

SOLICITATION / CONTRACT / ORDER FOR COMMERCIAL ITEMS
OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30

1. REQUISIT NUMBER
 PAGE 1 OF 40

2. CONTRACT NO.	3. AWARD/EFFECTIVE DATE 10/20/2006	4. ORDER NUMBER DTMA1P07003	5. SOLICITATION NUMBER	6. SOLICITATION ISSUE DATE
7. FOR SOLICITATION INFORMATION CALL: a. NAME		b. TELEPHONE NUMBER (No collect calls)		8. OFFER DUE DATE/ LOCAL TIME

9. ISSUED BY DOT/Maritime Administration, MAR-380 400 Seventh Street, SW., Room 7310 Washington, DC 20590 TEL: (202) 366-5757 ext. FAX: (202) 366-3237 ext.	CODE 00091	10. THIS ACQUISITION IS <input checked="" type="checkbox"/> UNRESTRICTED <input type="checkbox"/> SET ASIDE: 0.00% FOR <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> HUBZONE SMALL BUSINESS <input type="checkbox"/> 8(A) NAICS: 488330 SIZE STANDARD: 5,000,001-10,000,000	11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED <input type="checkbox"/> SEE SCHEDULE	12. DISCOUNT TERMS 10 days % 20 days % 30 days % days %
		13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		13b. RATING
		14. METHOD OF SOLICITATION <input type="checkbox"/> RFQ <input type="checkbox"/> IFB <input type="checkbox"/> RFP		

15. DELIVER TO DOT/Maritime Administration, MAR-610 400 Seventh Street, SW., Room 2122 Washington, DC 20590 Attn: Shaun Ireland	CODE HQ610	16. ADMINISTERED BY DOT/Maritime Administration, MAR-380 400 Seventh Street, SW., Room 7310 Washington, DC 20590	CODE 00091
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17a. CONTRACTOR/OFFEROR Bay Bridge Enterprises LLC 4300 Buell Street Chesapeake, VA 23324-1008 TELEPHONE NO.(757) 543-2006 ext.	CODE *	FACILITY CODE	18a. PAYMENT WILL BE MADE BY DOT/Maritime Administration, MAR-330 400 Seventh Street, SW., Room 7325 Washington, DC 20590	CODE HQ333
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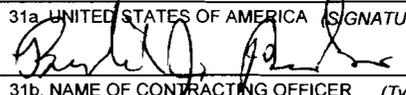
17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER	18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED <input type="checkbox"/> SEE ADDENDUM
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19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
(Use Reverse and/or Attach Additional Sheets as Necessary)					

25. ACCOUNTING AND APPROPRIATION DATA - 06 - 9X4768 - 1 - SD - 254T - - SDSCPO - 160000 - - - - -	26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$ 494,000.00
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<input type="checkbox"/> 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA <input type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED	<input checked="" type="checkbox"/> 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA <input checked="" type="checkbox"/> ARE <input type="checkbox"/> ARE NOT ATTACHED
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28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 2 COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.	29. AWARD OF CONTRACT: REF. _____ OFFER DATED _____ YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS:
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30a. SIGNATURE OF OFFEROR/CONTRACTOR 	31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER) 		
30b. NAME AND TITLE OF SIGNER (Type or print) REBECCA S. ROBINSON PROJECT MANAGER	30c. DATE SIGNED 10/30/06	31b. NAME OF CONTRACTING OFFICER (Type or print) Benedict J. Burrowski	31c. DATE SIGNED 11/3/06

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT

32a. QUANTITY IN COLUMN 21 HAS BEEN

RECEIVED INSPECTED ACCEPTED, AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED: _____

32b. SIGNATURE OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE
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32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE
	32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE

33. SHIP NUMBER <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT <input type="checkbox"/> COMPLETE <input type="checkbox"/> PARTIAL <input type="checkbox"/> FINAL	37. CHECK NUMBER
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38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY
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41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT	42a. RECEIVED BY <i>(Print)</i>
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER	41c. DATE
	42b. RECEIVED AT <i>(Location)</i>
	42c. DATE REC'D <i>(YY/MM/DD)</i>
	42d. TOTAL CONTAINERS

Line Item Summary	Document Number DTMA1P07003	Title VULCAN	Page 3 of 40
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Total Funding: \$494,000.00

FYs	Fund	Budget Org	Sub	Object Class	Sub	Program	Cost Org	Sub	Proj/Job No.	Sub	Reporting Category
06	9X4768	1	SD	254T		SDSCPO	160000				
Division	Closed FYs	Cancelled Fund									

Line Item Number	Description	Delivery Date (Start Date to End Date)	Quantity	Unit of Issue	Unit Price	Total Cost (Includes Discounts)
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This is a firm fixed-price contract. Provide services to make all tow preparations, and tow the vessel VULCAN from the James River Reserve Fleet to the contractor's facility in Chesapeake Virginia to completely dismantle, recycle and remediate all materials and components of the entire vessel.

0001	VULCAN --Dismantlement and Disposal	303 dys. (ADC)	1.00	EA	\$494,000.000	\$ 494,000.00
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Provide services to make all tow preparations, and tow the vessel VULCAN from the James River Reserve Fleet to the contractor's facility in Chesapeake Virginia, and completely dismantle, remediate, and recycle all materials and components on the vessel. Total price for towing, dismantlement and remediation of the vessel is \$494,000. The performance period is 303 calendar days.

Funding Information:
 - 06 - 9X4768 - 1 - SD - 254T - - SDSCPO - 160000 - - - - -
 \$494,000.00

Total Cost: \$494,000.00

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COMMERCIAL CLAUSES

1 AUTHORITY TO CONTRACT

This contract is issued pursuant to the authority of FAR 13.5 - Test Program for Certain Commercial Items. This subpart authorizes, as a test program, use of simplified procedures for the acquisition of supplies and services in amounts greater than the simplified acquisition threshold but not exceeding \$5,000,000, including options. The requirements of FAR part 12 apply subject to the order of precedence provided at FAR part 12.102(c). This includes the use of the provisions and clauses in Subpart 12.3.

2 52.212-05 CONTRACT TERMS AND CONDITIONS REQUIRED TO FEBRUAR
 ALT I IMPLEMENT STATUTES OR EXECUTIVE ORDERS - Y 2000
 COMMERCIAL ITEMS (MAY 2004) - ALTERNATE I

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clause, which is incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items: 52.233-3, Protest after Award (AUG 1996) (31 U.S.C. 3553).

(b) The Contractor shall comply with the FAR clauses in this paragraph (b) that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

[Contracting Officer shall check as appropriate.]

(1) 52.203-6, Restrictions on Subcontractor Sales to the Government (JUL 1995, with Alternate I (OCT 1995) (41U.S.C. 253g and 10 U.S.C. 2402).

(2) 52.219-3, Notice of Total HUBZone Small Business Set-Aside (JAN 1999) (15 U.S.C 657a).

(3) 52.219-4, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JAN 1999) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C 657a).

(4)(i) 52.219-5, Very Small Business Set-Aside (JUNE 2003) (Pub. L. 103-403, section 304, Small Business Reauthorization and Amendments Act of 1994).

(ii) Alternate I (MAR 1999) of 52.219-5.

(iii) Alternate II (JUNE 2003) of 52.219-5.

(5) (i) 52.219-6, Notice of Total Small Business Set-Aside (JUNE 2003) (15 U.S.C. 644).

(ii) Alternate I (OCT 1995) of 52.219-6.

(iii) Alternate II (MAR 2004) of 52.219-6.

(6) (i) 52.219-7 Notice of Partial Small Business Set-Aside (JUNE 2003) (15 U.S.C. 644).

(ii) Alternate I (OCT 1995) of 52.219-7.

(iii) Alternate II (MAR 2004) of 52.219-7.

(7) 52.219-8, Utilization of Small Business Concerns (MAY 2004) (15 U.S.C. 637 (d)(2) and (3)).

(8) (i) 52.219-9, Small Business Subcontracting Plan (JAN 2002) (15 U.S.C. 637(d)(4)).

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___ (ii) Alternate I (OCT 2001) of 52.219-9.

___ (iii) Alternate II (OCT 2001) of 52.219-9.

___ (9) 52.219-14, Limitations on Subcontracting (DEC 1996) (15 U.S.C. 637(a)(14)).

___ (10)(i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (JUNE 2003) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323) (if the offeror elects to waive the adjustment, it shall so indicate in its offer).

(ii)___ Alternate I (JUNE 2003) of 52.219-23.

___ (11) 52.219-25, Small Disadvantaged Business Participation Program--Disadvantaged Status and Reporting (OCT 1999) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).

___ (12) 52.219-26, Small Disadvantaged Business Participation Program--Incentive Subcontracting (OCT 2000) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).

___ (13) 52.219-27, Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside (May 2004).

x (14) 52.222-3, Convict Labor (June 2003) (E.O. 11755).

x (15) 52.222-19, Child Labor-Cooperation with Authorities and Remedies (Jan 2004) (E.O. 13126).

___ (16) 52.222-21, Prohibition of Segregated Facilities (Feb 1999).

x (17) 52.222-26, Equal Opportunity (Apr 2002) (E.O. 11246).

x (18) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) (38 U.S.C. 4212).

x (19) 52.222-36, Affirmative Action for Workers with Disabilities (Jun 1998) (29 U.S.C. 793).

x (20) 52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) (38 U.S.C. 4212).

___ (21)(i) 52.223-9, Estimate of Percentage of Recovered Material Content for EPA-Designated Products (Aug 2000) (42 U.S.C. 6962(c)(3)(A)(ii)).

___ (ii) Alternate I (Aug 2000) of 52.223-9 (42 U.S.C. 6962(i)(2)(C)).

___ (22) 52.225-1, Buy American Act-Supplies (June 2003) (41 U.S.C. 10a-10d).

___ (23)(i) 52.225-3, Buy American Act-Free Trade Agreements-Israeli Trade Act (Jan 2004) (41 U.S.C. 10a-10d, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note, Pub. L. 108-77, 108-78).

___ (ii) Alternate I (Jan 2004) of 52.225-3.

___ (iii) Alternate II (Jan 2004) of 52.225-3.

___ (24) 52.225-5, Trade Agreements (Jan 2004) (19 U.S.C. 2501, et seq., 19 U.S.C. 3301 note).

x (25) 52.225-13, Restrictions on Certain Foreign Purchases (Dec 2003) (E.o.s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

___ (26) 52.225-15, Sanctioned European Union Country End Products (Feb 2000) (E.O. 12849).

___ (27) 52.225-16, Sanctioned European Union Country Services (Feb 2000) (E.O. 12849).

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(28) 52.232-29, Terms for Financing of Purchases of Commercial Items (Feb 2002) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).

(29) 52.232-30, Installment Payments for Commercial Items (Oct 1995) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).

(30) 52.232-33, Payment by Electronic Funds Transfer-Central Contractor Registration (Oct 2003) (31 U.S.C. 3332).

(31) 52.232-34, Payment by Electronic Funds Transfer-Other than Central Contractor Registration (May 1999) (31 U.S.C. 3332).

(32) 52.232-36, Payment by Third Party (May 1999) (31 U.S.C. 3332).

(33) 52.239-1, Privacy or Security Safeguards (Aug 1996) (5 U.S.C. 552a).

(34)(i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Apr 2003) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631)..

(ii) Alternate I (Apr 1984) of 52.247-64.

(c) The Contractor shall comply with the FAR clauses in this paragraph (c), applicable to commercial services, that the Contracting Officer has indicated as being incorporated in this contract by reference to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

[Contracting Officer check as appropriate.]

(1) 52.222-41, Service Contract Act of 1965, as Amended (MAY 1989) (41 U.S.C. 351, et seq.).

(2) 52.222-42, Statement of Equivalent Rates for Federal Hires (MAY 1989) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

(3) 52.222-43, Fair Labor Standards Act and Service Contract Act--Price Adjustment (Multiple Year and Option Contracts) (MAY 1989) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

(4) 52.222-44, Fair Labor Standards Act and Service Contract Act--Price Adjustment (FEB 2002) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

(5) 52.222-47, SCA Minimum Wages and Fringe Benefits Applicable to Successor Contract Pursuant to Predecessor Contractor Collective Bargaining Agreement (CBA) (MAY 1989) (41 U.S.C. 351, et seq.).

(d) (1) Notwithstanding the requirements of the clauses in paragraphs (a), (b), and (c) of this clause, the Contractor is not required to flow down any FAR clause, other than those in paragraphs (i) through (vi) of this paragraph in a subcontract for commercial items. Unless otherwise indicated below, the extent of the flow down shall be as required by the clause--

(i) 52.219-8, Utilization of Small Business Concerns (MAY 2004) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontractors that offer subcontracting opportunities.

(ii) 52.222-26, Equal Opportunity (APR 2002) (E.O. 11246).

(iii) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001) (38 U.S.C. 4212).

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (JUNE 1998) (29 U.S.C. 793).

(v) 52.222-41, Service Contract Act of 1965, as Amended (MAY 1989), flow down required for all subcontracts subject to the Service Contract Act of 1965 (41 U.S.C. 351, et seq.).

(vi) 52.247-64, Preference for Privately-Owned U.S.-Flag Commercial Vessels (APR 2003) (46 U.S.C. Appx 1241 and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.

