contractor's subcontractors under similar cost standards. The requirement of prior payment for items or services purchased directly for the contract shall not apply where the Contractor is a small business concern.

3. Promptly after receipt of each invoice or voucher and statement of cost, the Government shall, except as otherwise provided in this contract, subject to the provisions of "4" below, make payment thereon as approved by the Contracting Officer. After payment of an amount equal to eighty percent (80%) of the total estimated cost of performance of this contract set forth in the Schedule, the Contracting Officer may withhold further payment on account of allowable cost until a reserve shall have been set aside in an amount which he considers necessary to protect the interests of the Government, but such reserve shall not exceed one percent (1%) of such total estimated cost or one hundred thousand dollars ($100,000), whichever is less.

4. At any time or times prior to final payment under this contract, the Contracting Officer may have the invoices or vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices or vouchers.

5. On receipt and approval of the invoice or voucher designated by the Contractor as the "completion invoice" or "completion voucher" and upon compliance by the Contractor with all the provisions of this contract (including, without limitation, the provisions relating to patents and the provisions of "6" below), the Government shall promptly pay to the Contractor any balance of allowable cost which has been withheld pursuant to "3" above or otherwise not paid to the contractor. The completion invoice or voucher shall be submitted by the Contractor promptly following completion of the work under this contract but in no event later than one (1) year (or such longer period as the Contracting Officer may in his discretion approve in writing) from the date of such completion.

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

a. an assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including any interest thereon) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

b. a release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions:

(1) specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor;

(2) claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that such claims are not known to the Contractor on the date of the execution of the release; and provided further that the Contractor gives notice of such claims in writing to the Contracting Officer not more than six (6) years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier; and

(3) claims for reimbursement of costs (other than expenses of the Contractor by reason of his indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents.

7. Any cost incurred by the Contractor under the terms of this contract which would constitute allowable cost under the provisions of this clause shall be included in determining the amount payable under this contract, notwithstanding any provisions contained in the specifications or other documents incorporated in this contract by reference, designating services to be performed or materials to be furnished by the Contractor

at his expense or without cost to the Government.

22. Allowable Cost, Fixed Fee, and Payment.

1. For the performance of this contract, the Government shall pay to the Contractor--

a. the cost thereof (hereinafter referred to as "allowable cost") determined by the Contracting Officer to be allowable in accordance with--

(1) Subpart 1-15.2 of the Federal Procurement Regulations as in effect on the date of this contract; and

(2) the terms of this contract; and

b. such fixed fee, if any, as may be provided for in the Schedule.

2. Payments shall be made to the Contractor when requested as work progresses, but not more frequently than bi-weekly, in amounts approved by the Contracting Officer. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as such representative may require, an invoice or public voucher supported by a statement of cost for the performance of this contract and claimed to constitute allowable cost. For this purpose, the term costs shall include only those recorded costs which result, at the time of the request for reimbursement, from payment by cash, check, interdivisional notices of payments, or other form of actual payment for items or services purchased directly for the contract, together with (when the Contractor is not delinquent in payment of costs of contract performance in the ordinary course of business) costs incurred, but not necessarily paid, for materials which have been issued from the Contractor's stores inventory and placed in the production process for use on the contract, for direct labor, for direct travel, for other direct inhouse costs, and for properly allocated and allowable indirect costs, as is shown by records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts plus the amount of progress payments which have been paid to Contractor's subcontractors under similar cost standards. The requirement of prior payment for items or services purchased directly for the contract shall not apply where the Contractor is a small business concern.

3. Promptly after receipt of each invoice or voucher and statement of cost, the Government shall, except as otherwise provided in this contract, subject to the provisions of "4" below, make payment thereon as approved by the Contracting Officer. Payment of the fixed fee, if any, shall be made to the Contractor as specified in the Schedule; provided, however, that after payment of eighty-five percent (85%) of the fixed fee set forth in the Schedule, the Contracting Officer may withhold further payment of fee until a reserve shall have been set aside in an amount which he considers necessary to protect the interests of the Government, but such reserve shall not exceed fifteen percent (15%) of the total fixed fee or one hundred thousand dollars ($100,000), whichever is less.

4. At any time or times prior to final payment under this contract, the Contracting Officer may have the invoices or vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices or vouchers.

5. On receipt and approval of the invoice or voucher designated by the Contractor as the "completion invoice" or "completion voucher" and upon compliance by the Contractor with all the provisions of this contract (including, without limitation, the provisions relating to patents and the provisions of "6" below), the Government shall promptly pay to the Contractor any balance of allowable cost, and any part of the fixed fee, which has been withheld pursuant to "3" above or otherwise not paid to the Contractor. The completion invoice or voucher shall be submitted by the Contractor promptly following completion of the work under this contract but in no event later than one (1) year (or such longer period as the Contracting Officer may in his discretion approve in writing) from the date of such completion.

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

a. an assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including any interest thereon) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

b. a release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions--

(1) specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor;

(2) claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided, that such claims are not known to the Contractor on the date of the execution of the release; and provided further that the Contractor gives notice of such claims in writing to the Contracting Officer not more than six (6) years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier; and

(3) claims for reimbursement of costs (other than expenses of the Contractor by reason of his

indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents.

7. Any cost incurred by the Contractor under the terms of this contract which would constitute allowable cost under the provisions of this clause shall be included in determining the amount payable under this contract, notwithstanding any provisions contained in the specifications or other documents incorporated in this contract by reference, designating services to be performed or materials to be furnished by the Contractor at his expense or without cost to the Government.

23. Payments of Allowable Costs Prior to Definitization of Contract.

1. Pending the placing of the definitive contract referred to herein, the Government shall currently reimburse the Contractor for all allowable expenditures made hereunder at the following rates:

a. One hundred percent (100%) of approved costs representing progress payments to Subcontractors under fixed-price type subcontracts, provided, that payment by the Government to the Contractor shall not exceed eighty percent (80%) of the costs of such subcontracts subject to the definition of costs contained in "3" below.

b. One hundred percent (100%) of approved costs representing cost-reimbursement type subcontracts, provided that payment by the Government shall not exceed eighty-five percent (85%) of the costs of such subcontracts subject to the definition of costs contained in "3" below; and

c. Eighty-five percent (85%) of all approved costs subject to the definition of costs contained in "3" below.

2. For the purpose of determining the amounts payable to the Contractor hereunder, allowable items of cost shall be determined by the Contracting Officer in accordance with the statement of cost principles set forth in the appropriate Subpart of Part 1-15 of the Federal Procurement Regulations. In no event shall the total reimbursement made under this paragraph exceed eighty-five percent (85%) of the maximum amount of the Government's liability otherwise set forth in this letter contract.

3. Payments shall be made to the Contractor when requested as work progresses, but not more frequently than bi-weekly, in amounts approved by the Contracting Officer. The Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as such representative may require, an invoice or public voucher supported by a statement of cost incurred by the Contractor in the performance of this contract and claimed to constitute allowable cost. Costs shall include only those recorded costs which result, at the time of the request for reimbursement, from payment by cash, check, interdivisional notices of payments, or other form of actual payment for items or services purchased directly for the contract, together with (when the Contractor is not delinquent in payment of costs of contract performance in the ordinary course of business) costs incurred, but not necessarily paid for materials which have been issued from the Contractor's stores inventory and placed in the production process for use on the contract, for direct labor, for direct travel, for other direct in-house costs, and for properly allocated and allowable indirect costs, as is shown by records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts plus the amount of progress payments which have been paid to Contractor's subcontractors under similar cost standards. The requirement of prior payment for items or services purchased directly for the contract shall not apply where the Contractor is a small business concern.

4. Promptly after receipt of each invoice or voucher and statement of cost, the Government shall, except as otherwise provided in this contract, subject to the provisions of "5" below, make payment thereon as approved by the Contracting Officer.

5. At any time or times prior to final payment under this contract, the Contracting Officer may have the invoices or vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices or vouchers.

24. Advance Payments.

1. Amount of Advance. At the request of the Contractor, and subject to the conditions hereinafter set forth, the Government shall make an advance payment, or advance payments from time to time, to the Contractor. No advance payment shall be made (i) without the approval of the office administering advance payments (hereinafter called the "Administering Office" and designated in paragraph "14d" hereof) as to the financial necessity therefor; (ii) in an amount which together with all advance payments theretofore made, shall exceed the amount stated in paragraph "14a" hereof; and (iii) without a properly certified invoice or invoices.

2. Special Bank Account. Until all advance payments made hereunder, and interest charges, are liquidated and the Administering Office approves in writing the release of any funds due and payable to the Contractor, all advance payments and all other payments under the contract shall be made by check payable to the Contractor and be marked for deposit only in a Special Bank Account with the bank designated in paragraph "14b" hereof. No part of the funds in the Special Bank Account shall be mingled with other funds of the Contractor prior to withdrawal thereof from the Special Bank Account as hereinafter provided. Except as hereinafter provided, each withdrawal shall be made only by check of the Contractor countersigned on behalf of the Government by the Contracting Officer, or such other person or persons as he may designate in writing (hereinafter called the "Countersigning Agent").

Unless otherwise determined by the Administering Office, countersignature on behalf of the Government will be required.

3. Use of Funds. The funds in the Special Bank Account may be withdrawn by the Contractor solely for the purposes of making payments for items of allowable cost as defined by Subpart 1-15.3 of the Federal Procurement Regulations and the terms of this contract, or to reimburse the Contractor for such items of allowable cost, and for such other purposes as the Administering Office may approve in writing. Any interpretation required as to the proper use of funds shall be made in writing by the Administering Office.

4. Return of Funds. The Contractor may at any

time repay all or any part of the funds advanced hereunder. Whenever so requested in writing by the Administering Office, the Contractor shall repay to the Government such part of the unliquidated balance of advance payments as shall in the opinion of the Administering Office be in excess of current requirements, or (when added to total advances previously made and liquidated) in excess of the amount specified in paragraph "14a" hereof. In the event the Contractor fails to repay such part of the unliquidated balance of advance payments when so requested by the Administering Office, all or any part thereof may be withdrawn from the Special Bank Account by checks payable to the Treasurer of the United States signed solely by the Countersigning Agent and applied in reduction of advance payments then outstanding hereunder.

5. Liquidation. If not otherwise liquidated, the advance payments made hereunder and interest charges, if any, shall be liquidated as herein provided. When the sum of all payments under this contract, other than advance payments, plus the unliquidated amount of advance payments and interest charges are equal to the total estimated cost $ _ _ _ _ _ for the work under this contract, or such lesser amount to which the total estimated cost under this contract may have been reduced, plus increases, if any, in this total estimated cost not exceeding, in the aggregate, $ _ _ _ _ _ (insert not more than 10 percent of estimated costs stated above) (including, without limitation, reimbursable costs incident to termination for the convenience of the Government as estimated by the Contracting Officer), the Government shall thereafter withhold further payments to the Contractor and apply the amounts withheld against the Contractor's obligation to repay such advance payments and interest charges, until such advance payments and interest charges shall have been fully liquidated. If upon completion or termination of the contract all advance payments and interest charges have not been fully liquidated, the balances thereof shall be deducted, from any sums otherwise due or which may become due to the Contractor from the Government, and any deficiency shall be paid by the Contractor to the Government upon demand.

6. Interest Charge. If required in paragraph "14c" hereof and at the rate therein specified, the Contractor shall pay interest to the Government upon the daily unliquidated balance of advance payments made under this contract. If the full amount of such interest is not paid by deduction or otherwise upon the completion or termination of this contract, the deficiency shall be paid by the Contractor to the Government upon demand. Interest at the rate specified in paragraph "14c" hereof shall be computed at the end of each calendar month in the manner herein specified on the average daily balance of the principal of the advance payments outstanding. Notwithstanding monthly computation, interest shall be computed for the actual number of days involved, on the basis of a 365- or 366-day year as the case may be. In determining such balance, (i) charges on account of the advance payments to the Contractor shall be made as of the date of the checks therefor, and (ii) credits resulting from deductions from cost reimbursement shall be made upon the approval of the vouchers by the Disbursing Officer, as of the dates respectively upon which the Contractor presents to the Contracting Officer or his duly authorized representative full and accurate data for the preparation of each such voucher, which date as to each such voucher shall be certified by the Contracting Officer, or his duly authorized representative. Also, in determining such balance, credits arising from cash repayments to the Government by the Contractor shall be made as of the date the checks therefore are received by the Disbursing Officer. As soon as such monthly computations shall have been made, the interest charge so determined shall be deducted from any payments otherwise due to the Contractor under the contracts on which advance payments have been made. In the event the accrued interest exceeds any such payment, the excess of such interest shall be carried forward and deducted from subsequent payments on account of the contract price or fixed fee as the case may be. The interest shall not be compounded, and shall, subject to the provisions of paragraph "11" hereof, cease to accrue with respect to each contract upon which advance payments are outstanding hereunder, upon termination of such contract for other than the fault of the Contractor, or upon the date found by the Contracting Officer to be the date upon which the Contractor completed his performance under the contract.

7. Bank Agreement. Before an advance payment is made hereunder, the Contractor shall transmit to the Administering Office, in the form prescribed by such office, an Agreement in triplicate from the bank in which the Special Bank Account is established, clearly setting forth the special character of the account and the responsibilities of the bank thereunder. Wherever possible, such bank shall be a member bank of the Federal Reserve System, or an "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935, 49 Stat. 684, as amended; 12 U.S.C. 264).

8. Lien on Special Bank Account. The Government shall have a lien upon any balance in the Special Bank Account paramount to all other liens, which lien shall secure the repayment of any advance payments made hereunder together with interest charges thereon.

9. Lien on Property Under Contract. Any and all advance payments made under this contract, together with interest charges thereon, shall be secured, when made, by a lien in favor of the Government, paramount to all other liens, upon the supplies or other things covered by this contract and on all material and other property acquired for or allocated to the performance of this contract, except to the extent that the Government by virtue of any other provision of this contract, or otherwise, shall have valid title to such supplies, materials, or other property as against other creditors of the Contractor. The Contractor shall identify, by marking or segregation, all property which is subject to a lien in favor of the Government by virtue of any provision of this contract in such a way as to indicate that it is subject to such lien and that it has been acquired for or allocated to the performance of this contract. If for any reason such supplies, materials, or other property are not identified by marking or segregation, the Government shall be deemed to have a lien to the extent of the Government's interest under this contract on any mass of property with which such supplies, materials, or other property are commingled. The Contractor shall maintain adequate accounting control over such property on his books and records. If at any time during the progress of the work on the contract it becomes necessary to deliver any item or items and materials upon which the Government has a lien as aforesaid to a third person, the Contractor shall notify such third person of

the lien herein provided and shall obtain from such third person a receipt, in duplicate, acknowledging, interalia, the existence of such lien. A copy of each receipt shall be delivered by the Contractor to the Contracting Officer. If this contract is terminated in whole or in part and the Contractor is authorized to sell or retain termination inventory acquired for or allocated to this contract, such sale or retention shall be made only if approved by the Contracting Officer, which approval shall constitute a release of the Government's lien hereunder to the extent that such termination inventory is sold or retained, and to the extent that the proceeds of the sale, or the credit allowed for such retention on the Contractor's termination claim, is applied in reduction of advance payments then outstanding hereunder.

10. Insurance. The Contractor represents and warrants that he is now maintaining with responsible insurance carriers, (i) insurance upon his own plant and equipment against fire and other hazards to the extent that like properties are usually insured by others operating plants and properties of similar character in the same general locality; (ii) adequate insurance against liability on account of damage to persons or property; and (iii) adequate insurance under all applicable workmen's compensation laws. The Contractor agrees that, until work under this contract has been completed and all advance payments made hereunder have been liquidated, he will (a) maintain such insurance; (b) maintain adequate insurance upon any materials, parts, assemblies, subassemblies, supplies, equipment and other property acquired for or allocable to this contract and subject to the Government lien hereunder; and (c) furnish such certificates with respect to his insurance as the Administering Office may from time to time require.

11. Default Provisions. Upon the happening of any of the following events of default, (i) termination of this contract by reason of fault of the Contractor; (ii) a finding by the Administering Office that the Contractor (a) has failed to observe any of the covenants, conditions, or warranties of these provisions or has failed to comply with any material provision of this contract, or (b) has so failed to make progress, or is in such unsatisfactory financial condition, as to endanger performance of this contract, or (c) has allocated inventory to this contract substantially exceeding reasonable requirements, or (d) is delinquent in payment of taxes or of the costs of performance of this contract in the ordinary course of business; (iii) appointment of a trustee, receiver or liquidator for all or a substantial part of the Contractor's property, or institution of bankruptcy, reorganization, arrangement or liquidation proceedings by or against the contractor; (iv) service of any writ of attachment, levy of execution, or commencement of garnishment proceedings with respect to the Special Bank Account; or (v) the commission of an act of bankruptcy; the Government, without limiting any rights which it may otherwise have, may, in its discretion and upon written notice to the Contractor, withhold further withdrawals from the Special Bank Account and withhold further payments on this contract. Upon the continuance of any such events of default for a period of thirty (30) days after such written notice to the Contractor, the Government may, in its discretion, and without limiting any other rights which the Government may have, take the following additional actions as it may deem appropriate in the circumstances:

a. Withdraw all or any part of the balance in the Special Bank Account by checks payable to the Treasurer of the United States signed solely by the Countersigning Agency and apply such amounts in reduction of advance payments then outstanding hereunder and in reduction of any other claims of the Government against the Contractor;

b. Charge interest on advance payments outstanding during the period of any such default at the rate of 6 percent (6%) per annum;

c. Demand immediate repayment of the unliquidated balance of advance payments hereunder; or

d. Take possession of and, with or without advertisement, sell at public sale at which the Government may be the purchaser, or at a private sale, all or any part of the property on which the Government has a lien under this contract and, after deducting any expenses incident to such sale, apply the net proceeds of such sale in reduction of the unliquidated balance of advance payments hereunder and in reduction of any other claims of the Government against the Contractor.

12. Prohibition Against Assignment. Notwithstanding any other provision of this contract, the Contractor shall not transfer, pledge, or otherwise assign this contract, or any interest therein, or any claim arising thereunder, to any party or parties, bank, trust company, or other financing institution.

13. Information--Access to Records. The Contractor shall furnish to the Administering Office signed or certified balance sheets and profit and loss statements monthly, or at such other intervals as may be required, together with a monthly report on the operation of the Special Bank Account in prescribed form, and such other information concerning the operation of the Contractor's business as may be requested. The Contractor shall afford to authorized representatives of the Government proper facilities for inspection of the Contractor's books, records, and accounts.

14. Designations and Determinations.

a. Amount. The amount of advance payments at any time outstanding hereunder shall not exceed $ _ _ _.

b. Depository. The bank designated for the deposit of payments made hereunder shall be _ _ _ _ _ _.

c. Interest Charge. Interest shall be charged in the manner provided herein at the rate of _ _ percent per annum. (In the case of advance payments made without interest the following applies:) No interest shall be charged for advance payments made hereunder, except interest during a period of default as provided for in paragraph "11." The Contractor shall charge interest at the rate of _ _ percent per annum on subadvances or downpayments to subcontractors, and such interest will be credited to the account of the Government. However, interest need not be charged on subadvances on nonprofit subcontracts with nonprofit educational or research institutions for experimental, research, or development work.

d. Administering Office. The office administering advance payments is designated as _ _ _ _ _ _ _ _.