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(2) While not required, the contractor may include in its subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

3 52.252-02 CLAUSES INCORPORATED BY REFERENCE

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://www.acqnet.gov/far/current/html/FARMTOC.html>

<http://www.acqnet.gov/far/current/html/FARMTOC.html>

[Insert one or more Internet addresses]

Clause	Title	Date
52.212-01	Instructions to Offerors--Commercial Items	January 2006
52.203-06 Alt I	Restrictions on Subcontractor Sales to the Government (Jul 1995) - Alternate I	October 1995

4 CONTRACT FORMAT

1. This contract follows the format for the acquisition of commercial items set forth in FAR 12.303. Specific paragraph by paragraph correspondence is shown below:

- (a) Standard Form (SF) 1449
- (b) Continuation of any block from SF 1449 - None
- (c) Contract clauses
 - 52.212-4, Contract terms and conditions - Commercial items, by reference (see SF 1449 block 27a)
 - Any addendum to 52.212-4
 - 52.212-5, Contract terms and conditions required to implement statutes and executive orders
- (d) Contract documents, exhibits or attachments
 - Statement of Work
 - Towing requirements
 - Safety regulations
- (e) Solicitation provisions - Not Applicable.

2. Due to the structure of MARAD's contract writing system several clauses which do not apply to this contract cannot be deleted.

- (a) FAR clause 52.212-01, Instructions to Offerors - Commercial, only applies to solicitations not to contracts. This clause is not considered part of this contract.
- (b) FAR clause 52.212-05, Alternate I may only be used if the head of the agency has waived the examination of records by the Comptroller General in accordance with 25.1001. This requirement has not been waived and therefore Alternate I to this clause is not considered part of this contract.
- (c) FAR clause 52.212-5, Contract Terms and Conditions Required to Implement Statutes or Executive Order - Commercial Items is updated JUNE 2004 versus MAY 2004.
- (d) FAR clause 52.216-24, Limitation of Government Liability and 52.216-25, Contract Definitization, only apply to letter contracts. This is not a letter contract and these clauses are considered part of this contract.

3. For this contract the Product Service Code (PSC) is P300, the North American Industry Code Standard (NIACS) is 488330 and the small business size standard is \$6 million.

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5 52.212-03 OFFEROR REPRESENTATIONS AND CERTIFICATIONS -
COMMERCIAL ITEMS.

JUNE 2006

An offeror shall complete only paragraph (j) of this provision if the offeror has completed the annual representations and certifications electronically at <http://orca.bpn.gov>. If an offeror has not completed the annual representations and certifications electronically at the ORCA website, the offeror shall complete only paragraphs (b) through (i) of this provision.

(a) Definitions. As used in this provision:

"Emerging small business" means a small business concern whose size is no greater than 50 percent of the numerical size standard for the NAICS code designated.

"Forced or indentured child labor" means all work or service-

- (1) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or
- (2) Performed by any person under the age of 18 pursuant to a contract the enforcement of which can be accomplished by process or penalties.

"Service-disabled veteran-owned small business concern"--

(1) Means a small business concern--

- (i) Not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
- (ii) The management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a service-disabled veteran with permanent and severe disability, the spouse or permanent caregiver of such veteran.

(2) Service-disabled veteran means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected, as defined in 38 U.S.C. 101(16).

"Small business concern" means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding on Government contracts, and qualified as a small business under the criteria in 13 CFR part 121 and size standards in this solicitation.

"Veteran-owned small business concern" means a small business concern--

- (1) Not less than 51 percent of which is owned by one or more veterans (as defined at 38 U.S.C. 101(2)) or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and
- (2) The management and daily business operations of which are controlled by one or more veterans.

"Women-owned business concern" means a concern which is at least 51 percent owned by one or more women; or in the case of any publicly owned business, at least 51 percent of its stock is owned by one or more women; and whose management and daily business operations are controlled by one or more women.

"Women-owned small business concern" means a small business concern--

- (1) That is at least 51 percent owned by one or more women; or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned by one or more women; and
- (2) Whose management and daily business operations are controlled by one or more women.

(b) Taxpayer Identification Number (TIN) (26 U.S.C. 6109, 31 U.S.C. 7701). (Not applicable if the offeror is required to provide this information to a central contractor registration database to be eligible for award.)

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(1) All offerors must submit the information required in paragraphs (b)(3) through (b)(5) of this provision to comply with debt collection requirements of 31 U.S.C. 7701(c) and 3325(d), reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M, and implementing regulations issued by the Internal Revenue Service (IRS).

(2) The TIN may be used by the Government to collect and report on any delinquent amounts arising out of the offeror's relationship with the Government (31 U.S.C. 7701(c)(3)). If the resulting contract is subject to the payment reporting requirements described in FAR 4.904, the TIN provided hereunder may be matched with IRS records to verify the accuracy of the offeror's TIN.

(3) Taxpayer Identification Number (TIN).

TIN: _____.

TIN has been applied for.

TIN is not required because:

Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the United States and does not have an office or place of business or a fiscal paying agent in the United States;

Offeror is an agency or instrumentality of a foreign government;

Offeror is an agency or instrumentality of the Federal Government.

(4) Type of organization.

Sole proprietorship;

Partnership;

Corporate entity (not tax-exempt);

Corporate entity (tax-exempt);

Government entity (Federal, State, or local);

Foreign government;

International organization per 26 CFR 1.6049-4;

Other _____.

(5) Common parent.

Offeror is not owned or controlled by a common parent;

Name and TIN of common parent:

Name _____.

TIN _____.

(c) Offerors must complete the following representations when the resulting contract will be performed in the United States or its outlying areas. Check all that apply.

(1) Small business concern. The offeror represents as part of its offer that it is, is not a small business concern.

(2) Veteran-owned small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents as part of its offer that it is, is not a veteran-owned small business concern.

(3) Service-disabled veteran-owned small business concern. [Complete only if the offeror represented itself as a veteran-owned small business concern in paragraph (c)(2) of this provision.] The offeror represents as part of its offer that it is, is not a service-disabled veteran-owned small business concern.

(4) Small disadvantaged business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents, for general statistical purposes, that it is, is not a small disadvantaged business concern as defined in 13 CFR 124.1002.

(5) Women-owned small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it is, is not a women-owned small business concern.

Note: Complete paragraphs (c)(6) and (c)(7) only if this solicitation is expected to exceed the simplified acquisition threshold.

(6) Women-owned business concern (other than small business concern). [Complete only if the offeror is a women-owned business concern and did not represent itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents that it is a women-owned business concern.

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(7) Tie bid priority for labor surplus area concerns. If this is an invitation for bid, small business offerors may identify the labor surplus areas in which costs to be incurred on account of manufacturing or production (by offeror or first-tier subcontractors) amount to more than 50 percent of the contract price:

(8) Small Business Size for the Small Business Competitiveness Demonstration Program and for the Targeted Industry Categories under the Small Business Competitiveness Demonstration Program. [Complete only if the offeror has represented itself to be a small business concern under the size standards for this solicitation.]

(i) [Complete only for solicitations indicated in an addendum as being set-aside for emerging small businesses in one of the designated industry groups (DIGs).] The offeror represents as part of its offer that it is, is not an emerging small business.

(ii) [Complete only for solicitations indicated in an addendum as being for one of the targeted industry categories (TICs) or designated industry groups (DIGs).] Offeror represents as follows:

(A) Offeror's number of employees for the past 12 months (check the Employees column if size standard stated in the solicitation is expressed in terms of number of employees); or

(B) Offeror's average annual gross revenue for the last 3 fiscal years (check the Average Annual Gross Number of Revenues column if size standard stated in the solicitation is expressed in terms of annual receipts).

(Check one of the following):

Number of Employees	Average Annual Gross Revenues
<input type="checkbox"/> 50 or fewer	<input type="checkbox"/> \$1 million or less
<input type="checkbox"/> 51--100	<input type="checkbox"/> \$1,000,001--\$2 million
<input type="checkbox"/> 101--250	<input type="checkbox"/> \$2,000,001--\$3.5 million
<input type="checkbox"/> 251--500	<input type="checkbox"/> \$3,500,001--\$5 million
<input type="checkbox"/> 501--750	<input type="checkbox"/> \$5,000,001--\$10 million
<input type="checkbox"/> 751--1,000	<input type="checkbox"/> \$10,000,001--\$17 million
<input type="checkbox"/> Over 1,000	<input type="checkbox"/> Over \$17 million

(9) [Complete only if the solicitation contains the clause at FAR 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns, or FAR 52.219-25, Small Disadvantaged Business Participation Program--Disadvantaged Status and Reporting, and the offeror desires a benefit based on its disadvantaged status.]

(i) General. The offeror represents that either--

(A) It is, is not certified by the Small Business Administration as a small disadvantaged business concern and identified, on the date of this representation, as a certified small disadvantaged business concern in the database maintained by the Small Business Administration (PRO-Net), and that no material change in disadvantaged ownership and control has occurred since its certification, and, where the concern is owned by one or more individuals claiming disadvantaged status, the net worth of each individual upon whom the certification is based does not exceed \$750,000 after taking into account the applicable exclusions set forth at 13 CFR 124.104(c)(2); or

(B) It has, has not submitted a completed application to the Small Business Administration or a Private Certifier to be certified as a small disadvantaged business concern in accordance with 13 CFR 124, Subpart B, and a decision on that application is pending, and that no material change in disadvantaged ownership and control has occurred since its application was submitted.

(ii) Joint Ventures under the Price Evaluation Adjustment for Small Disadvantaged Business Concerns. The offeror represents, as part of its offer, that it is a joint venture that complies with the requirements in 13 CFR 124.1002(f) and that the representation in paragraph (c)(9)(i) of this provision is accurate for the small disadvantaged business concern that is participating in the joint venture. [The offeror shall enter the name of the small disadvantaged business concern that is participating in the joint venture: _____.]

(10) HUBZone small business concern. [Complete only if the offeror represented itself as a small business concern in paragraph (c)(1) of this provision.] The offeror represents, as part of its offer, that—

(i) It is, is not a HUBZone small business concern listed, on the date of this representation, on the List of Qualified HUBZone Small Business Concerns maintained by the Small Business Administration, and no material change in ownership and control,

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principal office, or HUBZone employee percentage has occurred since it was certified by the Small Business Administration in accordance with 13 CFR part 126; and

(ii) It [] is, [] is not a joint venture that complies with the requirements of 13 CFR part 126, and the representation in paragraph (c)(10)(i) of this provision is accurate for the HUBZone small business concern or concerns that are participating in the joint venture. [The offeror shall enter the name or names of the HUBZone small business concern or concerns that are participating in the joint venture: _____.] Each HUBZone small business concern participating in the joint venture shall submit a separate signed copy of the HUBZone representation.

(d) Representations required to implement provisions of Executive Order 11246--

(1) Previous contracts and compliance. The offeror represents that--

(i) It [] has, [] has not participated in a previous contract or subcontract subject to the Equal Opportunity clause of this solicitation; and

(ii) It [] has, [] has not filed all required compliance reports.

(2) Affirmative Action Compliance. The offeror represents that--

(i) It [] has developed and has on file, [] has not developed and does not have on file, at each establishment, affirmative action programs required by rules and regulations of the Secretary of Labor (41 cfr parts 60-1 and 60-2), or

(ii) It [] has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the Secretary of Labor.

(e) Certification Regarding Payments to Influence Federal Transactions (31 U.S.C. 1352). (Applies only if the contract is expected to exceed \$100,000.) By submission of its offer, the offeror certifies to the best of its knowledge and belief that no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress on his or her behalf in connection with the award of any resultant contract.

(f) Buy American Act Certificate. (Applies only if the clause at Federal Acquisition Regulation (FAR) 52.225-1, Buy American Act--Supplies, is included in this solicitation.)

(1) The offeror certifies that each end product, except those listed in paragraph (f)(2) of this provision, is a domestic end product and that the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The offeror shall list as foreign end products those end products manufactured in the United States that do not qualify as domestic end products. The terms "component", "domestic end product", "end product", "foreign end product", and "United States" are defined in the clause of this solicitation entitled "Buy American Act--Supplies."

(2) Foreign End Products:

Line Item No.	Country of Origin
_____	_____
_____	_____
_____	_____

[List as necessary]

(3) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(g)(1) Buy American Act--Free Trade Agreements--Israeli Trade Act Certificate. (Applies only if the clause at FAR 52.225-3, Buy American Act--Free Trade Agreements--Israeli Trade Act, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(1)(ii) or (g)(1)(iii) of this provision, is a domestic end product and that the offeror has considered components of unknown origin to have been mined, produced, or manufactured outside the United States. The terms "component", "domestic end product", "end product", "foreign end product", "Free Trade Agreement country", and "United States" are defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act"

(ii) The offeror certifies that the following supplies are Free Trade Agreement country end products (other than Moroccan end products) or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act":

Free Trade Agreement Country End Products (Other than Moroccan End Products) or Israeli End Products:

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Line Item No.	Country of Origin
_____	_____
_____	_____
_____	_____

[List as necessary]

(iii) The offeror shall list those supplies that are foreign end products (other than those listed in paragraph (g)(1)(ii) of this provision) as defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act." The offeror shall list as other foreign end products those end products manufactured in the United States that do not qualify as domestic end products.

Other Foreign End Products:

Line Item No.	Country of Origin
_____	_____
_____	_____
_____	_____

[List as necessary]

(iv) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25.

(2) Buy American Act--Free Trade Agreements--Israeli Trade Act Certificate, Alternate I. If Alternate I to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products as defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act":

Canadian End Products:

Line Item No.	