15. Other Security. The terms of this contract shall be considered adequate security for advance payments hereunder, except that if at any time the Administering Office deems the security furnished by the Contractor to be inadequate, the Contractor shall furnish such additional security as may be satisfactory to the Administering Office, to the extent that such additional security is available.

16. Representations and Warranties. To induce the making of the advance payments, the Contractor represents and warrants that:

a. The balance sheet, the profit and loss statement and any other supporting financial statements, heretofore furnished to the Administering Office, fairly reflect the financial condition of the Contractor at the date shown on said balance sheet and the results of the operation for the period covered by the profit and loss statement, and since said date there has been no materially adverse change in the financial condition of the Contractor.

b. No litigation or proceedings are presently pending or threatened against the Contractor, except as shown in the above statements.

c. The Contractor, apart from liability resulting from the renegotiation of defense production contracts, has no contingent liabilities not provided for or disclosed in the financial statements furnished to the Administering Office.

d. None of the provisions herein contravenes or is in conflict with the authority under which the Contractor is doing business or with the provision of any existing indenture or agreement of the Contractor.

e. The Contractor has the power to enter into this contract and accept advance payments hereunder, and has taken all necessary action to authorize such acceptance under the terms and conditions of this contract.

f. None of the assets of the Contractor is subject to any lien or encumbrance of any character except for current taxes not delinquent, and except as shown in the financial statements furnished by the Contractor to the Administering Office. There has been no assignment of claims under any contract affected by these advance payment provisions, or if there has been any assignment, such assignments have been terminated.

g. All information furnished by the Contractor to the Administering Office in connection with each request for advance payments is true and correct.

h. These representations and warranties shall be continuing and shall be deemed to have been repeated by the submission of each invoice for advance payments.

17. Subadvances. Substantially the following provision shall be included in the contract wher subadvances are contemplated:

Subject to the prior written approval of the Administering Office, funds from the Special Bank Account may be used by the Contractor to make advance payments or downpayments to subcontractors and materialmen in advance of performance by the subcontractor or materialman. Such subadvances shall not exceed _ _ _ _ percent of the subcontract price or estimated cost as the case may be, and the subcontractors or materialmen to whom such advances are made shall furnish adequate security therefore. Unless other security is required by the Administering Office, covenants in subcontracts, expressly made for the benefit of the Government providing for a Special Bank Account for the subadvance with Government lien thereon, and providing for a Government lien, paramount to all other liens, on all property under such subcontract, and imposing upon the subcontractor and the depository bank substantially the same duties and giving the Government substantially the same rights as are provided herein (and in the agreement for Special Bank Account supplementary hereto) between the Government, the Contractor and the Bank, may be considered as adequate for such subadvance.

18. Additional Provisions. During the period of time that advance payments may be made hereunder and so long as any such advance payments remain unliquidated, the Contractor shall not, without the prior written consent of the Administering Office--

a. Mortgage, pledge, or otherwise encumber, or suffer to be encumbered, any of the assets of the Contractor now owned or hereafter acquired by it, or permit any preexisting mortgages, liens or other encumbrances to remain on or attach to any assets of the Contractor which are allocated to the performance of this contract and with respect to which the Government has a lien hereunder;

b. Sell, assign, transfer, or otherwise dispose of accounts receivable, notes or claims for money due or to become due;

c. Declare or pay any dividends, except dividends payable in stock of the corporation, or make any other distribution on account of any shares of its capital stock, or purchase, redeem, or otherwise acquire for value any such stock, except as required by sinking fund or redemption arrangements reported to the Administering Office incident to the establishment of these advance payment provisions;

d. Sell, convey, or lease all or a substantial part of its assets;

e. Acquire for value the stock or other securities of any corporation, municipality, or governmental authority, except direct obligations of the United States.

f. Make any advance or loan to or incur any liability as guarantor, surety, or accommodation endorser for any other firm, person, or corporation;

g. Permit a writ of attachment or any similar process to be issued against its property without procuring release thereof or bonding the same within 30 days after the entry of the writ of attachment or any similar process.

25. Assignment of Claims.

1. Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U.S.C. 203, 41 U.S.C. 15), if this contract provides for payments aggregating $1,000 or more, claims for moneys due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company, or other fi-

nancing institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Unless otherwise provided in this contract, payments to assignee of any moneys due or to become due under this contract shall not, to the extent provided in said Act, as amended, be subject to reduction or setoff. (The preceding sentence applies only if this contract is made in time of war or national emergency as defined in said Act and is with the Department of Defense, the General Services Administration, the Atomic Energy Commission, the National Aeronautics and Space Administration, the Federal Aviation Agency, or any other department or agency of the United States designated by the President pursuant to Clause 4 of the proviso of section 1 of the Assignment of Claims Act of 1940, as amended by the Act of May 15, 1951, 65 Stat. 41.)

2. In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract, if marked "Top Secret," "Secret," or "Confidential," be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same. However, a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

26. Payment for Overtime Premiums.

1. Allowable cost shall not include any amount on account of overtime premiums except when paid for work--

a. 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;

b. by indirect labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;

c. in the performance of tests, industrial processes, laboratory procedures, loading or unloading of transportation media, and operations in flight or afloat, which are continuous in nature and cannot reasonably be interrupted or otherwise completed; or

27. Contract Work Hours Standards Act - Overtime Compensation.

1. This contract, to the extent that it is of a character specified in the Contract Work Hours Standards Act (40 U.S.C. 327-330), is subject to the following provisions and to all other applicable provisions and exceptions of such Act and the regulations of the Secretary of Labor thereunder.

a. Overtime Requirements. No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic in any workweek in which he is employed on such work to work in excess of eight hours in any calendar day or in excess of forty hours in such workweek on work subject to the provisions of the Contract Work Hours Standards Act unless such laborer or mechanic receives compensation at a rate not less than one and one-half times his basic rate of pay for all such hours worked in excess of eight hours in any calendar day or in excess of forty hours in such workweek, whichever is the greater number of overtime hours.

b. Violation: Liability For Unpaid Wages; Liquidated Damages. In the event of any violation of the provisions of paragraph "a," the Contractor and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic employed in violation of the provisions of paragraph "a" in the sum of $10 for each calendar day on which such employee was required or permitted to be employed on such work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by paragraph "a."

c. Withholding for Unpaid Wages and Liquidated Damages. The Contracting Officer may withhold from the Government Prime Contractor, from any moneys payable on account of work performed by the Contractor or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the provisions of paragraph "b."

d. Subcontracts. The Contractor shall insert paragraphs "a" through "d" of this clause in all subcontracts, and shall require their inclusion in all subcontracts of any tier.

e. Records. The Contractor shall maintain payroll records containing the information specified in 29 CFR 516.2(a). Such records shall be preserved for three years from the completion of the contract.

10. Interest.

Notwithstanding any other provisions of this contract, unless paid within 30 days all amounts that become payable by the Contractor to the Government under this contract (net of any applicable tax credit under the Internal Revenue Code) shall bear interest at the rate of six percent per annum from the date due until paid. Amounts shall be due upon the earliest one of (i) the date fixed pursuant to this contract; (ii) the date of the first written demand for payment, consistent with this contract, including demand consequent upon default termination; (iii) the date of transmittal by the Government to the Contractor of a proposed supplemental agreement to confirm completed negotiations fixing the amount; or (iv) if this contract provides for revision of prices, the date of written notice to the Contractor stating the amount of refund payable in connection with a pricing proposal or in connection with negotiated pricing agreement not confirmed by contract supplement.

28a. Negotiated Overhead Rates - Postdetermined.

1. Notwithstanding the provisions of the clause of this contract entitled "Allowable Cost and Payment," the allowable indirect costs under this contract shall be obtained by applying negotiated overhead rates to bases agreed upon by the parties, as specified below.

2. The Contractor, as soon as possible but not later than six (6) months after the close of his fiscal year, or such other period as may be specified in the contract, shall submit to the Contracting Officer, with a copy to the cognizant audit activity, a proposed final overhead rate or rates for that period based on the Contractor's actual cost experience during that period, together with supporting cost data. Negotiation of final overhead rates by the Contractor and the Contracting Officer shall be undertaken as promptly as practicable after receipt of the Contractor's proposal.

3. Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with Subpart 1-15.3 of the Federal Procurement Regulations (41 CFR 1-15.3), as in effect on the date of this contract.

4. The results of each negotiation shall be set forth in a modification to this contract, which shall specify (i) the agreed final rates, (ii) the bases to which the rates apply, and (iii) the periods for which the rates apply.

5. Pending establishment of final overhead rates for any period, the Contractor shall be reimbursed either at negotiated provisional rates as provided in the contract, or at billing rates acceptable to the Contracting Officer, subject to appropriate adjustment when the final rates for that period are established. To prevent substantial over or under payment, and to apply either retroactively or prospectively: (i) provisional rates may, at the request of either party, be revised by mutual agreement, and (ii) billing rates may be adjusted at any time by the Contracting Officer. Any such revision of negotiated provisional rates specified in the contract shall be set forth in a modification to this contract.

6. Any failure by the parties to agree on any final rate or rates under this clause shall be considered a dispute concerning a question of fact for decision by the Contracting Officer within the meaning of the "Disputes" clause of this contract.

28b Negotiated Overhead Rates - Predetermined.

1. Notwithstanding the provisions of the clause of this contract entitled "Allowable Cost and Payment," the allowable indirect costs under this contract shall be obtained by applying predetermined overhead rates to bases agreed upon by the parties, as specified below.

2. The Contractor, as soon as possible but not later than three (3) months after the close of his fiscal year, or such other period as may be specified in the contract, shall submit to the Contracting Officer, with a copy to the cognizant audit activity, a proposed predetermined overhead rate or rates based on the Contractor's actual cost experience during that period, together with supporting cost data. Negotiation of predetermined overhead rates by the Contractor and the Contracting Officer shall be undertaken as promptly as practicable after receipt of the Contractor's proposal.

3. Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with Subpart 1-15.3 of the Federal Procurement Regulations (41 CFR 1-15.3), as in effect on the date of this contract.

4. The results of each negotiation shall be set forth in a modification to this contract, which shall specify (i) the agreed predetermined overhead rates, (ii) the bases to which rates apply, (iii) the fiscal year unless the parties agree to a different period for which the rates apply, and (iv) the specific items treated as direct costs or any changes in the items previously agreed to be direct costs.

5. Pending establishment of predetermined overhead rates for the initial period of contract performance, or for any fiscal year of different period agreed to by the parties, the Contractor shall be reimbursed either at: (i) the rates fixed for the previous fiscal year or other period, or (ii) billing rates acceptable to the Contracting Officer, subject to appropriate adjustment when the final rates for that fiscal year or other period are established.

6. Any failure by the parties to agree on any predetermined overhead rate or rates under this clause shall not be considered a dispute concerning a question of fact for decision by the Contracting Officer within the meaning of the "Disputes" clause of this contract. If for any fiscal year or other period of contract performance the parties fail to agree to a predetermined overhead rate or rates, it is agreed that the allowable indirect costs under this contract shall be obtained by applying negotiated final overhead rates in accordance with the terms of the "Negotiated Overhead Rates - Postdetermined" General Provision contained in this contract.

28c Negotiated Overhead Rates.

1. Notwithstanding the provisions of the clause of this contract entitled "Allowable Cost, Fixed Fee, and Payment," the allowable indirect costs under this contract shall be obtained by applying negotiated overhead rates to bases agreed upon by the parties, as specified below.

2. The Contractor, as soon as possible but not later than ninety (90) days after the expiration of his fiscal year, or such other period as may be specified in the contract, shall submit to the Contracting Officer, with a copy to the cognizant audit activity, a proposed final overhead rate or rates for that period based on the Contractor's actual cost experience during that period, together with supporting cost data. Negotiation of overhead rates by the Contractor and the Contracting Officer shall be undertaken as promptly as practicable after receipt of the Contractor's proposal.

3. Allowability of costs and acceptability of cost allocation methods shall be determined in accordance with applicable Subpart 1-15.2 of Federal Procurement Regulations (41 CFR 1-15.2) as in effect on the date of this contract.

4. The results of each negotiation shall be set forth in a modification to this contract, which shall specify (i) the agreed final rates, (ii) the bases to which the rates apply, and (iii) the periods for which the rates apply.

5. Pending establishment of final overhead rates for any period, the Contractor shall be reimbursed either at negotiated provisional rates as provided in the contract, or at billing rates acceptable to the Contracting Officer, subject to appropriate adjustment when the final rates for that period are established. To prevent substantial over or under payment, and to apply either retroactively or prospectively: (i) provisional rates may, at the request of either party, be revised by mutual agreement, and (ii) billing rates may be adjusted at any time by the Contracting Officer. Any such revision of negotiated provisional rates provided in the contract shall be set forth in a modification to this contract.

6. Any failure by the parties to agree on any final rates under this clause shall be considered a dispute concerning a question of fact for decision by the Contracting Officer within the meaning of the "Disputes" clause of this contract.

29a Audit and Records.

1. The Contractor shall maintain books, records, documents, and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred for the performance of this contract. The foregoing constitute "records" for the purposes of this clause.

2. The Contractor's plants, or such part thereof as may be engaged in the performance of this contract, and his records shall be subject at all reasonable times to inspection and audit by the Contracting Officer or his authorized representatives. In addition, for purposes of verifying that cost or pricing data submitted, in conjunction with the negotiation of this contract or any contract change or other modification involving an amount in excess of $100,000, was accurate, complete, and current, the Contracting Officer, or his authorized representatives shall, until the expiration of three (3) years from the date of final payment under this contract, or of the time periods for the particular records specified in Part 1-20 of the Federal Procurement Regulations (41 CFR Part 1-20), whichever expires earlier, have the right to examine those books, records, documents, papers, and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

3. The Contractor shall preserve and make available his records (i) until the expiration of three (3) years from the date of final payment under this contract, or of the time periods for the particular records specified in 41 CFR Part 1-20, whichever expires earlier, and (ii) for such longer period, if any, as is required by applicable statute, or by other clauses of this contract, or by "a" or "b" below.

a. If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three (3) years from the date of any resulting final settlement.

b. Records which relate to (i) appeals under the "Disputes" clause of this contract, (ii) litigation or the settlement of claims arising out of the performance of this contract, or (iii) costs and expenses of this contract as to which exception has been taken by the Contracting Officer or any of his duly authorized representatives, shall be retained until such appeals, litigation, claims, or exceptions have been disposed of.

4. a. The Contractor shall insert the substance of this clause, including the whole of this paragraph "4," in each subcontract hereunder that is not firm fixed-price. When so inserted, changes shall be made to designate the higher-tier subcontractor at the level involved in place of the Contractor; to add "of the Government prime contract" after "Contracting Officer"; and to substitute "the Government prime contract" in place of "this contract" in "(ii)" of paragraph "3b" above.

b. The Contractor shall insert the substance of the following clause in each firm fixed-price subcontract hereunder which when entered into exceeds $100,000, except those subcontracts covered by subparagraph "c" below.

AUDIT

(1) For purposes of verifying that certified cost or pricing data submitted in conjunction with the negotiation of this contract or any contract change or other modification involving an amount in excess of $100,000, was accurate, complete, and current, the Contracting Officer of the Government prime contract, or his authorized representatives, shall, until the expiration of three (3) years from the date of final payment under this contract, or of the time periods for the particular records specified in Part 1-20 of the Federal Procurement Regulations (41 CFR Part 1-20), whichever expires earlier, have the right to examine those books, records, documents, papers, and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

(2) The subcontractor agrees to insert this clause, including this paragraph "(2)" in all subcontracts hereunder which when entered into exceed $100,000 unless the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public or prices set by law or regulation.

c. The Contractor shall insert the following clause in each firm fixed-price subcontract hereunder which when entered into exceeds $100,000 where the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

AUDIT - PRICE ADJUSTMENTS

(1) This clause shall become operative only with respect to any change or other modification of this contract, which involves a price adjustment in excess of $100,000 unless the price adjustment is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation: Provided, that such change or other modification to this contract must result from a change or other modification (i) to the Government prime contract, or (ii) authorized under the provisions of the Government prime contract.

(2) For purposes of verifying that any certified cost or pricing data submitted in conjunction with a contract change or other modification were accurate, complete, and current, the Contracting Officer of the Government prime contract, or his authorized representatives, shall, until the expiration of three (3) years from the date of final payment under this contract, or of the time periods for the particular records specified in Part 1-20 of the Federal Procurement Regulations (41 CFR Part 1-20),

whichever expires earlier, have the right to examine those books, records, documents, papers, and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

(3) The subcontractor agrees to insert the substance of this clause including this paragraph "(3)" in all subcontracts hereunder which when entered into exceed $100,000.

29b Audit.

1. For purposes of verifying that certified cost or pricing data submitted, in conjunction with the negotiation of this contract or any contract change or other modification involving an amount in excess of $100,000, was accurate, complete, and current, the Contracting Officer, or his authorized representatives, shall, until the expiration of three (3) years from the date of final payment under this contract or of the time periods for the particular records specified in Part 1-20 of the Federal Procurement Regulations (41 CFR Part 1-20), whichever expires earlier, have the right to examine those books, records, documents, papers, and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

2. The Contractor agrees to insert this clause, including this paragraph "2," in all subcontracts hereunder which when entered into exceed $100,000, unless the price is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. When so inserted, changes shall be made to designate the higher-tier subcontractor at the level involved as the contracting and certifying part; to add "of the Government prime contract" after "Contracting Officer"; and to add at the end of "1" above the words "provided that, in the case of any contract change or modification, such change or modification results from a change or other modification to the Government prime contract." In each such excepted subcontract hereunder which when entered into exceeds $100,000, the Contractor whall insert the following clause.

AUDIT - PRICE ADJUSTMENTS

(1) This clause shall become operative only with respect to any change or other modification of this contract which involves a price adjustment in excess of $100,000 unless the price adjustment is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation: Provided, that such change or other modification to this contract results from a change or other modification to the Government prime contract.

(2) For purposes of verifying that certified cost or pricing data submitted in conjunction with such a contract change or modification was accurate, complete, and current, the Contracting Officer of the Government prime contract, or his authorized representatives, shall, until the expiration of three (3) years from the date of final payment under this contract, or of the time periods for the particular records specified in Part 1-20 of the Federal Procurement Regulations (41 CFR Part 1-20), whichever expires earlier, have the right to examine those books, records, documents, papers, and other supporting data which involve transactions related to this contract or which will permit adequate evaluation of the cost or pricing data submitted, along with the computations and projections used therein.

(3) The subcontractor agrees to insert this clause, including this paragraph "(3)" in all subcontracts hereunder which when entered into exceed $100,000.

30. Price Reduction for Defective Cost or Pricing Data-Price Adjustments

1. This clause shall become operative only with respect to any change or other modification of this contract which involves a price adjustment in excess of $100,000 that is not based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. The right to price reduction under this clause shall be limited to such price adjustments.

2. If the Contracting Officer determines that any price, including profit or fee, negotiated in connection with any price adjustment under this contract was increased by any significant sums because the Contractor or any subcontractor, pursuant to the clause of this contract entitled "Subcontractor Cost or Pricing Data - Price Adjustments" or any subcontract clause therein required, furnished incomplete or inaccurate cost or pricing data or data not current as of the date of execution of his Contractor's Certificate of Current Cost or Pricing Data, then such price shall be reduced accordingly and the contract shall be modified in writing to reflect such reduction.

(NOTE: Since the contract is subject to reduction under this clause by reason of defective cost or pricing data submitted in connection with certain subcontracts, it is expected that the Contractor may wish to include a clause in each such subcontract requiring the subcontractor to appropriately indemnify the Contractor. It is also expected that any subcontractor subject to such indemnification will generally require substantially similar indemnification for defective cost or pricing data required to be submitted by his lower-tier subcontractors.)

3. Failure to agree on a reduction shall be a dispute concerning a question of fact within the meaning of the "Disputes" clause of this contract.

31. Subcontractor Cost and Pricing Data.

1. The Contractor shall require subcontractors hereunder to submit in writing cost or pricing data under the following circumstances:

a. Prior to award of any cost-reimbursement type, time and material, labor-hour, incentive, or price redeterminable subcontract, the price of which is expected to exceed $100,000; and

b. Prior to the award of any other subcontract, the price of which is expected to exceed $100,000 or to the pricing of any subcontract change or other modification for which the price adjustment is expected to exceed $100,000, where the price or price adjustment is not based on adequate price competition, established catalog or market prices of commercial items sold in substantial

quantities to the general public, or prices set by law or regulation.

2. The Contractor shall require subcontractors to certify, in substantially the same form as that used in the certificate by the Prime Contractor to the Government, that, to the best of their knowledge and belief, the cost and pricing data submitted under "1" above are accurate, complete, and current as of the date of the execution, which date shall be as close as possible to the date of agreement on the negotiated price of the subcontract or subcontract change or modification.

3. The Contractor shall insert the substance of this clause including this paragraph "3" in each of his cost-reimbursement type subcontracts hereunder, and in any other subcontract hereunder which exceeds $100,000 unless the price thereof is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. In each such expected subcontract hereunder which exceeds $100,000, the Contractor shall insert the substance of the following clause:

SUBCONTRACTOR COST AND PRICING DATA-PRICE ADJUSTMENTS

a. Paragraphs "b" and "c" of this clause shall become operative only with respect to any change or other modification made pursuant to one or more provisions of this contract which involves a price adjustment in excess of $100,000. The requirements of this clause shall be limited to such price adjustments.

b. The Contractor shall require subcontractors hereunder to submit cost or pricing data under the following circumstances:

(1) Prior to award of any cost-reimbursement type, time and material, labor-hour, incentive, or price redeterminable subcontract, the price of which is expected to exceed $100,000; and

(2) Prior to award of any other subcontract, the price of which is expected to exceed $100,000, or to the pricing of any subcontract change or other modification for which the price adjustment is expected to exceed $100,000, where the price or price adjustment is not based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

c. The Contractor shall require subcontractors to certify, in substantially the same form as that used in the Certificate by the Prime Contractor to the Government, that, to the best of their knowledge and belief, the cost and pricing data submitted under "b" above are accurate, complete, and current as of the date of the execution, which date shall be as close as possible to the date of agreement on the negotiated price of the contract modification.

4. The Contractor shall insert the substance of this clause including this paragraph "4" in each subcontract hereunder which exceeds $100,000.

32. Subcontracts.

1. The Contractor shall give advance notification to the Contracting Officer of any proposed subcontract hereunder which (i) is on a cost, cost-plus-a-fee, time and material, or labor-hour basis, or (ii) is on a fixed-price basis exceeding in dollar amount either $25,000 or five percent (5%) of the total estimated cost of this contract.

2. In the case of a proposed subcontract which (i) is on a cost, cost-plus-a-fee, time and material, or labor-hour basis and which would involve an estimated amount in excess of $10,000, including any fee; or (ii) is proposed to exceed $100,000; or (iii) is one of a number of subcontracts under this contract with a single subcontractor for the same or related supplies or services which, in the aggregate, are expected to exceed $100,000; the advance notification required by "1" above shall include:

a. a description of the supplies or services to be called for by the subcontract;

b. identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including the degree of competition obtained;

c. the proposed subcontract price, together with the Contractor's cost or price analysis thereof;

d. the subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data when such data and certificate are required, by other provisions of this contract, to be obtained from the subcontractor; and

e. identification of the type of subcontract proposed to be used.

3. The Contractor shall not, without the prior written consent of the Contracting Officer, place any subcontract which (i) is on a cost or cost-plus-a-fee basis, or (ii) is on a fixed-price basis exceeding in dollar amount either $25,000 or five percent (5%) of the total estimated cost of this contract, or (iii) provides for the fabrication, purchase, rental, installation, or other acquisition of any item of industrial facilities, or of special tooling having a value in excess of $1,000, or (iv) is on a time and material or labor-hour basis, or (v) has experimental, developmental, or research work as one of its purposes. The Contracting Officer may, in his discretion, ratify in writing any such subcontract; such action shall constitute the consent of the Contracting Officer as required by this paragraph "3."

4. The Contractor agrees that no subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

5. The Contracting Officer may, in his discretion, specifically approve in writing any of the provisions of a subcontract. However, such approval or the consent of the Contracting Officer obtained as required by this clause shall not be construed to constitute a determination of the allowability of any cost under this contract, unless such approval specifically provides that it constitutes

a determination of the allowability of such cost.

6. The Contractor shall give the Contracting Officer immediate notice in writing of any action or suit filed, and prompt notice of any claim made against the Contractor by any subcontractor or vendor which, in the opinion of the Contractor, may result in litigation, related in any way to this contract with respect to which the Contractor may be entitled to reimbursement from the Government.

7. Notwithstanding "3" above, the Contractor may enter into subcontracts within "(ii)" or, if the subcontract is for special tooling, within "(iii)," of "3" above, without the prior written consent of the Contracting Officer if the Contracting Officer has, in writing, approved the Contractor's purchasing system and the subcontract is within the limitations of such approval.

33. Subcontracts.

1. As used in this clause, the term "subcontract" includes purchase orders.

2. The Contractor shall notify the Contracting Officer reasonably in advance of entering into any subcontract if the Contractor's procurement system has not been approved by the Contracting Officer and if the subcontract:

a. is to be a cost-reimbursement, time and material, or labor-hour contract which it is estimated will involve an amount in excess of ten thousand dollars ($10,000) including any fee;

b. is proposed to exceed one hundred thousand dollars ($100,000); or

c. is one of a number of subcontracts, under this contract, with a single subcontractor for the same or related supplies or services which, in the aggregate, are expected to exceed one hundred thousand dollars ($100,000).

3. The advance notification required by paragraph " above shall include:

a. a description of the supplies or services to be called for by the subcontract;

b. identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including the competition obtained;

c. the proposed subcontract price, together with the Contractor's cost or price analysis thereof;

d. the subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, when such data and certificates are required by other provisions of this contract to be obtained from the subcontractor; and

e. identification of the type of subcontract to be used.

4. The Contractor shall not enter into any subcontract for which advance notification to the Contracting Officer is required by this clause, without the prior written consent of the Contracting Officer; provided that the Contracting Officer, in his discretion, may ratify in writing any subcontract. Such ratification shall constitute the consent of the Contracting Officer required by this paragraph.

5. Neither consent by the Contracting Officer to any subcontract or any provisions thereof nor approval of the Contractor's procurement system shall be construed to be a determination of the acceptability of any subcontract price or of any amount paid under any subcontract or to relieve the Contractor of any responsibility for performing this contract, unless such approval or consent specifically provides otherwise.

6. The Contractor agrees that no subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis.

7. Notwithstanding approval of the procurement system, the Contractor shall not enter into certain subcontracts or classes of subcontracts set forth elsewhere in this contract without the prior written consent of the Contracting Officer.

34. Award of Subcontracts.

For each subcontract exceeding $10,000 awarded by the Contractor under this contract, the Contractor shall, within 10 days after such award, advise the Contracting Officer, in writing of the subcontractor's name and address and date of award of the subcontract.

35. Lease or Purchase of Equipment.

Any equipment in excess of $2,500 proposed to be acquired and charged to the contract as a direct cost item requires the prior written approval of the Contracting Officer. The request for approval shall be submitted at least 30 days prior to the date the Contractor needs a decision on the matter to avoid delay in performing the contract. The request shall also include the name of the equipment manufacturer, equipment type or model number, quantity required, unit cost, and any other pertinent information. The Contracting Officer will ascertain whether the equipment is available by purchase, lease, or lease with option to purchase, and determine how it shall be acquired.

36a Termination for Convenience of the Government.

1. The performance of work under this contract may be terminated, in whole or from time to time in part, by the Government whenever for any reason the Contracting Officer shall determine that such termination is in the best interest of the Government. Termination of work hereunder shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which performance of work under the contract is terminated and the date upon which such termination becomes effective.

2. After receipt of the Notice of Termination the Contractor shall cancel his outstanding commitments hereunder covering the procurement of materials, supplies, equipment, and miscellaneous items. In addition, the Contractor shall exercise all reasonable diligence to accomplish the cancellation or diversion of his outstanding commitments covering personal services and extending beyond the date of such termination to the extent that they relate to the performance of any work terminated by the notice. With respect to such canceled commitments the Contractor agrees to (i) settle all outstanding liabilities and all claims arising out of such cancellation of commitments, with the approval or ratification of the Contracting Officer, to the extent he may require, which approval or ratification shall be final for all purposes of this clause, and (ii) assign to the Government, in the manner, at the time, and to the extent directed by the Contracting Officer, all of the right, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the Government shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

3. The Contractor shall submit his termination claim to the Contracting Officer promptly after receipt of a Notice of Termination, but in no event later than one year from the effective date thereof, unless one or more extensions in writing are granted by the Contracting Officer upon written request of the Contractor within such one-year period or authorized extension thereof. Upon failure of the Contractor to submit his termination claim within the time allowed, the Contracting Officer may, subject to any review required by the contracting agency's procedures in effect as of the date of execution of this contract, determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall thereupon pay to the Contractor the amount so determined.