[List as necessary]

(3) Buy American Act--Free Trade Agreements--Israeli Trade Act Certificate, Alternate II. If Alternate II to the clause at FAR 52.225-3 is included in this solicitation, substitute the following paragraph (g)(1)(ii) for paragraph (g)(1)(ii) of the basic provision:

(g)(1)(ii) The offeror certifies that the following supplies are Canadian end products or Israeli end products as defined in the clause of this solicitation entitled "Buy American Act--Free Trade Agreements--Israeli Trade Act":

Canadian or Israeli End Products:

Line Item No.	Country of Origin
_____	_____
_____	_____
_____	_____

[List as necessary]

(4) Trade Agreements Certificate. (Applies only if the clause at FAR 52.225-5, Trade Agreements, is included in this solicitation.)

(i) The offeror certifies that each end product, except those listed in paragraph (g)(4)(ii) of this provision, is a U.S.-made or designated country end product, as defined in the clause of this solicitation entitled "Trade Agreements."

(ii) The offeror shall list as other end products those end products that are not U.S.-made or designated country end products.

Other End Products:

Line Item No.	Country of Origin
_____	_____
_____	_____

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[List as necessary]

(iii) The Government will evaluate offers in accordance with the policies and procedures of FAR Part 25. For line items covered by the WTO GPA, the Government will evaluate offers of U.S.-made or designated country end products without regard to the restrictions of the Buy American Act. The Government will consider for award only offers of U.S.-made or designated country end products unless the Contracting Officer determines that there are no offers for such products or that the offers for such products are insufficient to fulfill the requirements of the solicitation.

(h) Certification Regarding Debarment, Suspension or Ineligibility for Award (Executive Order 12689). (Applies only if the contract value is expected to exceed the simplified acquisition threshold.) The offeror certifies, to the best of its knowledge and belief, that the offeror and/or any of its principals--

(1) Are, are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency; and

(2) Have, have not, within the three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and

(3) Are, are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses.

(i) Certification Regarding Knowledge of Child Labor for Listed End Products (Executive Order 13126). [The Contracting Officer must list in paragraph (i)(1) any end products being acquired under this solicitation that are included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, unless excluded at 22.1503(b).]

(1) Listed end products.

Listed End Product	Listed Countries of Origin
--------------------	----------------------------

_____	_____
_____	_____

(2) Certification. [If the Contracting Officer has identified end products and countries of origin in paragraph (i)(1) of this provision, then the offeror must certify to either (i)(2)(i) or (i)(2)(ii) by checking the appropriate block.]

(i) The offeror will not supply any end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product.

(ii) The offeror may supply an end product listed in paragraph (i)(1) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The offeror certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture any such end product furnished under this contract. On the basis of those efforts, the offeror certifies that it is not aware of any such use of child labor.

(j)(1) Annual Representations and Certifications. Any changes provided by the offeror in paragraph (j) of this provision do not automatically change the representations and certifications posted on the Online Representations and Certifications Application (ORCA) website.

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(2) The offeror has completed the annual representations and certifications electronically via the ORCA website at <http://orca.bpn.gov>. After reviewing the ORCA database information, the offeror verifies by submission of this offer that the representations and certifications currently posted electronically at FAR 52.212-3, Offeror Representations and Certifications—Commercial Items, have been entered or updated in the last 12 months, are current, accurate, complete, and applicable to this solicitation (including the business size standard applicable to the NAICS code referenced for this solicitation), as of the date of this offer and are incorporated in this offer by reference (see FAR 4.1201), except for paragraphs _____.

[Offeror to identify the applicable paragraphs at (b) through (i) of this provision that the offeror has completed for the purposes of this solicitation only, if any.]

These amended representation(s) and/or certification(s) are also incorporated in this offer and are current, accurate, and complete as of the date of this offer.

Any changes provided by the offeror are applicable to this solicitation only, and do not result in an update to the representations and certifications posted on ORCA.]

(End of provision)

6 52.212-04 CONTRACT TERMS AND CONDITIONS--COMMERCIAL ITEMS SEPTEMBER 2005

(a) Inspection/Acceptance. The Contractor shall only tender for acceptance those items that conform to the requirements of this contract. The Government reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Government may require repair or replacement of nonconforming supplies or reperformance of nonconforming services at no increase in contract price. The Government must exercise its post-acceptance rights (1) within a reasonable time after the defect was discovered or should have been discovered; and (2) before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

(b) Assignment. The Contractor or its assignee may assign its rights to receive payment due as a result of performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency in accordance with the Assignment of Claims Act (31 U.S.C. 3727). However, when a third party makes payment (e.g., use of the Governmentwide commercial purchase card), the Contractor may not assign its rights to receive payment under this contract.

(c) Changes. Changes in the terms and conditions of this contract may be made only by written agreement of the parties.

(d) Disputes. This contract is subject to the Contract Disputes Act of 1978, as amended (41 U.S.C. 601-613). Failure of the parties to this contract to reach agreement on any request for equitable adjustment, claim, appeal or action arising under or relating to this contract shall be a dispute to be resolved in accordance with the clause at FAR 52.233-01, Disputes, which is incorporated herein by reference. The Contractor shall proceed diligently with performance of this contract, pending final resolution of any dispute arising under the contract.

(e) Definitions. The clause at FAR 52.202-01, Definitions, is incorporated herein by reference.

(f) Excusable delays. The Contractor shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the Contractor and without its fault or negligence such as, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. The Contractor shall notify the Contracting Officer in writing as soon as it is reasonably possible after the commencement or any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch and shall promptly give written notice to the Contracting Officer of the cessation of such occurrence.

(g) Invoice. (1) The Contractor shall submit an original invoice and three copies (or electronic invoice, if authorized) to the address designated in the contract to receive invoices. An invoice must include-

(i) Name and address of the Contractor;

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- (ii) Invoice date and number;
- (iii) Contract number, contract line item number and, if applicable, the order number;
- (iv) Description, quantity, unit of measure, unit price and extended price of the items delivered;
- (v) Shipping number and date of shipment, including the bill of lading number and weight of shipment if shipped on Government bill of lading;
- (vi) Terms of any discount for prompt payment offered;
- (vii) Name and address of official to whom payment is to be sent;
- (viii) Name, title, and phone number of person to notify in event of defective invoice; and
- (ix) Taxpayer Identification Number (TIN). The Contractor shall include its TIN on the invoice only if required elsewhere in this contract.
- (x) Electronic funds transfer (EFT) banking information.

(A) The Contractor shall include EFT banking information on the invoice only if required elsewhere in this contract.

(B) If EFT banking information is not required to be on the invoice, in order for the invoice to be a proper invoice, the Contractor shall have submitted correct EFT banking information in accordance with the applicable solicitation provision, contract clause (e.g., 52.232-33, Payment by Electronic Funds Transfer-Central Contractor Registration, or 52.232-34, Payment by Electronic Funds Transfer-Other Than Central Contractor Registration), or applicable agency procedures.

(C) EFT banking information is not required if the Government waived the requirement to pay by EFT.

(2) Invoices will be handled in accordance with the Prompt Payment Act (31 U.S.C. 3903) and Office of Management and Budget (OMB) prompt payment regulations at 5 CFR part 1315.

(h) Patent indemnity. The Contractor shall indemnify the Government and its officers, employees and agents against liability, including costs, for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark or copyright, arising out of the performance of this contract, provided the Contractor is reasonably notified of such claims and proceedings.

(i) Payment.-(1) Items accepted. Payment shall be made for items accepted by the Government that have been delivered to the delivery destinations set forth in this contract.

(2) Prompt payment. The Government will make payment in accordance with the Prompt Payment Act (31 U.S.C. 3903) and prompt payment regulations at 5 CFR part 1315.

(3) Electronic Funds Transfer (EFT). If the Government makes payment by EFT, see 52.212-5(b) for the appropriate EFT clause.

(4) Discount. In connection with any discount offered for early payment, time shall be computed from the date of the invoice. For the purpose of computing the discount earned, payment shall be considered to have been made on the date which appears on the payment check or the specified payment date if an electronic funds transfer payment is made.

(5) Overpayments. If the Contractor becomes aware of a duplicate contract financing or invoice payment or that the Government has otherwise overpaid on a contract financing or invoice payment, the Contractor shall immediately notify the Contracting Officer and request instructions for disposition of the overpayment.

(j) Risk of loss. Unless the contract specifically provides otherwise, risk of loss or damage to the supplies provided under this contract shall remain with the Contractor until, and shall pass to the Government upon:

(1) Delivery of the supplies to a carrier, if transportation is f.o.b. origin; or

(2) Delivery of the supplies to the Government at the destination specified in the contract, if transportation is f.o.b. destination.

(k) Taxes. The contract price includes all applicable Federal, State, and local taxes and duties.

(l) Termination for the Government's convenience. The Government reserves the right to terminate this contract, or any part hereof, for its sole convenience. In the event of such termination, the Contractor shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this contract, the Contractor shall be paid a percentage of the contract price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges the Contractor can demonstrate to the satisfaction of the Government using its standard record keeping system,

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have resulted from the termination. The Contractor shall not be required to comply with the cost accounting standards or contract cost principles for this purpose. This paragraph does not give the Government any right to audit the Contractor's records. The Contractor shall not be paid for any work performed or costs incurred which reasonably could have been avoided.

(m) Termination for cause. The Government may terminate this contract, or any part hereof, for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any contract terms and conditions, or fails to provide the Government, upon request, with adequate assurances of future performance. In the event of termination for cause, the Government shall not be liable to the Contractor for any amount for supplies or services not accepted, and the Contractor shall be liable to the Government for any and all rights and remedies provided by law. If it is determined that the Government improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

(n) Title. Unless specified elsewhere in this contract, title to items furnished under this contract shall pass to the Government upon acceptance, regardless of when or where the Government takes physical possession.

(o) Warranty. The Contractor warrants and implies that the items delivered hereunder are merchantable and fit for use for the particular purpose described in this contract.

(p) Limitation of liability. Except as otherwise provided by an express warranty, the Contractor will not be liable to the Government for consequential damages resulting from any defect or deficiencies in accepted items.

(q) Other compliances. The Contractor shall comply with all applicable Federal, State and local laws, executive orders, rules and regulations applicable to its performance under this contract.

(r) Compliance with laws unique to Government contracts. The Contractor agrees to comply with 31 U.S.C. 1352 relating to limitations on the use of appropriated funds to influence certain Federal contracts; 18 U.S.C. 431 relating to officials not to benefit; 40 U.S.C. 3701, et seq., Contract Work Hours and Safety Standards Act; 41 U.S.C. 51-58, Anti-Kickback Act of 1986; 41 U.S.C. 265 and 10 U.S.C. 2409 relating to whistleblower protections; 49 U.S.C. 40118, Fly American; and 41 U.S.C. 423 relating to procurement integrity

(s) Order of precedence. Any inconsistencies in this solicitation or contract shall be resolved by giving precedence in the following order: (1) the schedule of supplies/services; (2) the Assignments, Disputes, Payments, Invoice, Other Compliances, and Compliance with Laws Unique to Government Contracts paragraphs of this clause; (3) the clause at 52.212-05; (4) addenda to this solicitation or contract, including any license agreements for computer software; (5) solicitation provisions if this is a solicitation; (6) other paragraphs of this clause; (7) the Standard Form 1449; (8) other documents, exhibits, and attachments; and (9) the specification.

(t) Central Contractor Registration (CCR). (1) Unless exempted by an addendum to this contract, the Contractor is responsible during performance and through final payment of any contract for the accuracy and completeness of the data within the CCR database, and for any liability resulting from the Government's reliance on inaccurate or incomplete data. To remain registered in the CCR database after the initial registration, the Contractor is required to review and update on an annual basis from the date of initial registration or subsequent updates its information in the CCR database to ensure it is current, accurate and complete. Updating information in the CCR does not alter the terms and conditions of this contract and is not a substitute for a properly executed contractual document.

(2)(i) If a Contractor has legally changed its business name, "doing business as" name, or division name (whichever is shown on the contract), or has transferred the assets used in performing the contract, but has not completed the necessary requirements regarding novation and change-of-name agreements in FAR Subpart 42.12, the Contractor shall provide the responsible Contracting Officer a minimum of one business day's written notification of its intention to (A) change the name in the CCR database; (B) comply with the requirements of Subpart 42.12; and (C) agree in writing to the timeline and procedures specified by the responsible Contracting Officer. The Contractor must provide with the notification sufficient documentation to support the legally changed name.

(ii) If the Contractor fails to comply with the requirements of paragraph (t)(2)(i) of this clause, or fails to perform the agreement at paragraph (t)(2)(i)(C) of this clause, and, in the absence of a properly executed novation or change-of-name agreement, the CCR information that shows the Contractor to be other than the Contractor indicated in the contract will be considered to be incorrect information within the meaning of the "Suspension of Payment" paragraph of the electronic funds transfer (EFT) clause of this contract.

(3) The Contractor shall not change the name or address for EFT payments or manual payments, as appropriate, in the CCR record to reflect an assignee for the purpose of assignment of claims (see Subpart 32.8, Assignment of Claims). Assignees shall be separately registered in the CCR database. Information provided to the Contractor's CCR record that indicates payments, including those made

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by EFT, to an ultimate recipient other than that Contractor will be considered to be incorrect information within the meaning of the "Suspension of payment" paragraph of the EFT clause of this contract.

(4) Offerors and Contractors may obtain information on registration and annual confirmation requirements via the internet at <http://www.ccr.gov> or by calling 1-888-227-2423 or 269-961-5757.