4. Any determination of costs under paragraph "3" shall be governed by the contract cost principles and procedures in Subpart 1-15.3 of the Federal Procurement Regulations (41 CFR 1-15.3) in effect on the date of this contract, except that if the Contractor is not an educational institution any costs claimed, agreed to, or determined pursuant to paragraphs "3" or "5" hereof shall be in accordance with Subpart 1-15.2 of the Federal Procurement Regulations (41 CFR 1-15.2) in effect on the date of this contract.

5. Subject to the provisions of paragraph "3" above, and subject to any review required by the contracting agency's procedures in effect as of the date of execution of this contract, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount or amounts to be paid to the Contractor by reason of the termination under this clause, which amount or amounts may include any reasonable cancellation charges thereby incurred by the Contractor and any reasonable loss upon outstanding commitments for personal services which he is unable to cancel: Provided, however, that in connection with any outstanding commitments for personal services which the Contractor is unable to cancel, the Contractor shall have exercised reasonable diligence to divert such commitments to his other activities and operations. Any such agreement shall be embodied in an amendment to this contract and the Contractor shall be paid the agreed amount.

6. The Government may from time to time, under such terms and conditions as it may prescribe, make partial payments against costs incurred by the Contractor in connection with the terminated portion of this contract, whenever, in the opinion of the Contracting Officer, the aggregate of such payments is within the amount to which the Contractor will be entitled hereunder. If the total of such payments is in excess of the amount finally agreed or determined to be due under this clause, such excess shall be payable by the Contractor to the Government upon demand: Provided, that if such excess is not so paid upon demand, interest thereon shall be payable by the Contractor to the Government at the rate of six percent (6%) per annum, beginning thirty (30) days from the date of such demand.

7. The Contractor agrees to transfer title to the Government and deliver in the manner, at the times, and to the extent, if any, directed by the Contracting Officer, such information and items which, if the contract had been completed, would have been required to be furnished to the Government, including:

a. Completed or partially completed plans, drawings, and information; and

b. Materials or equipment produced or in process or acquired in connection with the performance of the work terminated by the notice.

Other than the above, any termination inventory resulting from the termination of the contract may, with the written approval of the Contracting Officer, be sold or acquired by the Contractor under the conditions prescribed by and at a price or prices approved by the Contracting Officer. The proceeds of any such disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract or shall otherwise be credited to the price or cost of work covered by this contract or paid in such other manner as the Contracting Officer may direct. Pending final disposition of property arising from the termination, the Contractor agrees to take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation of the property related to this contract which is in the possession of the Contractor and in which the Government has or may acquire an interest.

8. Any disputes as to questions of fact which may arise hereunder shall be subject to the "Disputes" clause of this contract.

36b Termination for Default or for Convenience of the Government.

1. The performance of work under the contract may be terminated by the Government in accordance with this clause in whole, or from time to time in part:

a. Whenever the Contractor shall default in performance of this contract in accordance with its terms (including in the term "default" any such failure by the Contractor to make progress in the prosecution of the work hereunder as endangers such performance), and shall fail to cure such default within a period of ten days (or such longer period as the Contracting Officer may allow) after receipt from the Contracting Officer of a notice specifying the default; or

b. Whenever for any reason the Contracting Officer

shall determine that such termination is in the best interest of the Government. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying whether termination is for the default of the Contractor or for the convenience of the Government, the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective. If, after notice of termination of this contract for default under "a" above, it is determined for any reason that the Contractor was not in default pursuant to "a," or that the Contractor's failure to perform or to make progress in performance is due to causes beyond the control and without the fault or negligence of the Contractor pursuant to the provisions of the clause of this contract relating to excusable delays, the Notice of Termination shall be deemed to have been issued under "b" above, and the rights and obligations of the parties hereto shall in such event be governed accordingly.

2. After receipt of a Notice of Termination and except as otherwise directed by the Contracting Officer, the Contractor shall:

a. Stop work under the contract on the date and to the extent specified in the Notice of Termination;

b. Place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the work under the contract as is not terminated;

c. Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination;

d. Assign to the Government, in the manner and to the extent directed by the Contracting Officer, all of the right, title, and interest of the Contractor under the orders or subcontracts so terminated, in which case the Government shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

e. With the approval or ratification of the Contracting Officer, to the extent he may require, which approval or ratification shall be final and conclusive for all purposes of this clause, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable in whole or in part, in accordance with the provisions of this contract;

f. Transfer title to the Government (to the extent that title has not already been transferred) and deliver in the manner, at the times, and to the extent directed by the Contracting Officer, (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced as a part of, or acquired in respect of the performance of, the work terminated by the Notice of Termination; (ii) the completed or partially completed plans, drawings, information, and other property which, if the contract had been completed, would be required to be furnished to the Government; and (iii) the jigs, dies, and fixtures, and other special tools and tooling acquired or manufactured for the performance of this contract for the cost of which the Contractor has been or will be reimbursed under this contract;

g. Use his best efforts to sell, in the manner, at the times, to the extent, and at the price or prices directed or authorized by the Contracting Officer, any property of the types referred to in "f" above: Provided, however, that the Contractor (i) shall not be required to extend credit to any purchaser, and (ii) may acquire any such property under the conditions prescribed by and at a price or prices approved by the Contracting Officer: and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract or shall otherwise be credited to the price or cost of the work covered by this contract or paid in such other manner as the Contracting Officer may direct;

h. Complete performance of such part of the work as shall not have been terminated by the Notice of Termination; and

i. Take such action as may be necessary, or as the Contracting Officer may direct, for the protection and preservation of the property related to this contract which is in the possession of the Contractor and in which the Government has or may acquire an interest.

The Contractor shall proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting the amount of the fee, or any item of reimbursable cost, under this clause. At any time after expiration of the plant clearance period, as defined in Subpart 1-8.1 of the Federal Procurement Regulations (41 CFR 1-8.1), as the definition may be amended from time to time, the Contractor may submit to the Contracting Officer a list, certified as to quantity and quality, of any or all items of termination inventory not previously disposed of, exclusive of items the disposition of which has been directed or authorized by the Contracting Officer, and may request the Government to remove such items or enter into a storage agreement covering them. Not later than fifteen (15) days thereafter, the Government will accept such items and remove them or enter into a storage agreement covering the same: Provided, that the list submitted shall be subject to verification by the Contracting Officer upon removal of the items or, if the items are stored, within forty-five (45) days from the date of submission of the list, and any necessary adjustment to correct the list as submitted shall be made prior to final settlement.

3. After receipt of a Notice of Termination, the Contractor shall submit to the Contracting Officer his termination claim in the form and with the certification prescribed by the Contracting Officer. Such claim shall be submitted promptly but in no event later than one year from the effective date of termination, unless one or more extensions in writing are granted by the Contracting Officer upon request of the Contractor made in writing within such one-year period or authorized extension thereof. However, if the Contracting Officer determines that the facts justify such action, he may receive and act upon any such termination claim at any time after such one-year period or any extension thereof. Upon failure of the Contractor to submit his termination claim within the time allowed, the Contracting Officer may, subject to any review required by the contracting agency's procedures in effect as of the date of execution of this contract, determine, on the basis of information available to him, the amount, if any, due to the

Contractor by reason of the termination and shall thereupon pay to the Contractor the amount so determined.

4. Subject to the provisions of paragraph "3," and subject to any review required by the contracting agency's procedures in effect as of the date of execution of this contract, the Contractor and the Contracting Officer may agree upon the whole or any part of the amount or amounts to be paid (including an allowance for the fee) to the Contractor by reason of the total or partial termination of work pursuant to this clause. The contract shall be amended accordingly, and the Contractor shall be paid the agreed amount.

5. In the event of the failure of the Contractor and the Contracting Officer to agree in whole or in part, as provided in paragraph "4," as to the amounts with respect to costs and fee, or as to the amount of the fee, to be paid to the Contractor in connection with the termination of work pursuant to this clause, the Contracting Officer shall, subject to any review required by the contracting agency's procedures in effect as of the date of execution of this contract, determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination and shall pay to the Contractor the amount determined as follows:

a. If the settlement includes cost and fee--

(1) There shall be included therein all costs and expenses reimbursable in accordance with this contract, not previously paid to the Contractor for the performance of this contract prior to the effective date of the Notice of Termination, and such of these costs as may continue for a reasonable time thereafter with the approval of or as directed by the Contracting Officer: Provided, however, that the Contractor shall proceed as rapidly as practicable to discontinue such costs;

(2) There shall be included therein so far as not included under "(1)" above, the cost of settling and paying claims arising out of the termination of work under subcontracts or orders, as provided in paragraph "2a" above, which are properly chargeable to the terminated portion of the contract;

(3) There shall be included therein reasonable costs of settlement, including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract and for the termination and settlement of subcontracts thereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of termination inventory: Provided, however, that if the termination is for default of the Contractor there shall not be included any amounts for the preparation of the Contractor's settlement proposal; and

(4) There shall be included therein a portion of the fee payable under the contract determined as follows--

(a) In the event of the termination of this contract for the convenience of the Government and not for the default of the Contractor, there shall be paid a percentage of the fee equivalent to the percentage of the completion of work contemplated by the contract, but exclusive of subcontract effort included in subcontractors' termination claims, less fee payments previously made hereunder; or

(b) In the event of the termination of this contract for the default of the Contractor, the total fee payable shall be such proportionate part of the fee (or, if this contract calls for articles of different types, of such part of the fee as is reasonably allocable to the type of article under consideration) as the total number of articles delivered to and accepted by the Government bears to the total number of articles of a like kind called for by this contract.

If the amount determined under this subparagraph "a" is less than the total payment theretofore made to the Contractor, the Contractor shall repay to the Government the excess amount.

b. If the settlement includes only the fee, the amount thereof will be determined in accordance with subparagraph "a(4)" above.

6. Costs claimed, agreed to, or determined pursuant to paragraphs "3," "4," and "5" of this clause shall be in accordance with the contract cost principles and procedures in Part 1-15 of the Federal Procurement Regulations (41 CFR 1-15) in effect on the date of this contract.

7. The Contractor shall have the right of appeal, under the clause of this contract entitled "Disputes," from any determination made by the Contracting Officer under paragraph "3" or "5" above, except that, if the Contractor has failed to submit his claim within the time provided in paragraph "3" above and has failed to request extension of such time, he shall have no such right of appeal. In any case where the Contracting Officer has made a determination of the amount due under paragraph "3" or "5" above, the Government shall pay to the Contractor the following: (i) if there is no right of appeal hereunder or if no timely appeal has been taken, the amount so determined by the Contracting Officer, or (ii) if an appeal has been taken, the amount finally determined on such appeal.

8. In arriving at the amount due the Contractor under this clause there shall be deducted (i) all unliquidated advance or other payments theretofore made to the Contractor, applicable to the terminated portion of this contract, (ii) any claim which the Government may have against the Contractor in connection with this contract, and (iii) the agreed price for, or the proceeds of sale of, any materials, supplies, or other things acquired by the Contractor or sold pursuant to the provisions of this clause and not otherwise recovered by or credited to the Government.

9. In the event of a partial termination, the portion of the fee which is payable with respect to the work under the continued portion of the contract shall be equitably adjusted by agreement between the Contractor and the Contracting Officer, and such adjustment shall be evidenced by an amendment to this contract.

10. The Government may from time to time, under such terms and conditions as it may prescribe, make partial payments and payments on account against costs incurred by the Contractor in connection with the terminated portion of the contract whenever in the opinion of the Contracting Officer the aggregate of such payments shall be within the amount to which the Contractor will be entitled hereunder. If the total of such payments is in excess of the amount finally determined to be due under this clause, such excess shall be payable by the Contractor to the Government upon demand, together with interest computed at

the rate of 6 percent per annum, for the period from the date such excess payment is received by the Contractor to the date on which such excess is repaid to the Government: Provided, however, that no interest shall be charged with respect to any such excess payment attributable to a reduction in the Contractor's claim by reason of retention or other disposition of termination inventory until 10 days after the date of such retention or disposition, or such later date as determined by the Contracting Officer by reason of the circumstances.

37. Insurance - Liability to Third Persons.

1. The Contractor shall procure and thereafter maintain workmen's compensation, employer's liability, comprehensive general liability (bodily injury) and comprehensive automobile liability (bodily injury and property damage) insurance, with respect to performance under this contract, and such other insurance as the Contracting Officer may from time to time require with respect to performance under this contract: Provided, that the Contractor may, with the approval of the Contracting Officer, maintain a self-insurance program: and provided further, that with respect to workmen's compensation the Contractor is qualified pursuant to statutory authority. All insurance required pursuant to the provisions of this paragraph shall be in such form, in such amount, and for such periods of time, as the Contracting Officer may from time to time require or approve, and with insurers approved by the Contracting Officer.

2. The Contractor agrees, to the extent and in the manner required by the Contracting Officer, to submit for the approval of the Contracting Officer any other insurance maintained by the Contractor in connection with the performance of this contract and for which the Contractor seeks reimbursement hereunder.

3. The Contractor shall be reimbursed: (i) for the portion allocable to this contract of the reasonable cost of insurance as required or approved pursuant to the provisions of this clause, and (ii) for liabilities to third persons for loss of or damage to property (other than property (a) owned, occupied or used by the Contractor or rented to the Contractor or (b) in the care, custody, or control of the Contractor), or for death or bodily injury, not compensated by insurance or otherwise, arising out of the performance of this contract, whether or not caused by the negligence of the Contractor, his agents, servants, or employees; Provided, such liabilities are represented by final judgments or by settlements approved in writing by the Government and expenses incidental to such liabilities, except liabilities (1) for which the Contractor is otherwise responsible under the express terms of the clause or clauses, if any, specified in the Schedule, or (2) with respect to which the Contractor has failed to insure as required or maintain insurance as approved by the Contracting Officer or (3) which results from willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers, or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of (i) all or substantially all of the Contractor's business, or (ii) all or substantially all of the Contractor's operations at any one plant or separate location in which this contract is being performed, or (iii) a separate and complete major industrial operation in connection with the performance of this contract. The foregoing shall not restrict the right of the Contractor to be reimbursed for the cost of insurance maintained by the Contractor in connection with the performance of this contract, other than insurance required to be submitted for approval or required to be procured and maintained pursuant to the provisions of this clause: Provided, such cost would constitute allowable cost under the clause of this contract entitled "Allowable Cost, Fixed Fee and Payment."

4. The Contractor shall give the Government or its representatives immediate notice of any suit or action filed, and prompt notice of any claim made, against the Contractor arising out of the performance of this contract, the cost and expense of which may be reimbursable to the Contractor under the provisions of this contract, and the risk of which is then uninsured or in which the amount claimed exceeds the amount of coverage. The Contractor shall furnish immediately to the Government copies of all pertinent papers received by the Contractor. If the amount of the liability claimed exceeds the amount of coverage, the Contractor shall authorize representatives of the Government to collaborate with counsel for the insurance carrier, if any, in settling or defending such claim. If the liability is not insured or covered by bond, the Contractor shall, if required by the Government, authorize representatives of the Government to settle or defend any such claim and to represent the Contractor in or take charge of any litigation in connection therewith; Provided, that the Contractor may, at his own expense, be associated with the representatives of the Government in the settlement or defense of any such claim or litigation.

38. **Covenant Against Contingent Fees.**

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

39. **Competition in Subcontracting.**

If this is a negotiated contract in excess of $10,000, the Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practicable extent consistent with the objectives and requirements of the contract.

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40. Excusable Delays.

Except with respect to defaults of subcontractors, the Contractor shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the Contractor to make progress in the prosecution of the work hereunder which endangers such performance) if such failure arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to: acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the failure of a subcontractor to perform or make progress, and if such failure arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be deemed to be in default, unless (i) the supplies or services to be furnished by the subcontractor were obtainable from other sources, (ii) the Contracting Officer shall have ordered the Contractor in writing to procure such supplies or services from such other sources, and (iii) the Contractor shall have failed to comply reasonably with such order. Upon request of the Contractor, the Contracting Officer shall ascertain the facts and extent of such failure and, if he shall determine that any failure to perform was occasioned by any one or more of the said causes, the delivery schedule shall be revised accordingly, subject to the rights of the Government under the clause of this contract providing for termination. (As used in this clause, the term "subcontractor" and "subcontractors" means subcontractor(s) at any tier.)

United States Department of Justice
United States Marshals Service

Intergovernmenta. rvice Agreement
Housing of Federal Prisoners

1. AGREEMENT NUMBER	2. EFFECTIVE DATE	3. REQUISITION/PURCHASER/REQUEST NO.	4. CONTROL NO.
J-A67-M-097	7/1/85	0051-A67-85	

5. ISSUING OFFICE

UNITED STATES MARSHALS SERVICE
Operations Support Division
Program Administration Branch
1-TYSONS CORNER CENTER
MCLEAN, VIRGINIA 22102

6. GOVERNMENT ENTITY

NAME AND ADDRESS (*Street, city, county, State and ZIP code*)
Dauphin County Prison
501 County Road
Harrisburg, PA 17111

Contact Person John Lawson, Warden
Area Code & Telephone No. ▶ (717) 558-1100

FACILITY CODE(S): 3AV

7. APPROPRIATION DATA

1551020

8. ITEM NO.	9. SUPPLIES/SERVICES	10. QUANTITY	11. UNIT	12. UNIT PRICE	13. AMOUNT
(1)	This Agreement is for the housing, safekeeping and subsistence of adult male federal prisoners including guard services in accordance with the contents set forth herein.	ESTIMATED USMS PRISONER DAYS/YR. 990	PDs	FIXED RATE $32.45	ESTIMATED ANNUAL PAYMENT $32,125.50
(2)	This Agreement consists of the following: (A) IGA Cover Page, Form USM-241 (B) Agreement Schedule, pages 2-5	ESTIMATED GUARD HOURS 200	HRs	$10.00	$ 2,000

14. *AGENCY CERTIFYING*

To the best of my knowledge and belief, data submitted in support of this agreement is true and correct, the document has been duly authorized by the governing body of the Department or Agency and the Department or Agency will comply with ALL PROVISIONS SET FORTH HEREIN.

15. NAME AND TITLE OF PERSON(S) AUTHORIZED TO SIGN OFFER

X [signature] (Signature) Date 12-5-85
Name (Type or Print) Title

X [signature] (Signature) Date 12-5-85
Name (Type or Print) Title

16. TYPE OF USE
- ☐ Hold Over
- ■ Regular Support
- ☐ Seasonal Support
- ☐ Other

17. PRISONER TYPE TO BE INCLUDED

UNSENTENCED	SENTENCED
■ Adult Male	■ Adult Male
■ Adult Female	■ Adult Female
☐ Juvenile Male	☐ Juvenile Male
☐ Juvenile Female	☐ Juvenile Female
☐ Aliens	☐ Work Release
	☐ YCA Male
	☐ YCA Female

18. LEVEL OF USE
- ☐ Minimum
- ■ Medium
- ☐ Major

19. *This Negotiated Agreement is Hereby Approved and Accepted for*

THE UNITED STATES OF AMERICA
BY DIRECTION OF THE DIRECTOR OF THE UNITED STATES MARSHALS SERVICE

BY [signature]
(SIGNATURE OF CONTRACTING OFFICER)

20. ANTICIPATED ANNUAL USAGE

	UNSENTENCED	SENTENCED	ALIENS	TOTAL
No. of Prisoners				
Prisoner Days	990			990
Guard Hours	200			200

21. NAME OF AUTHORIZING OFFICIAL (*Type or Print*)
Joseph B. Enders

DATE SIGNED
7/30/85

ARTICLE I - PURPOSE

The purpose of this Intergovernmental Service Agreement (IGA) is to establish a formal binding relationship between the U.S. Marshals Service and other federal user agencies (the Federal Government) and Dauphin County, Pennsylvania (the Local Government) for the detention of persons charged with or convicted of violations of Federal law or held as material witnesses (federal prisoners) at the Dauphin County Jail (the facility).