CONTRACT DOCUMENTS, EXHIBIT OR ATTACHMENTS

7 MINIMUM INSURANCE REQUIREMENTS

From the commencement of custody of the Obsolete Vessel at the time the Contractor commences towing from the Government facility until completion of all required performance under this contract, the Contractor shall indemnify and save and keep harmless the Government against any or all loss, cost, damage, claim, expense or liability whatsoever because of accident or injury to persons or property to others occurring in connection with the operations under this contract. The Contractor shall secure, pay the premiums for and keep in force until the expiration of this contract, and any renewal thereof, adequate insurance as provided below, such insurance to specifically include liability assumed by the Contractor under this contract.

A certificate of each policy of insurance shall be furnished to the Contracting Officer and COTR within the time periods stated in the Statement of Work, certifying, among other things, that the policy contains the aforesaid endorsement. The insurance companies providing the above insurance shall be satisfactory to the Government. Notices of policy changes shall be furnished to the Contracting Officer and COTR.

A. ADDITIONAL INDEMNITY AND INSURANCE INDEMNITY

1. The Contractor shall exercise reasonable care and use its best efforts to prevent accidents, injury or damage to all employees, persons and property in and about the work, and to the vessel or portion thereof upon which work is done.
2. Except as provided elsewhere in this contract, the Maritime Administration assumes the risk of physical loss or damage to any part of the vessel, its machinery, equipment, stores, and other property including cargo if owned by the Government except to the extent that such loss or damage is caused by the negligence, fault, error, act or omission of the Contractor, its subcontractors, agents, or employees. The burden of proving freedom from fault shall be borne by the Contractor. Unless the loss or damage was caused by the willful misconduct of the Contractor, its executive officers, or superintendents, the Contractor's liability under this contract shall not exceed total damage to the ship or ships including total loss up to \$5,000,000 per accident or occurrence per vessel.
3. As to third parties, including, but not limited to, agents, employees or servants of the Contractor, or any subcontractor, the Contractor will defend, indemnify and hold harmless the Government, the vessel, its owners and charterers, from all claims, actions, suits, costs, demands and expense of all descriptions arising out of disease, illness, personal injury, death or property damage to any third party in any way related to or arising out of the performance of work under this contract except to the extent caused by the fault, error, act or omission, or negligence of the Government, its agencies or employees. The burden of proving fault of the Government, its agencies or employees shall be borne by the Contractor.
4. As to loss and damage which are the responsibility of the Government, the Government shall be subrogated to any claim, demand, or course of action against third parties which exists in favor of the Contractor, and the Contractor shall, if required, execute a formal assignment or transfer of such claim, demand, or course of action, and shall aid in securing information, evidence, obtaining of witnesses, and cooperate with the MARAD in all matters the MARAD may deem necessary in defense of any claim, or suit or appeal from any judgment or in effecting indemnity, provided, further, that nothing contained in this paragraph shall create or give rise to any right, privilege or power in any person except the Contractor, nor shall any person (except the Contractor) be or become entitled thereby to proceed directly against the Government, its agencies or instrumentalities, or to join the Government, its agencies or instrumentalities, as a codefendant in any action against the Contractor brought to determine the Contractor's liability or for any other purpose.

B. 52.228-5 INSURANCE -- WORK ON A GOVERNMENT INSTALLATION (JAN 1997)

1. The Contractor shall, at its own expense, provide and maintain during the entire performance of this contract, at least the kinds and minimum amounts of insurance required in the Schedule or elsewhere in the contract.
2. Before commencing work under this contract, the Contractor shall notify the Contracting Officer and COTR in writing that the required insurance has been obtained. The policies evidencing required insurance shall contain an endorsement to the effect that any cancellation or any material change adversely affecting the Government's interest shall not be effective--
 - a. For such period as the laws of the State in which this contract is to be performed prescribe; or

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- b. Until 30 days after the insurer or the Contractor gives written notice to the Contracting Officer and COTR whichever period is longer.
- c. The Contractor shall insert the substance of this clause, including this paragraph (c), in subcontracts under this contract that require work on a Government installation and shall require subcontractors to provide and maintain the insurance required in the Schedule or elsewhere in the contract. The Contractor shall maintain a copy of all subcontractors' proofs of required insurance, and shall make copies available to the Contracting Officer or COTR upon request.

C. TYPES OF INSURANCE AND MINIMUM COVERAGE

1. Required Insurance during the dismantlement of the Obsolete Vessel(s) at the Contractor's facility.
 - (A) Workmen's Compensation, including Longshoremen & Harbor Worker's Act coverage - Covering all agents, servants, borrowed servants, statutory employees of the Contractor for all compensation and other benefits required by applicable state and federal law or by governmental authority on account of injury, death, sickness or disease - Statutory - no minimum.
2. Employers Liability - to cover both injury and death resulting from accident, sickness or disease
 - \$5 million bodily injury by accident, each accident
 - \$5 million bodily injury by disease each accident
 - \$5 million bodily injury by disease in the aggregate.
3. Comprehensive General Liability to include coverage for (but not limited to) products and completed operations liability, property damage liability and contractual liability
 - \$5 million combined single per occurrence limit for bodily injury and property damage - \$5 million in the aggregate
4. Maritime Employers Liability (Jones Act) to cover both injury and death resulting from accident, sickness or disease
 - \$5 million for each person per occurrence
 - \$5 million in the aggregate.
5. Pollution - sudden and accidental liability - \$5 Million per occurrence.
6. Asbestos Abatement Liability Policy with a minimum limit of \$2 Million per occurrence. Verification of coverage is for the company that will conduct the abatement.
7. Lead Abatement Liability Policy with a minimum limit of \$2 Million per occurrence when/if required by the presence of lead. Verification of coverage is for the company that will conduct the abatement.

D. The coverage below shall be in effect while the Obsolete Vessel(s) are being towed:

1. Tower's Liability - When the Obsolete Vessel(s) is being moved it must have full form tower's liability with the United States of America being named and waived.

Minimum Coverage Requirements: \$5 million limit.

2. Hull and Machinery,

Minimum Coverage Requirements:

The Contractor shall ensure that any tower of the Obsolete Vessel(s) shall maintain broad form collision tower's liability with a limit of \$5 million. The tower shall also insure each tug performing under this contract with Protection and Indemnity Insurance with a minimum limit of \$5 million and Hull & Machinery Insurance covering the value of each tug.

3. Marine Protection and Indemnity (P&I), including, but not limited to, sudden and accidental pollution liability, full collision liability, and removal of wreck. This coverage shall include insurance for damage to third parties however caused arising out of movement of the Obsolete Vessel(s).

Minimum Coverage Requirements: \$10 million per occurrence

E. CONFIRMATION FORMS AND INFORMATION

The pollution insurance may be a separate policy or part of the Comprehensive General Liability policy, but the coverage must be specifically shown on the required confirmation of insurance. Excess liability and umbrella liability policies may be used in the excess of primary policies to meet the minimum limit requirements. The United States of America shall be an additional assured in the Ship Repairers Legal Liability policy, Comprehensive General Liability Policy and Pollution Policy. Such policies shall contain a clause statement that there is no recourse against the United States of America for payment of premium. All insurance shall be subject to the approval of the Director, Office of Subsidy and Insurance, Maritime Administration, and must contain a thirty (30) calendar days advance notice of cancellation (without disclaimer) or of any nonrenewable which is the option of the insurer, said notice to be provided to the Contracting Officer and COTR.

The Contractor shall have its insurance broker provide a detailed certificate of insurance, cover note or policy confirming the above required coverages. The confirmation shall name the Contractor as an assured and confirm the types of coverage, policy forms, policy periods, deductibles (if any) and underwriters with their percentage of participation. The N.Y. Suable Clause or Service of Suit USA Clause must be confirmed for any London or other approved foreign underwriter placements. The policy amounts, terms and conditions, deductibles and underwriters shall at all times be satisfactory to the Maritime Administration.

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8 CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE (COTR)

a. The Contracting Officer's Technical Representative (COTR) is responsible for the technical aspects of the project and technical liaison with the Contractor. The COTR is also responsible for the final inspection and acceptance of all reports, and such other responsibilities as may be specified in the contract.

b. The COTR 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 Contractor request for changes shall be referred to the Contracting Officer directly or through the COTR. No such changes shall be made without the expressed prior authorization of the Contracting Officer. The COTR may designate assistant COTR(s) to act for him by naming such assistant in writing and transmitting a copy of such designation through the Contracting Officer to the Contractor.

c. The COTR for this contract will be:
Zoe Washnis

d. The COTR may be changed by the Government at any time, but notification of the change, including the name and address of the successor COTR, will be promptly provided to the Contractor by the Contracting Officer in writing.

9 CONTRACT FINANCING

If in accordance with contract clause FAR 52.232-29, Terms for Financing of Purchases of Commercial Items, the Contractor requests financing payments the Contractor shall:

(a) Submit for MARAD approval a weighted average schedule consisting: 1) a performance event demonstrating progress; 2) method of verification of the performance event and; 3) a payment value (i.e., the weight) for each performance event demonstrating progress.

(b) The Contractor shall be entitled to financing payments submitted under the weighted average schedule approved by MARAD with sufficient verification of performance events demonstrating progress.

(c) The liquidation rate shall be 90 per cent. However, if requested, the Contracting Officer will consider approving payments of up to 100 percent on bonding, insurance and towing. The Contracting Officer will also consider making payment of properly supported and documented requests for payments on these three items within 7 days rather than 30 days. Such a reduction in payment time will be subject to obtaining the authority to waive the 30 day payment requirement of FAR 52.232-29(g).

(d) As security the Contractor shall submit a performance bond for the sum certain of \$150,000 as per Milestone Plan on page 30 of the Contract. The Contractor shall furnish the performance bond using a Standard Form 1418. The Contractor shall furnish all executed bonds, including any necessary reinsurance agreements, to the Contracting Officer. The bond shall be in the form of a firm commitment, supported by corporate sureties whose names appear on the list contained in the Treasury Department Circular 570; individual sureties; or by other acceptable security such as postal money order, certified check, cashier's check, irrevocable letter of credit, or in accordance with Treasury Department regulations, certain bonds or notes of the United States. Treasury Circular 570 is published in the Federal Register, or may be obtained from the:

U.S. Department of Treasury
Financial Management Service
Surety Bond Branch
401 14th Street, N.W., 2nd Floor, West Wing
Washington, DC 20227

(e) Financing payments may be submitted on a monthly basis and include the form and content stated in FAR 52.232-29, paragraph (e) and on the attached sample contract financing payment form.

(f) The Contractor shall ensure that the Performance Bond submitted as outlined in (d) above, is maintained through the contract performance and until such time as a written release has been issued by the Contracting Officer.

10 SAMPLE CONTRACT FINANCING PAYMENT FORMAT

Sample Contract Financing Payment Request Format

COMPANY LETTERHEAD

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Name and Address of Contractor

Date of Payment Request:

Invoice Date:

Contract Number and line item:

Bill To: U.S. Department of Transportation
 Maritime Administration
 Attention: Mr. John Hoban
 400 7th Street SW Room 7325
 Washington, DC 20590

Payment request [Itemized as follows]

Performance event demonstrating Progress*	Method of Verification**	Payment Value
-	-	-
-	-	-
Total Contract Financing Requested		-
Less 10 per cent retention		-
Total		-

*The contract financing payment shall include the documentation set forth in page 2 of this sample format.

**The invoice may reference verification of progress cited in the Contractor's progress reports.

Name and address of official to send payment

Name, title and telephone number to notify in the event of a defective contract financing payment request

Electronic Funds Transfer (EFT) banking invoice

Certification and Signature; [e.g. I have reviewed this invoice and hereby certify that the amounts contained are accurate, complete, and just and true in accordance with the terms and conditions of the contract and has not been previously billed.

By: _____, President

Date: _____

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Description	Unit	Removed this period	Removed to Date	Disposed this period	Disposed to date	Billed this period
Bonding						
Insurance						
Tow Preparations						
Towing						
Liquid PCBs	Gal.					
Non-Liquid PCBs - Elec. Cable	Ton					
Non-Liquid PCB						
Bulk Product	Ton					
Non-Liquid PCBs						
Paint and Blast Media	Ton					
Asbestos	CY					
Mercury Lbs.						
Ozone Depleting Substances	Lbs.					
Chromated Ballast Water	Gal.					

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Water mixtures containing regulated materials in excess of local discharge limits Long Ton

Water mixtures not containing regulated materials in excess of local discharge limits Long Ton

Petroleum Products Long Ton

Blackwater Gal.

BioHaz - Bird Droppings Lbs.

AntiFreeze Gal.

Fixed Ballast Ton

Unregulated Debris Job

Superstructure Job

Hull Dismantling Job

Cutting Job

11 TOWING PREPARATIONS

12 TOWING PREPARATIONS

SHIP DISPOSAL PROGRAM TOW PREPARATION RESPONSIBILITY FOR OBSOLETE SHIPS

Provide and/or Install as indicated:

1. Schedule Ship movements - Fleet and Contractor (only on Tuesdays, Wednesdays, Thursdays - not weekdays before or after Federal holidays or on published fleet "black-out" days)
2. Sounding of tank liquids - Fleet
3. Tank sounding verification - Contractor
4. Internal tank surveys - Contractor
5. Ballasting for tow and adjust mooring lines while ballasting - Contractor
6. All regulatory and insurance requirements documents - Contractor
7. Contingency response plans and equipment for beyond Fleet boundary - Contractor
8. Towing equipment for the intended tow - Contractor
9. Secure loose items for sea - Contractor
10. Removal of Government equipment/material - Fleet
11. Safety, support escorts and power - Fleet (unpowered rows may need contractor supplied generators)
12. Shaft and rudder locks - Fleet/Contractor (Fleet provides if locks are readily available and preinstalled, Contractor provides if locks are not readily available)
13. Disconnecting from moorings - Fleet
14. Housing anchors - Fleet (anchor availability is not guaranteed - Fleets reserve the right to keep one of two bower anchors with its complement of chain; sometimes the ability to retrieve anchors is not possible because of faulty windlasses or other reasons.)
15. Fleet crane support - Fleet (Fleet crane availability is not guaranteed; it's best to state the need in the original schedule; verify the request with a minimum of 24 hours advanced notice)

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16. Ten (10) line handlers for departure assistance and re-securing row - Contractor

17. Assist tugs - Contractor (the number and time needed as necessary to open row, remove ship from row to anchorage boundary and close row)

Responsible Parties:

Contractor - is the ship disposal contractor and any of its subcontractors.

Fleet - is the fleet anchorage organization as supported by its region office.

12 SAFETY REGULATIONS

RESERVE FLEET NOTICE TO VISITORS AND CONTRACT WORKERS:

THE FOLLOWING ARE INCLUDED IN THE RESERVE FLEET SAFETY RULES. THESE ARE THE MOST COMMONLY VIOLATED RULES, AND VIOLATION OF THESE RULES WILL RESULT IN REMOVAL FROM THE FACILITY.

1. HARD HATS are required for work in and on ships and fleet craft. Work at this facility falls under Shipyard Employment (29 Code of Federal Regulations 1915).
2. STEEL TOED (or composite material) SHOES are required. Exceptions may be made for inspections or tours WHERE NO WORK IS IN PROGRESS, at the discretion of the Fleet Superintendent.
3. SAFETY GLASSES must be worn when in the vicinity of or while performing work that produces dust, particles, or any other hazard to the eyes.
4. LIFE JACKETS/WORK VESTS must be worn and properly fastened while boarding and disembarking from boats, and must be worn while on gangways, while working over water and around unguarded decks. Life jackets/work vests may be left at the top of the gangway until the time of departure from the row of ships.
5. SMOKING IN SHIPS is prohibited. Smoking is allowed outside, and only on the stern of tankers.
6. FIRE/SPILL/FLOOD PREVENTION : A hot work permit is required. A charged fire hose at hand is required while performing hot work, except where CO2 or dry chemical extinguishers are necessary because of potential for electrical fire. Fire prevention is of utmost importance, especially since the ships' fire fighting equipment is not operable on ships in lay-up. If a Fleet furnished pump becomes inoperable, it is the contractor's responsibility to notify a BRF supervisor who will have it replaced or repaired. Hot work can not continue until the pump is operable and the hose is charged. Chemical and oil spills, as well as leaking or flooding as a result of work performed, must be immediately contained and reported to the nearest BRF employee for procedural follow-up.
7. FALL PROTECTION is required while working aloft, including on scaffolds, which must be constructed according to OSHA regulations for scaffolding. A full body harness must be used by each person working aloft.

Name (print)

Signature

Date

Company

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SECTION C -- DESCRIPTIONS AND SPECIFICATIONS

C.1 STATEMENT OF WORK

DESCRIPTIONS AND SPECIFICATIONS

C.1 WORK STATEMENT

The Contractor shall furnish the supplies or services specified in the Line Item Summary of the contract.

GENERAL INFORMATION

C1-1 SCOPE OF WORK.

The Contractor shall provide all personnel, insurance, equipment, tools, vehicles, labor, materials, facilities, supervision and any other items and services necessary to dismantle and dispose of the ship in a manner which is safe for workers and the environment. Compliance with all contractual requirements which are consistent with U.S. statutory and regulatory requirements including, but not limited to, the Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHA), as well as international laws, treaties, conventions and agreements, as appropriate, is the responsibility of the Contractor.

This contract is a firm-fixed price commercial item service contract. The Government intends to pay a fixed price amount for the dismantlement, recycling and disposal of the obsolete vessel based on the Contractors offer for the vessel "AS IS WHERE IS". The Government may provide an estimate of hazardous material/waste quantities if available, but does not guarantee the accuracy of amounts of hazardous material/waste provided in any Government furnished information in the course of bid preparation, proposal submittal, ship checks or award for this disposal project. The Government estimate of hazardous materials/wastes is provided for guidance purposes only as to the types and quantities of hazardous materials typically found on vessels of the size, age and type as vessels included in the contract. The Government will not be responsible for or reimburse the contractor for any hazardous materials/wastes resulting from Contractor generated vessel tank or material/waste inventory. The Government will also not be responsible for or reimburse the Contractor for any hazardous materials/wastes generated as a result of Contractor remediation, dismantling or recycling processes or procedures. The Government will deliver to the Contractor or its agent the obsolete vessel "AS IS WHERE IS" afloat and free of moorings at the fleet and shall convey custody of the vessel for towing to the Contractors facility for dismantlement. The Contractor agrees to accept delivery and custody of the obsolete vessel "AS IS WHERE IS" for the purpose of dismantlement. The Government will not reimburse the Contractor for actual quantities of hazardous materials remediated, transported and disposed. The Contractor agrees not to make or assert any claim against the Government on account of any agreements, representations or warranties, expressed or implied, with respect to the "AS IS WHERE IS" condition of the obsolete vessel or from drawings, reports, surveys or estimates provided by the Government to the Contractor.

The following are the vessel characteristics for the VULCAN:

Official No: AR-5
Hull Type: Repair Ship
Design: AR-5
Year Built: 1941
LOA: 520
Beam: 73
Draft: 24
Light Ship Displacement: 8,692

All personnel provided by the Contractor to support the performance of the work defined in this Contract shall have appropriate training and/or, as required, certification. The Contractor shall use industry best practices and its MARAD accepted Technical Compliance Plan (TCP) to prepare and tow the ship to the Contractor's ship dismantling facility there to remediate all hazardous materials and completely dismantle the vessel by recycling and properly disposing of all materials and wastes generated as part of the dismantling process in a timely and cost effective manner. The Contractor at all times shall comply with the TCP included in Proposal 337, which demonstrates his/her knowledge and understanding of all applicable Federal, State and local laws. The Contractor shall maximize scrap and salvage equipment/material proceeds.

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The Contractor shall, as part of the scope of work for dismantling and disposal of the ships:

1. Implement a Government accepted Technical Compliance Plan (TCP), which will consist of the following four components: an Environmental Compliance Plan; an Operational Plan; a Business Plan, and a Health & Safety Plan. The TCP shall demonstrate the contractors knowledge of and ability to apply all applicable Safety and Environmental Regulations.
2. Present as part of the technical compliance plan all training Certificates, Licenses and Certifications for personnel performing work requiring such training, licenses, and/or certifications.
3. Obtain all necessary insurance and bonding prior to the commencement of the work.
4. Establish a task oriented performance schedule for the abatement and remediation of all regulated and waste materials and the structural dismantlement of the vessel(s).
5. Prepare the vessel for towing as required by MARAD/USCG and the contractor's towing company insurance underwriter's marine surveyor.
6. Take delivery of vessel and tow the vessel(s) from the location indicated to the contractor's ship dismantling facility NOT LATER THAN 30 days* after a Notice to Proceed is issued or other date specified within the Notice to proceed.

* Unless otherwise stated 'days' refers to 'calendar days'. Due dates that fall on a weekend or holiday are moved to the next business day.

7. Identify, sample, analyze, abate, handle, store, transport and dispose of all hazardous materials/wastes onboard the vessel(s). Laboratory results will be provided to the COTR in writing prior to the start of work unless there is a presumption that materials are hazardous. The materials presumed to be hazardous, specific to location on the vessel, will be identified in writing to the COTR and approved by the COTR in writing prior to the start of work in those areas.
8. Remove and properly manage (recycle/dispose) of all structural components above the main deck and all equipment, machinery and other components installed on or contained in the structure.
9. Remove and appropriately manage (recycle/dispose) of all structural components from and including the main deck to the keel and all equipment, machinery and other components installed on or contained in the structure.
10. Remove and appropriately manage (recycle/dispose) all salvageable or recyclable equipment, components, and scrap materials. The contractor and all subcontractors must have all valid permits, licenses and insurance necessary prior to performing the associated scope of work. The contractor and all subcontractors must maintain valid permits, licenses and insurance throughout the period of performance of this contract. Subcontractor compliance with these requirements shall be the responsibility of the Contractor.
11. The Contracting Officer reserves the right to provide third party Environmental Health and Safety (ES&H) monitoring for the on-site project performance with regard to hazardous material remediation activities, production methodologies and compliance with the Contractor's accepted Technical Compliance Plan. The Contractor shall allow the ES&H monitor reasonable access, to the facility and all records relating to the Contract, as determined by the Government.

C1-2 TOWING VESSEL.

Where towing services are subcontracted activity:

Whenever possible, towing subcontracts shall be awarded to towing companies whose towing vessels have a safety management certification from an industry-recognized certification program*. Where international tows are concerned, towing contracts shall be awarded to towing companies that comply with the ISM Code.

* Such as International Standards Organization (ISO) 9000 series certification, or the American Waterways Operators (AWO) Responsible Carrier Program, or any other safety management system recognized by the U.S. Coast Guard.

The Contractor bears all responsibility and costs associated with preparing the vessel for tow and MARAD will not reimburse the Contractor for expenses incurred prior to issuance of a Notice to Proceed (NTP). At no time prior to vessel departure from the fleet shall any materials, components or artifacts be removed from the vessel by the Contractor. The Contractor is advised that MARAD fleet sites will not allow the Contractor access to the vessel to perform Marine Surveyor required tow preparations prior to Contracting Officer's issuance of NTP.

The Contractor is responsible for ensuring all United States Coast Guard, (U.S.C.G.) towing and transfer requirements including, but not limited to, towing preparations, notifications, inspections, insurance, emergency response and procedures are met for the obsolete vessel upon departure from the fleet. See Clause 13, SAFETY REGULATIONS for reserve fleet safety rules and required personal protective equipment. See Clause 12, TOWING PREPARATIONS, for obsolete vessels. Towing plans and submittals must be in compliance with all United States Federal requirements. The Contractor is responsible to ensure all tow surveys, insurance surveys, and any other inspections have commenced not later than 5 calendar days after contract start date so as to not delay the towing of the obsolete vessels or impact the operations of the reserve fleet. The Contractor is responsible for all tow preparations required by

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U.S.C.G. and Independent and/or Insurance Surveyors. The Contractor is required to meet with the Fleet Superintendent upon completion of all required surveys and inspections to discuss actions and plans resulting from surveys and inspections. (See Clause 12 for obsolete vessel tow preparation responsibility.) The Contractor shall provide a liquid loading plan that will cover the transfer of any liquids on board the obsolete vessel and or ballasting the obsolete vessel to the required trim and stability resulting from an authorized Marine Surveyor's trip and tow survey. The liquid loading plan shall be submitted to the COTR, with a copy to the Fleet Superintendent. The liquid loading plan shall provide the methodology to transfer liquids on board the obsolete vessel and or ballast the obsolete vessel to the trim and stability requirements of the attending Marine Surveyor's trip and tow survey. The liquid loading plan shall be submitted prior to commencement of the transfer of liquids on the obsolete vessel and or ballasting of the obsolete vessel for trim and stability. The liquid loading plan shall address all aspects of liquid transfer on board the obsolete vessel and or ballasting the obsolete vessel, in detail, including electrical power requirements, pumps, tank opening and closing plan, liquid transfer plan and emergency response actions. The liquid loading plan must be compliant with the trip and tow survey and shall include the appropriate safety requirements necessary to secure the obsolete vessel as the end of each work shift. The transfer of all liquids on board the obsolete vessel, regardless of the source and the destination shall be part of the liquid loading plan. Under no circumstances will liquids be discharged overboard from the obsolete vessels(s) without first consulting with the Fleet Superintendent and obtaining all required approvals.

The Contractor shall provide a performance schedule for the preparation and towing for the obsolete vessel listed in this Contract. The Contractor is responsible for arranging and bearing the expense for all of the required obsolete vessel tow preparations including but not limited to the following activities related to preparing the obsolete vessel for tow to the Contractor's dismantlement facility.

1. The hiring of a qualified Marine Surveyor to survey the obsolete vessel and provide requisite trip and tow preparations in accordance with applicable U.S.C.G. requirements and accepted marine practice for dead ship tows. The Contractor shall submit a copy of the Marine Surveyor's initial trip in tow recommendation report within 5 days after the issuance of the official notice to proceed. The following are known U.S.C.G. towing requirements that may be in force for the towing of the obsolete vessel. These requirements are subject to change by the U.S.C.G. without notice and may be project specific. MARAD does not guarantee that these are all the requirements the U.S.C.G. may require. The responsibility for determining the exact U.S.C.G. towing requirements rests with the Contractor.

(a) U.S.C.G. Towing Requirements

(1) Completion of the standard Dead-Ship Proposal Form including tank lay-out with hazardous material type, amount and location on board. A liquid loading report will be provided by MARAD.

(2) Completion of the standard Tug Escort Proposal Form.

(3) Comprehensive discussion of pilotage and docking issues: specifically who will have operational control of the evolution during all phases of transit and where those persons will be stationed. (The U.S.C.G. may require this plan to be in writing)

(4) Complete description of the proposed towing configurations through all phases of the transit.

(5) A spill contingency plan including 24 hour contact information for a qualified individual and a description of pre-positioned spill response equipment.

(6) Discussions of weather conditions and operational limitations.

(7) The number of individuals who will remain on the obsolete vessel during the towing evolution.