ARTICLE II - SUPPORT AND MEDICAL SERVICES

1. The Local Government agrees to accept and provide for the secure custody, care and safekeeping of federal prisoners in accordance with state and local laws, standards, policies, procedures, or court orders applicable to the operations of the facility.

2. The Local Government agrees to provide federal prisoners with the same level of medical care and services provided local prisoners including the transportation and security for prisoners requiring removal from the facility for emergency medical services. All costs associated with hospital or health care services provided outside the facility will be paid directly by the Federal Government.

3. The Local Government agrees to notify the U.S. Marshal as soon as possible of all emergency medical cases requiring removal of a prisoner from the facility and to obtain prior authorization for removal for all other medical services required.

ARTICLE III - RECEIVING AND DISCHARGE

1. The Local Government agrees to accept as federal prisoners those persons committed by federal law enforcement officers for violations of federal laws only upon presentation by the officer of proper law enforcement credentials.

2. The Local Government agrees to release federal prisoners only to law enforcement officers of agencies initially committing the prisoner (i.e. DEA, INS, etc.) or to a Deputy United States Marshal. Those prisoners who are remanded to custody by a U.S. Marshal may only be released to a U.S. Marshal or an agent specified by the U.S. Marshal of the Judicial District.

3. The Federal Government agrees to maintain federal prisoner population levels at or below the level established by the facility administrator.

4. Federal prisoners may not be released from the facility or placed in the custody of state or local officials for any reason except for medical or emergency situations. Federal prisoners sought for a state or local court proceeding must be acquired through a Writ of Habeas Corpus or the Interstate Agreement of Detainers and then only with the concurrence of the District U.S. Marshal.

ARTICLE IV - PERIOD OF PERFORMANCE

This Agreement shall be in effect indefinitely until terminated in writing by either party. Should conditions of an unusual nature occur making it impractical or undesirable to continue to house prisoners, the Local Government may suspend or restrict the use of the facility by giving written notice to the U.S. Marshal. Such notice will

be provided 30 days in advance of the effective date of formal termination and at least two weeks in advance of a suspension of restriction of use unless an emergency situation requires the immediate relocation of prisoners.

ARTICLE V - PER-DIEM RATE AND ECONOMIC PRICE ADJUSTMENT

1. Per-diem rates shall be established on the basis of actual and allowable costs associated with the operation of the facility during a recent annual accounting period or as provided for in an approved annual operating budget for detention facilities.

2. The Federal Government shall reimburse the Local Government at the fixed day rate identified on page 1 of the Agreement. The rate may be renegotiated not more than once per year, after the agreement has been in effect for twelve months.

3. The rate covers One (1) person per "prisoner day". The Federal Government may not be billed for two days when a prisoner is admitted one evening and removed the following morning. The Local Government may bill for the day of arrival but not for the day of departure.

4. When a rate increase is desired, the Local Government shall submit a written request to the U.S. Marshal at least 60 days prior to the desired effective date of the rate adjustment. All such requests must contain a completed Cost and Pricing Data Sheet which can be obtained from the U.S. Marshal. The Local Government agrees to provide additional cost information to support the requested rate increase and to permit an audit of accounting records upon request of the U.S. Marshal.

5. Criteria used to evaluate the increase or decrease in the per-diem rate shall be those specified in the federal cost standards for contracts and grants with State and Local Governments issued by the Office of Management and Budget.

6. The effective date of the rate modification will be negotiated and specified on the IGA Modification form approved and signed by a Marshals Service Contracting Officer. The effective date will be established on the first day of a month for accounting purposes. Payments at the modified rate will be paid upon the return of the signed modification by the authorized local official to the U.S. Marshal.

7. Unless other justifiable reasons can be documented by the Local Government, per-diem rate increases shall not exceed the National Inflation rate as established by the U.S. Department of Commerce.

ARTICLE VI - BILLING AND FINANCIAL PROVISIONS

1. The Local Government shall prepare and submit original and separate invoices each month to the Federal Agencies listed below for certification and payment.

United States Marshals Service
411 Federal Building
Washington Avenue & Linden Sts.
Scranton, Pennsylvania 18501

Phone: (717) 346-7277

Bureau of Prisons
Community Programs Manager
Federal Bldg.-2002A
1000 Liberty Avenue
Pittsburgh, Pennsylvania 15222

Phone: (412) 644-6560

2. To constitute a proper monthly invoice, the name of each Federal prisoner, their specific dates of confinement, the total days to be reimbursed, the appropriate per-diem rate, and the total amount billed (total days multiplied by the rate per day) shall be listed). The name, title, complete address and phone number of the Local Official responsible for invoice preparation should also be listed on the invoice.

3. The Prompt Payment Act, Public Law 97-177 (96 Stat. 85, 31 USC 1801) is applicable to payments under this agreement and requires the payment to the Local Government of interest on overdue payments. Determinations of interest due will be made in accordance with the provisions of the Prompt Payment Act and the Office of Management and Budget Circular A-25.

4. Payment under this agreement will be due on the thirtieth (30th) calendar day after receipt of a proper invoice, in the office designated to receive the invoice. The date of the check issued in payment shall be considered to be the date payment is made.

ARTICLE VII - GOVERNMENT FURNISHED PROPERTY

1. It is the intention of the Marshals Service to furnish excess federal property to local governments for the specific purpose of improving jail conditions and services. Accountable excess property, such as furniture and equipment, remains titled to the Marshals Service and shall be returned to the custody of the Marshals Service upon termination of the agreement.

2. The Local Government agrees to inventory, maintain, repair, assume liability for and manage all federally provided accountable as well as controlled excess property. Such property cannot be removed from the jail without the prior written approval of U.S. Marshals Headquarters. The loss or destruction of any such excess property shall be immediately reported to the U.S. Marshal and USMS Headquarters. Accountable and controlled excess property includes any property with a unit acquisition value of $1,000.00 or more, all furniture, as well as equipment used for security and control, communication, photography, food service, medical care, inmate recreation, etc.

3. The suspension of use or restriction of bed space made available to the Marshals Service are agreed to be grounds for the recall and return of any or all government furnished property.

4. The dollar value of property provided each year will not exceed the annual dollar payment made by the Marshals Service for prisoner support.

ARTICLE VIII - MODIFICATIONS/DISPUTES

1. Either party may initiate a request for modification to this agreement in writing. All modifications negotiated will be written and approved by the U.S. Marshals Service contracting officer and submitted to the Local Government on form USM 241a for approval.

2. Disputes, questions or concerns pertaining to this agreement will be resolved between the U.S. Marshal and the appropriate local Government official. Unresolved issues are to are to be directed to the Chief, Operations Support Division, U.S. Marshals Service Headquarters.

ARTICLE IX - INSPECTION AND TECHNICAL ASSISTANCE

1. The Local Government agrees to allow periodic inspections of the facility by U.S. Marshals Service Inspectors. Findings of the inspection will be shared with the facility administrator in order to promote improvements to facility operations, conditions of confinement and levels of services.

2. The Marshals Service will endeavor to provide or acquire technical training and management assistance from other federal, state or local agencies or national organizations upon the request of the facility administrator.

ARTICLE X - GUARD SERVICES

1. The Local Government agrees, upon request of the federal agency in whose custody a prisoner is held, to provide:

a. Transportation and escort guard services for federal prisoners housed at their facility to and from a medical facility for outpatient care; and

b. Transportation and stationary guard services for federal prisoners committed to a medical facility.

2. Such services will be performed by qualified law enforcement or correctional officer personnel employed by the Local Government under their policies, procedures and practices. The Local Government agrees to augment such practices as may be requested by the U.S. Marshal to enhance specific requirements for security, prisoner monitoring, visitation and contraband control.

3. The user government agency agrees to reimburse the Local Government for guard services at the rate established on page one (1) of this agreement.

U.S. Department of Justice
United States Marshals Service

Modification of Intergovernmental Agreement

1. MODIFICATION NO. One (1)	2. EFFECTIVE DATE OF MODIFICATION January 1, 1991
3. ISSUING OFFICE *U.S. MARSHALS SERVICE PRISONER OPERATIONS DIVISION 600 ARMY NAVY DRIVE, SUITE 1090 ARLINGTON, VA 22202-4210*	4. LOCAL GOVERNMENT Dauphin Couny Prison 501 Mall Road Harrisburg, PA 17111
	5. IGA NO. J-A67-M-097
	6. FACILITY CODE(S) 3AV
7. ACCOUNTING CITATION *15X1020*	8. ESTIMATED ANNUAL PAYMENT $54,450.00

9. EXCEPT AS PROVIDED SPECIFICALLY HEREIN, ALL TERMS AND CONDITIONS OF THE IGA DOCUMENT REFERRED TO IN BLOCK 5, REMAIN UNCHANGED. TERMS OF THIS MODIFICATION:

The purpose of this modification is to increase the jail day rate from $32.45 to $55.00.

10. INSTRUCTIONS TO LOCAL GOVERNMENT FOR EXECUTION OF THIS MODIFICATION:

A. ☐ LOCAL GOVERNMENT IS NOT REQUIRED TO SIGN THIS DOCUMENT

B. ☒ LOCAL GOVERNMENT IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 2 COPIES TO U.S. MARSHAL

11. APPROVALS:

A. LOCAL GOVERNMENT

Signature

Deputy Warden — TITLE

1-16-91 — DATE

B. FEDERAL GOVERNMENT

Signature

Chief, Prisoner Operations Division — TITLE

1/11/91 — DATE

Form USM-241a
Rev. 11/89)

USMS HQ USE ONLY