(8) The names and official numbers of any foreign flagged vessels involved in the operation.

(9) A communication plan and/or schedule

(10) A timeline of events for the overall operation.

(11) Evaluation for the obsolete vessel for issuance of a Loadline Exemption Certificate. This certificate is based on a current material condition survey of the obsolete vessel. The survey shall be delivered to the assigned Marine Inspector for review prior to the issuance of the certificate, if necessary. A possibility exists that the Marine Inspector may require a Marine Chemist Certificate declaring a space "safe for entry" if the inspector determines that access to a confined space is necessary during the examination.

2. The hiring of the Contractor's Insurance Underwriting Company surveyor to accomplish the Insurance Company surveys related to insuring the obsolete vessel for tow. The Contractor will coordinate all surveys and resulting tow preparation efforts so as to minimize the impact upon any Reserve Fleet operations and support required. Obsolete vessel tow preparations shall begin only after all regulatory body surveys have been accomplished and one final listing of tow preparations has been published and the required meeting with the Fleet Superintendent has taken place.

3. The Contractor shall be responsible for having an Emergency Oil Spill response plan or obtain the services of a SMC (Spill Management Company) for all phases of the towing evolution. This plan shall have available, during all obsolete vessel towing operations a Qualified Individual (QI) who shall be available 24 hours a day, 7 days a week to act on the Contractor's behalf to provide contingency planning and organized response in case of an oil spill during tow operations. The Contractor shall provide the COTR the name of the SMC and the QI not later than 10 days after contract start date. The Contractor's responsibility will start the moment the Contractor's tugs accept and have operational control of the obsolete vessel for tow.

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4. The Contractor shall provide the COTR, a daily situation report for each tow that will identify the date, report time, location of the tow (Latitude and Longitude), current and forecasted weather and sea conditions, ETA, a brief description of the tow situation and proposed action in the face of inclement weather.

5. Obsolete Vessel Afloat Monitoring Plan - Upon arrival at the Contractor's dismantlement facility the obsolete vessel will be safely moored and continuously monitored by the Contractor while afloat and prior to being moored in the dismantling slip and during the dismantling process if the obsolete vessel remains afloat. The safe mooring of the obsolete vessel shall include provisions for heavy weather protection and containment equipment in the event of oil discharging from the obsolete vessels. Monitoring shall include local and remote audible and visual alarms in the event of flooding and on-site security watches to monitor for oil discharges, mooring security and obsolete vessel trim and stability. The Contractor shall provide to the COTR an obsolete vessel Afloat Monitoring Plan that addresses details of the above requirements including discharge, flooding and mooring response plans. The Plan must be comprehensive enough to provide summary information encompassing systematic mooring and monitoring operation for obsolete vessels being dismantled. Each obsolete vessel shall have an individual afloat monitoring plan that shall be incorporated into the master obsolete vessel Afloat Monitoring plan. The Obsolete vessel Afloat Monitoring Plan shall be submitted to the COTR within 10 days after contract start date but no later than 3 days prior to the departure of the obsolete vessel from the fleet.

6. Underwater Hull Cleaning Prior to Vessel Departure. - The Contractor shall conduct a full in water hull cleaning and reporting action as described in Section 2.2 and 2.3 of DEFINED ACTIONS, in the USCG INTERIM CRITERIA FOR CLEANING HULL OF MARAD VESSEL PRIOR TO RELOCATION and clean the entire underwater hull surface, (i.e. painted surfaces), including the flat bottom, appendages, struts, shafts, propellers, and rudders for the obsolete vessel prior to departure for tow to the Contractor facility. It is recognized the hull cleaning process will not remove the hard calcified hull fouling. The hull cleaning process is intended to prevent the removal of hull coatings or scale from the vessels underwater hull and appendages. The Contractor shall relocate the vessel from its current berth to a specified area within the James River Reserve Fleet to accomplish the in water hull cleaning process. The Contractor shall contact the Fleet Program Manager of the James River Reserve Fleet to coordinate the movement of the vessel. The Contractor shall coordinate with the hull cleaning company to verify the proposed cleaning method and location for the in water cleaning of the vessel is applicable for completion of the hull cleaning in accordance with the Interim Hull Cleaning Criteria while maintaining appropriate diver safety, water depth, and water current and hull accessibility. The Contractor shall procure the following services to assist in the movements of the vessel.

1. Tug and pilot to move the vessel from its current berth to the deep water area for cleaning. It is anticipated the vessel will depart from the deep water area after completion of the underwater hull cleaning and will not need to be returned to its original berth.

2. Ten line handlers to assist in the movements of the vessel.

The Procedures and Equipment as outlined in the Section 3 of the USCG INTERIM CRITERIA shall be utilized when performing the in water hull cleaning operations. The Contractor shall immediately notify the MARAD COTR if they encounter any constraints or delays such as diver safety issues, water clarity, water currents or weather conditions in performing the in water hull cleaning to the vessels. The Contractor shall deliver to the MARAD COTR the following documentation.

1. Three copies of before and after in water hull cleaning color video photography of the locations described in Section 3.6 of the USCG INTERIM CRITERIA. Submittals shall be in digital format on CD-ROM or DVD as appropriate.

2. An Inspection and Cleaning report signed by the lead diver, that documents the pre-cleaning and post cleaning inspections of the underwater hull as described in Section 3.4 and 3.5 of the USCG INTERIM CRITERIA. Required prior to vessel towing.

3. A report which provides concise technical description of cleaning operations performed and describes in detail constraints to hull accessibility encountered when performing cleaning operations. Required prior to vessel towing.

4. Daily Dive Team logs as described in Section 3.9 of the USCG INTERIM CRITERIA signed by the lead diver and a representative of MARAD. Required prior to vessel towing. All signed reports shall be digitally scanned onto a CD-ROM and three copies of the CD and the original report shall be submitted to the MARAD COTR. Unless otherwise directed MARAD will make the required report submittals to the USCG.

C1-3 DISMANTLING OF THE VESSEL:

The Contractor shall completely dismantle the vessel so that no part of the ship is left intact or undisturbed to the extent that it can be reconstructed or readily identified as an existing portion of the original hull or superstructure. Dismantling is defined as reducing the property such that it has no value except for its basic material content.

NOTE: All vessels covered by this Contract and the equipment contained onboard these vessels are obsolete and in a deteriorated condition. Due to the deteriorated condition of the ships/ship equipment, fixtures/systems and gear, the ships/equipment may NOT be safe and may not be suitable for their original/intended use/purpose. For example, ladders and rails may NOT be suitable for use. Contractors should use extreme caution prior to any usage by personnel. Contractors are cautioned that many upper compartments of these ships contain substantial quantities of pigeon/bird wastes, which are potentially hazardous to human beings. Appropriate personal protective equipment (PPE) shall be utilized when working in these areas.

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C1-3.1. Notice to Proceed (NTP). The Contractor shall remove the vessel from the James River Reserve Fleet only after issuance of the official NTP, but not later than 30 days after issuance of the official NTP. Failure to provide the following items by the Notice to Proceed date may be reason to terminate the contract for cause, reduce the contract price or reduce the liquidation rate for any contract financing payments.

- 1) Workers Compensation, Including Longshoremen and Harbor Workers Act coverage.
- 2) Employers Liability coverage.
- 3) Comprehensive General Liability insurance coverage.
- 4) Maritime Employers Liability (Jones Act) insurance coverage.
- 5) Asbestos Abatement Liability Insurance coverage.
- 6) Performance surety.

The contractor bears all risks and costs associated with performing work on the vessel prior to the NTP issuance. MARAD will not be liable for any costs arising from Contractor performance prior to the issuance of Notice to Proceed for any reason including non issuance of the Notice to Proceed, and or termination of the contract. Inspection by a Marine Surveyor for the purpose of developing the Trip in Tow survey will be the only activity allowed aboard the Obsolete Vessel(s) prior to the issuance of the NTP. The Contractor shall submit a copy of the Marine Surveyors initial trip in tow recommendation report within 5 days after the issuance of the official notice to proceed.

C1-3.2 Schedule. The Contractor shall develop and implement for each vessel a performance schedule, inclusive of all work identified in the Contract, including subcontract work, all required milestones, and schedule activities including, but not limited to the following:

- a. acquiring of necessary specific permits, licensees, certificates
- b. acquiring of appropriate bonding and insurance
- c. Towing and insurance surveys, vessel tow preparations, and towing of the vessel to the contractors dismantlement facility.
- d. arrival survey and tank sounding verification.
- e. identification, sampling and safe removal and disposal of hazardous materials/wastes
- f. ship dismantling.
- g. stripping of Government property if required.
- h. sale of reusable/recyclable materials and equipment.
- i. submission of required reports.

Schedules shall be consistent with all Contract requirements. Seasonal weather patterns and conditions shall be considered and included in the planning and scheduling of all work to ensure completion of the total work package within the Contract performance period. Seasonal weather patterns and conditions shall be determined by an assessment of average historical climatic conditions based upon the preceding ten (10) year records published by the National Oceanic and Atmospheric Administration (NOAA) for the locality nearest to the project site, unless agreed otherwise. The performance schedule shall incorporate the following initial surveys, inspections, activities and report requirements:

1. Upon arrival of the vessel and prior to the start of work identify and analyze locations and types of hazardous material and wastes, for verification of contractor's estimated quantities. Produce and deliver a report listing the results of the hazardous materials and wastes inventory and analysis. During all phases of dismantling utilize best work practices to minimize waste generation and to appropriately manage remove, handle, store, transport and dispose of all regulated materials and wastes. Wastes generated as a by product of a Contractor utilized production processes, i.e. gas freeing, fire watch, hazardous material remediation, shall not be included in any Contractor hazardous material and waste inventory report or invoice and proper disposal shall be the responsibility of the Contractor. Rain water introduced by failure of the Contractor to cover or secure an area of the vessel during dismantlement shall likewise not be included in any contractor inventory report or invoice and proper disposal shall be the responsibility of the Contractor.

2. Upon arrival of the vessel and prior to start of work analyze, as necessary, the residual fuel and other residual petroleum products (including but not limited to fuel oil, diesel oil, hydraulic oil, lubricants, greases, sludge, oily bilge water, and sump oil) All fuel transfers, petroleum product handling, and removals must be performed in accordance with all Federal, State, and Local regulations including NFPA, OSHA requirements, etc. Produce and deliver a report listing the quantities removed by location and from each tank. Within 7 days after contract award, the Contractor shall prepare and submit an updated performance schedule for the vessel awarded. The updated performance schedule shall incorporate the latest revisions to all tasks and shall take into account all other work in the Contractor's facility or scheduled to arrive at the facility that directly impacts the vessel's performance schedule. The Contractor shall include a narrative report addressing all constraints to the vessel's performance schedule incurred as a direct result of all other work in the Contractor's facility. Upon written acceptance by the COTR, the performance schedule shall be incorporated as the baseline project schedule and the Contractor shall manage the project to the accepted schedule. The baseline schedule, once established shall not be altered and shall be used for the development of the required reports, progressing methodology and determining contract financing payments. All performance schedules shall be delivered to the COTR.

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The Performance Schedule shall be comprised of:

A. A time-sequenced Critical Path Method (CPM) generated Gantt Chart that contains the following:

1. Scheduled key events, milestones, tasks, activities, and items as listed above.
2. Critical path and controlling work items clearly indicated with interdependent relationships to other critical path tasks clearly defined.
3. Schedule start and completion date of the production work for each activity.
4. The original schedule baseline shall be retained and progress shall be shown on the Schedule as completed activities and shall be comparable to the baseline schedule.
5. Activity duration shall be in working days, unless another time measurement unit is first reviewed and accepted by the COTR. Identify all activities not on a 5-day workweek calendar, and all planned holidays and other periods of shutdown. Identify overtime and multiple shift work.
6. Linked items and activities shall be used to show the sequence and interdependence of the items and activities and the effects thereof, including Work Items that interrelate with Controlling Work Items that are on the Critical Path.
7. Each scheduled activity shall be total cost loaded for both Contractor and subcontractor costs
8. Activities shall include actual start and completion dates, the remaining duration, the percentage of physical work complete. This percentage will be used to calculate the "earned value" progress for each activity. For the measure of percentage complete, standardized percentages may be used for each step of routine evolutions, however, separate activities for each specified step shall appear as a schedule activity. The Contractor shall clearly identify the unit of measure, tons, dollars and vessel work zones used to develop the earned value. The Contractor shall not use workdays as the unit of measure.
9. The following data shall also be included in tabular format with the Gantt chart for each activity of Critical Path activities:
 - Original duration in calendar days
 - Remaining duration in calendar days
 - Percent (%) complete
 - Total float based on a five day work week
 - Original start date
 - Original finish date
 - Revised start date
 - Revised finish date
 - Actual start date
 - Actual finish date
10. All Schedules prepared by the Contractor can not contain logic that has been overridden (and thus not identified) by time, sequence, or resource constraints. If constraints exist, the Contractor shall identify them by type of constraint.

B. Schedule Progressing: - The contractor shall prepare an activity weighted average report that apportions a contractor determined dollar amount to each activity in the performance schedule. A performance schedule activity weighted average report shall be prepared by the contractor and submitted to the COTR in conjunction with the Performance Schedule 7 days after contract start date. The apportioned dollar amount for each activity shall be divided into the total contract amount to determine the weighted dollar amount for each activity and the weighted average percentage for each activity in the performance schedule. The performance schedule shall be progressed by measuring the physical accomplishment of each activity as identified in the performance schedule through on-site ES&H monitoring, dismantlement inspections, bi-weekly reports and meetings all of which shall determine the actual percentage complete for each activity.

C. Earned Value: - Physical progress completed for each activity shall be reported by percentage at each bi-weekly meeting and shall be the basis for calculating the earned value for actual work completed. Monthly invoices shall identify by each activity the percentage complete for each activity, the earned value billed for this period, the amount of retainage for this invoice, the cumulative earned value billed and the cumulative amount of retainage. The earned value for each activity shall be calculated by multiplying the percent complete by the weighted dollar amount for that activity, less any previous earned amounts.

D. A Performance Schedule Impact Analysis shall be provided, for all changes that affect the schedule in a narrative format that comprises the following:

1. The Contractor shall provide ongoing Schedule analyses by comparing actual progress to planned progress as identified by the original baseline production schedule and shall report in the Summary Status Report the percentage ahead or slippage of his to date progress.

2. The Schedule Impact Analysis shall demonstrate how the Contractor proposes to incorporate the changes into the Schedule and shall explain the affect if any, on milestone accomplishment, Schedule Critical Path, Schedule logic, resources, and costs and completion date.
3. Any changes and events which the Contractor does not indicate in the Schedule and Schedule Impact Analysis is assumed to have no affect on the Production Schedule.
4. Failure by the Contractor to include any element of work required for performance of the Contract shall not excuse the Contractor from completing all work within the Contract performance period and/or in accordance with any Contract-required Milestone Date(s).

E. Recovery Plan. If slippage has occurred from the Contractor's original accepted baseline performance schedule, or any previously revised/accepted Performance Schedule, the Contractor shall provide a written analysis, in narrative format, that identifies the cause of the slippage and proposes a plan of corrective action that will be taken to complete the remaining work within the contract performance period.

F. Late Completion Notification. If at any time, the updated Critical Path of the Performance Schedule indicates a late delivery or late completion date, notify the COTR in writing the next working day, and/or prior to the beginning of any period when no work will occur, such as a holiday period. This notification shall include identification of the problem and shall propose corrective actions for schedule recovery.

G. The Performance Schedule and required reports shall be delivered to the COTR for review and acceptance within (7) seven days after Contract award. Status reports shall be prepared bi-weekly and submitted one day prior to the next scheduled progress meeting, to reflect the addition, deletion, or modification of Work Items, and changes made by the Contractor.

1. Upon acceptance of the Schedule by the COTR, the Contractor shall proceed in accordance with the reviewed and accepted plan and shall not modify the Schedule without the prior approval of the COTR. Modifications to the Schedule do not constitute a modification to the Contract.
2. Any changes in the Schedule desired by the Contractor in the job approach as reflected by the network logic, activity duration, and resource loading shall be submitted in writing to the COTR and reviewed and accepted by the COTR.
3. Any changes in the Schedule resulting in an extension of the Contract performance period shall be submitted for review and approval of the Contracting Officer.

H. The contractor shall manage and schedule all subcontractors' production work and progress, material procurement, and interface control to support the overall Performance Schedule.

1. Provide and Maintain a Subcontractor Listing on file beginning within (3) three days after the Contract Start Date. A revised list is to be updated whenever changes occur to the list. The subcontractor list shall include:
 - a. The Subcontractor's business address, telephone number and point of contact.
 - b. All Work Item(s) and scheduled activity(s) number and a brief description of the specific work to be accomplished.

C1-3.3 Performance Schedule Milestones: The Contractor shall incorporate into the performance schedule the following major contract milestones and their required due dates as listed. Milestone Due Date

Milestones	Due Date
Deliver Sub-Contractor Listing	3 days after Contract Start Date.
Deliver Key Personnel Roster	3 days after Contract Start Date.
Deliver Certificates of Company Insurance	5 days after Contract Start Date.
Deliver Certificate of Asbestos Abatement Liability	5 days after Contract Start Date.
Deliver Performance Bond	10 days after Contract Start Date.
Deliver Initial Performance Schedule	7 days after Contract Start Date.
Deliver Tug Safety Management Certificate	10 days after Contract Start Date.
Deliver Performance Schedule Activity	7 days after Contract Start Date.
Weighted Average Breakdown	
Deliver Surveyor's Trip in Tow Recommendation Report.	Not later than 5 days after NTP.
Deliver Liquid Load /Ballast Plan for towing.	Not later than 7 days prior to tow.
Deliver Vessel Afloat Monitoring Plan	10 days after Contract Start Date, but not later than 3 days prior to the vessel departure from the fleet.
Deliver Towers Insurance not later than:	3 days prior to vessel departure from the fleet.
Deliver Facilities Pollution Insurance	3 days prior to vessel departure from the fleet.
Deliver Pre-Cleaning and Post Cleaning Divers Report	Prior to the vessel departure for tow.

and Logs

Deliver U.S.C.G. Load line Exemption /Order for Departure	Prior to the vessel departure from the fleet.
Remove Vessel from Fleet	NLT 30 days after the issuance of NTP.
Deliver Pre-Arrival/Arrival Reports	4 days after vessel arrival.
Deliver Hazardous Materials/Wastes	10 days after vessel arrival.
Inventory/Contractor Estimate.	
Deliver Tank Content Verification Report	10 days after vessel arrival.
Deliver Validation of Contractor HM/HW estimates by sampling and analytical results	20 days after vessel arrival.
Complete PCB Abatement	TBD by contractors performance schedule.
Complete Asbestos Abatement	TBD by contractors performance schedule.
Complete all Hazmat Removal/Disposal	TBD by contractors performance schedule.
Begin Vessel Dismantling	TBD by contractors performance schedule.
Remove Last Structural Piece from Slip	TBD by contractors performance schedule.
Complete Vessel Dismantling	TBD by contractors performance schedule.
Complete all Material Sales and Recycling	30 days after removal of last structural piece from the slip.
Complete Facility Cleaning and Restoration	30 days after removal of last structural piece from the slip.
Deliver Certificate of Destruction	30 days after removal of last structural piece from the slip.
Deliver Closeout-Report and Final Schedule	30 days after removal of last structural piece from the slip.

FAILURE TO MAINTAIN PROPER SCHEDULES:

1. Schedules required by this item will be used to determine earned value for calculating contract financing payments. Failure to submit updated and timely schedules will result in a lack of basis for determining contract financing payments and could delay payment to the contractor.
2. Acceptance by the COTR of submitted schedules and associated reports does not relieve the Contractor of performance to the requirements of the Contract. Nor does acceptance serve to approve, warrant, or indicate agreement by the COTR as to the accuracy of the Contractor's schedules.
3. Extension of the delivery date will be granted only to the extent the equitable time adjustments to the activity affected by the Change Order, Delivery Order, or delay, exceeds the total (positive or zero) float of a critical activity and extends the delivery date.

C1-4 HAZARDOUS MATERIAL/HAZARDOUS WASTE REMOVAL AND DISPOSAL:

The Contractor is responsible for all steps necessary to remove and dispose of all hazardous materials/hazardous regulated wastes in compliance with all contract requirements which are consistent with U.S. statutory and regulatory requirements including, but not limited to, the Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHA) as well as international laws, treaties, conventions, and agreements as applicable.. Additionally, the Contractor is required to implement an effective Environmental Management Plan (EMP) described in the Contractor's TCP and incorporated as part of the Contract upon award. The Contractor shall provide the Government with completed copies of all hazardous material/waste manifests, tanker truck receipts, and all other waste shipment records. The contractor shall certify that any large structural sections, equipment such as boilers, turbines and pumps are hazmat free prior to their sale and disposition for reuse or recycling prior to the closeout of this contract. Certification shall encompass but not be limited to the following examples:

1. Large structural sections must be free of any solid PCB's such as paint, electrical cable or gasket materials. In addition all asbestos and insulation materials shall have been removed and remediated.
2. Large pieces of equipment such as boilers must be free of asbestos materials.

Upon completion of vessel dismantlement, the Contractor shall certify, in writing, that the Contractor has accomplished all hazardous material/waste removal and disposal in compliance with all stipulated contract requirements and all applicable Federal, State and local statutes, U.S. statutory and regulatory requirements including, but not limited to, the Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHA) as well as international laws, treaties, conventions and agreements, as applicable.

C1-5 SALE OF RECYCLABLE/REUSABLE EQUIPMENT/ SCRAP MATERIAL:

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Notwithstanding the fact that the Government will retain title to the vessel(s), the Contractor shall be entitled to retain the sales proceeds, sell and/or dispose of the scrap and reusable equipment/material generated as a result of dismantling the ship. The Government shall not be responsible for the condition of, or any loss or damage to, the property. The Contractor shall report for each vessel individual material/scrap/equipment type, the quantity and value of scrap and reusable equipment/material recovered for resale. The Contractor shall incorporate into the vessel performance schedule the date of the final disposal of all recyclable materials. The Contractor shall sell and/or dispose of, the scrap and reusable equipment/material generated in accordance with all applicable Safety and Environmental standards and associated disclosure requirements.

C1-6 CONTRACTOR PERSONNEL:

Contractor personnel shall be sufficient to accomplish the scope of work, including key personnel.

C1-6.1 Key Personnel The Contractor shall provide key management personnel to adequately manage and oversee the below list of ship dismantling functions. The contractor shall provide a description of the facility's management and organization including names and resumes of all Corporate and Key Personnel. Key Personnel shall have the appropriate level of skill and experience sufficient to accomplish the scope of work. The Contractor shall provide resumes, and descriptions of the experience including certifications as appropriate for the individuals submitted as Key Personnel. Key Personnel shall have the appropriate level of skill and experience sufficient to accomplish the scope of work. The Contractor shall provide resumes, and descriptions of the experience including certifications as appropriate for the individuals submitted as Key Personnel. The Key personnel identified by the Contractor shall remain in their positions for the duration of the contract. Changes to the Key personnel cannot be made without a minimum of 2 weeks notification and MARAD approval. The contractor shall provide the COTR, in writing no later than the Notice to Proceed date, the name, address and a 24-hour telephone number of the "Primary Point of Contact (POC)" and the organization that will take initial action to mitigate and contain a petroleum or other hazardous discharge, should one occur.

C1-6.1.1 Project Management: The Project Manager is a full-time on-site person responsible for the performance of all work required under this Contract. The Project Manager shall be responsible for submitting status reports in accordance with the reporting requirements contained in the Contract. The Project manager shall be the primary point of contact with the MARAD COTR and shall be knowledgeable about the activities and status of all aspects of the project. The Project Manager shall be an employee of the Contractor or a subcontractor hired by the Contractor to perform the Project Manager function. At no time shall the Project Manager be an employee of, or subcontractor to any company hired by the Contractor to perform hazardous waste remediation, disposal and/or ship dismantlement activities. The Project Manager shall have decision making authority for all issues related to the remediation of hazardous materials and physical dismantlement of the vessel and shall be in attendance at all bi-weekly meetings and teleconferences with the Government COTR.

C1-6.1.2 Environmental, Safety & Health Management: The ES&H Manager is responsible for all environmental and safety matters relating to the ship dismantlement Contract. The ES&H manager shall be the primary point of contact with the MARAD COTR and shall be knowledgeable about the activities and status of all ES&H aspects of the project. The ES&H Manager shall be an employee of the Contractor or a subcontractor hired by the Contractor to perform the ES&H Manager function. At no time shall the ES&H Manager be an employee of, or subcontractor to any company hired by the Contractor to perform hazardous waste remediation, disposal and/or ship dismantlement activities. The ES&H Manager shall be in attendance at all bi-weekly meetings and teleconferences with the Government COTR.

C1-6.1.3 Contracting Official - The Contracting Official is responsible for all contract administration activities related to the management and oversight of the MARAD ship dismantling contracts. A primary point of contact with MARAD that is knowledgeable about the activities and status of all contractual aspects of the project shall be identified. The Contracting Official need only participate in those meetings and teleconferences as requested by MARAD. At no time shall the Contracting Official be an employee of, or subcontractor to any company hired by the Contractor to perform hazardous waste remediation, disposal and/or ship dismantlement activities.

C1-6.2 Contractor/Subcontractor Employees. The Contractor shall ensure that all employees and subcontract employees have current and valid professional certifications before starting work under this contract. Certifications shall be maintained by the Contractor.

C1-6.3 Employee Training and Certification The Contractor shall provide all necessary classroom and on-the-job training required to prepare and document employees as trained and ready for duty prior to assignment to abatement or dismantling work on the ship. Training records shall be maintained on site by the Contractor.

C1-7 ENVIRONMENTAL CONTROLS:

The Contractor shall operate and maintain its facility(s) in a manner that complies with all contract requirements which are consistent with U.S. statutory and regulatory requirements including, but not limited to, the Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHA), throughout the project. It shall also operate and maintain its facility(s) in a manner that complies with all international laws, treaties, conventions and agreements, and other Federal, State, and local statutes, throughout the project as applicable. The Contractor shall be responsible for obtaining all necessary licenses and permits, accomplishing all notification and manifesting requirements, complying with all applicable laws and regulations, and taking any necessary corrective actions resulting from work performed under this contract. Upon the Government's request, the

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Contractor shall provide copies of all licenses and permits to the Government. The Contractor shall use only subcontractors, transporters and treatment, storage, and disposal facilities holding valid permits. The Government will not be a co-permittee on any permit obtained by the Contractor. In addition, MARAD will not be named as a co-generator of waste, resulting from the dismantling of these ships. The Contractor shall also provide the Government copies of all correspondence with any and all regulatory agencies that, while not directly related to this contract, may affect the progress or completion of this or future MARAD contracts. Examples of such correspondence include, but are not limited to, correspondence relating to leases, licenses, permits and certifications.

C1-7.1 Environmental Inspections. The Contractor's workspace may be inspected periodically by MARAD, other government agencies, or their agents, for regulatory compliance. Correction of violations will be the responsibility of the contractor. The Contractor will provide assistance to any and all regulatory inspectors.

C1-8 SAFETY AND HEALTH PROGRAM:

All work shall be conducted in a safe manner and shall comply with all requirements specified throughout the contract which are consistent with U.S. statutory and regulatory requirements including, but not limited to, the Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHA) as well as international laws, treaties, conventions and agreements, as applicable. The contractor shall furnish all safety equipment. The Contractor shall implement the Safety and Health Management Plan, described in the Contractor's TCP, in compliance with all contract requirements which are consistent with U.S. statutory and regulatory requirements including, but not limited to, the Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHA) as well as international laws, treaties, conventions and agreements, as applicable. The TCP is incorporated into the contract. The plan shall provide for the safe work environment of Contractor personnel and ensure protection of Government property. All subcontractors shall comply with the Contractor's Safety and Health Management Plan. In the event of an accident/mishap, the Contractor shall take reasonable and prudent action to establish control of the accident/mishap scene, prevent further damage to persons or property, and preserve evidence until released by the accident/mishap investigative authority. The Contractor shall also provide the Government copies of all correspondence with any and all regulatory agencies that, while not directly related to this contract, may affect the progress or completion of this or future MARAD contracts. For example, correspondence relating to leases, licenses, permits and certifications.

C1-8.1 Safety Administration. Prior to commencing work, the Contractor shall meet in conference with the contracting officer's technical representative (COTR) to discuss and develop an understanding of the administration of their Safety and Health Management Plan.

C1-8.2 Safety Inspections. The Contractor's workspace may be inspected periodically for regulatory compliance. Correction of violations will be the responsibility of the contractor. The Contractor will provide assistance to any and all regulatory inspectors.

C1-8.3 Accident and Injury Reporting. The Contractor shall record and immediately report to the COTR, all available facts relating to injury to either Contractor or Government personnel or each instance of damage to Government property. The Contractor shall provide the Government with a copy of any report to a regulatory agency of accidents or incidents that occur during the performance of this contract.

C1-9 REPORTING:

All required reports are to be electronically prepared and formatted for acceptance by MS Office 2003 including, Word, Excel, Access, and PowerPoint. All project schedules shall be prepared and formatted for acceptance in MS Project 2000. All reports are to be copied on to CD-ROM and three copies shall be delivered to the COTR and one copy to the MARAD ES&H representative during the appropriate submittal period. The first summary status report shall be submitted to the Contracting Officer within 15 calendar days after the contract start date. This report listing is representative of the type of reports necessary to actively manage production progress. It is not a definitive listing of all contract required reports. It is the Contractors responsibility to submit any and all reports required by the contract.

C1-9.1 Baseline/Pre-Arrival/Arrival:

The contractor shall deliver the following reports to the COTR within the time frame indicated:

A. Not later than 4 calendar days after the vessel's arrival at the Contractor's dismantling facility:

1. Copies of all notifications made, as required, to Federal, State and local regulatory agencies.
2. A report of the location and inventory of all hazardous materials/wastes on-site at the Contractor's facility at the time of the vessel's arrival (to prevent co-mingling with other vessel wastes).
3. An inspection report of the condition of the facility at the beginning of the project.

B. Not later than 10 days after the vessel's arrival at the Contractor's facility at the beginning of the project:

1. A verification report of the contents of all tanks on the ship, conducted on the vessel's arrival at the Contractor's facility, compared to the Government furnished vessel tank sounding report provided prior to the vessel's departure.

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2. Contractor estimates of quantities of hazardous materials/hazardous wastes onboard the vessel at the time of arrival. Areas where presumption of hazardous/regulated materials is made shall be identified in the report and provided to and approved by the COTR prior to the beginning of work and then work shall be permitted in those areas.

C. The contractor shall submit not later than 20 days after the vessel's arrival at the contractor's facility and prior to the start of work a verification of hazardous materials/wastes inclusive of sampling and analytical results so that areas containing or contaminated with hazardous or regulated substances are identified to enable safe work practices and applicable environmental regulations to be identified and implemented. Areas where presumption of hazardous/regulated materials is made shall be identified in the report submitted as C1-9.1.B.2. above and accepted by the COTR prior to the beginning of work then work shall be permitted in those areas.

C1-9.2 Bi-Weekly Status Reports: The Contractor shall prepare technical status report to be submitted bi-weekly summarizing the previous two weeks performance. The report shall be submitted to the COTR at least 24 hours prior to the scheduled bi-weekly meeting. The purpose of this report is to apprise MARAD of the project status and to identify any departures from the approved management and work plans. The report shall consist of three parts.

Part 1 shall consist of a concise, executive level progress summary of all technical activities performed under the contract during the reporting period. Actual physical progress reporting shall be an approximate percentage of actual work completed derived from the monitoring of the work schedule. Part I shall discuss the following topics;

1. A table, listing the project milestones, shall be presented with columns noting the scheduled, actual and revised dates indicated for each milestone.
2. Any changes of key personnel concerned with the project.
3. Project Progress since the previous progress report defined as work accomplished vs. planned work. Approximate overall percentage of project completion with accompanying breakdowns of the percentage of completion for hazardous material removal and disposal and for the structural dismantling of the vessel.
4. Difficulties encountered during the reporting period and corrective actions taken.
5. Notification of any regulatory agency inspection conducted, or any Notices of Violation, citations, or cautionary notices received from regulators during the reporting period relating to the performance of this Contract. Also, notification of any other documentation relating to Federal, state or local administrative or legal actions arising under or relating to the Contract. The contractor shall supply MARAD with copies of all correspondence associated with regulatory agencies relating to the performance of this contract.
6. Progress on any deficiencies identified by regulatory inspection.
7. Status of outstanding permits/licenses required for performance of this Contract, and status of any existing permits/licenses due to expire within ninety (90) days of the Progress Report.
8. Advance notice of commencement of project activities that will require notification to any regulatory agency by Contractor or any of its subcontractors.
9. Contractor plan to respond to any discrepancies noted or questions asked in writing by the Government.
10. Assessment of risks relating to timely completion of this Contract.

Part 2 shall consist of specific areas of interest relating to the progress and documentation of the project. Quantities for materials/wastes shall be reported for the previous two-week reporting period, cumulatively to date with a comparison to Contractor estimated quantities invoiced so as to be traceable to contractor arrival estimates.

1. Performance Schedule

- a. The Contractor shall prepare and submit an updated performance schedule, which clearly compares actual progress against the baseline performance schedule.
- b. An updated ship profile drawing color coded and integrated to the performance schedule, which clearly displays, by location, the level of progress associated with hazmat remediation and structural dismantling.
- c. Identification of the deck to which the ship has been dismantled.
- d. Narrative of Contractors proposed recovery plan and schedule to regain planned schedule performance.

2. Hazardous Materials/Wastes

- a. Status of hazardous material/waste abatement and disposal including copies of all required manifests and other shipping documents or hazardous property disposal documents.
 1. Quantity of each type of hazardous material/waste removed from the ship, in storage and shipped for recycling/disposal during the reporting period.
 2. Quantity of each type of hazardous material/waste forecasted to be removed from the ship, placed in storage, or shipped for disposal in the next two-week reporting period.
 3. Copies of chain of custody forms for all samples and copies of the results of sampling obtained during the previous two-week reporting period.

3. Recyclable Materials

- a. Status of recyclable equipment and materials disposal including copies of all required property transfer documents.

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1. Tonnage of recyclable ferrous and non-ferrous metals and equipment removed, in storage and shipped during the previous two-week reporting period.
2. Cumulative totals of recyclable ferrous and non-ferrous metals and equipment removed, in storage and shipped.
3. Forecasted tonnage of recyclable ferrous and non-ferrous metals and equipment to be removed, placed in storage and shipped in the next two-week reporting period.
4. Health and Safety/Regulatory Inspections
 - a. Copies of notification of any regulatory agency inspection conducted, or any Notices of Violation, citations, or cautionary notices received from regulators during the previous two-week reporting period. Status of the Contractors worker health and safety program including copies of all required health and safety documentation.
 1. Status of any safety deficiencies found during on-site inspections by the Contractor or any Federal, State or local regulatory agency and Contractors expected timetable for completing corrective action.
 2. Copies of worker exposure monitoring data.
 3. Copies of asbestos enclosure clearance sampling results.
 4. Copies of Marine Chemists gas free certifications.
 - b. Copies of notification of any other documentation relating to Federal, state or local administrative or legal actions arising under or relating to the Contract. The contractor shall supply MARAD with copies of all correspondence associated with regulatory agencies relating to the performance of this contract.
 - c. Copies of any accident, incident and injury reports generated by the Contractor and required for submittal to any regulatory agency during the previous two-week reporting period.
 - d. Summary totals of worker injuries, incidents and lost labor days for the previous two-week reporting period including cumulative totals and a summary of causes.
 - e. Copies of outstanding permits/licenses required for performance of this contract and any existing permits/license due to expire within 90 days for the reporting date.
 - f. Status of advance notice of commencement, submitted by the Contractor or its subcontractors, of project activities requiring notification to any regulatory agency.

Part 3 shall consist of financial reporting requirements and shall consist of the following:

- a. A list of each contract financing payment submitted with cumulative totals.
- b. Performance schedule cumulative earned value report.
- c. Estimated costs to complete the project based on the performance schedule.
- d. Estimated budget variances and a plan for corrective action, if applicable.
- e. Cost savings initiative implemented during the reporting period.
- f. Performance-based contract financing payment calculations.

The Contractor shall require the subcontractor/approved scrapping facility to maintain all books and records detailing contract expenses and revenue, and other documents used to perform the contract/subcontracts, and make such documents available for government review and audit purposes. The Contractor and its subcontractor must further maintain such records for a period of 3 years after contract completion, or for such a time as the Contractor or subcontractor, for its own purposes, retains such books, records and other documents, whichever is longer

C1-9.3 Final Close Out Report: Upon completion of this contract, the Contractor shall completely dismantle the vessel so that no part of the ship is left intact or undisturbed to the extent that it can be reconstructed or readily identified as an existing portion of the original hull or superstructure. Dismantling shall be defined as reducing the property such that it has no value except for its basic material content. Upon completion of the contract performance, the Contractor shall provide a final closeout report to include the requirements list above, as well as the following additional requirements: The final close out report is a milestone activity and shall be scheduled in the performance plan. The report shall be submitted to MARAD within thirty (30) calendar days after the last structural piece is removed from the slip.

The vessel shall be defined as completely dismantled after the last structural piece of the vessel has been removed from the slip, and all structural components have been reduced in sizes suitable for sale.

The Final Closeout Report shall contain the following:

- a. A final performance schedule updated to show actual events of the project including the actual duration of the scheduled activities compared to the established baseline schedule.
- b. A comparison report, which shows actual quantities of all materials, abated, disposed or recycled compared to the offerer's original bid form.
- c. Total dismantling labor hours by hazmat quantities and dismantling activities
- d. Total abatement labor hours by hazmat quantities and dismantling activities.
- e. A comparison report, which reports actual costs, compared to estimated contract financing tasks, for all tasks listed in the Contractors Estimated Cost/Revenue Breakdown Sheet.
- f. The quantity of wastes disposed by element.

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g. The quantity of scrap recovered for resale to include, but not be limited to, ferrous, non-ferrous, and equipment including revenue received for each type of recyclable material. The seller shall provide the figures for the actual revenue received for sold recyclable materials. For materials stock piled after the closeout date, the seller shall provide the estimated revenue for each type of recyclable material based on the anticipated revenue calculated at the time of submission of the Final Close Out Report. The figures shall be totaled to arrive at the final revenue amounts received for each type of recyclable material.

h. A written certificate attesting that on said date all materials associated with the Obsolete Vessel(s) have been disposed of in accordance with the applicable regulatory and Contract requirements. The contractor shall identify the types and quantities of recuclable material and equipment retained for recycling.

i. A written certificate attesting that any large structural sections, and/or pieces of equipment such as boilers, turbines and pumps are hazmat free prior to their sale and disposition for reuse or recycling prior to the submittal of the final closeout report.

j. A written certificate attesting that on said date the dismantling facility has been returned to the same condition as identified in the baseline pre-arrival/arrival determination.

k. A written certificate entitled "Certificate of Destruction" attesting that on said date the vessel has been completely dismantled to its basic material content and that all hazardous materials/wastes have been remediated and disposed in accordance with all Federal, State and local laws and regulations.

l. A written "Release of Claims".

The contractor shall within 30 calendar days after removal of the last structural piece of the vessel from the slip completely remediate, remove, and dispose of all hazardous materials from the vessel. The contractor may retain recyclable ferrous and non-ferrous metals and equipment indefinitely after the 30 calendar day period and may dispose of these recyclable materials at their convenience. Stockpiled material from MARAD, other vessels, and or recyclable equipment may be commingled for the purpose of preparing stock for sale and shipment. Recyclable materials that have been tested and found to contain PCB's in concentration greater than 50ppm shall be segregated from clean recyclables and shall be disposed in accordance with all applicable statutes and regulations within 30 calendar days after the last structural piece of the vessel is removed from the slip.

C1-9.4 Bi-Weekly Progressing Meeting: The Contractor shall participate in a Bi-Weekly Progress Meeting at a place and time mutually agreeable to all parties either on site on by teleconference. The Contractor representative in attendance shall be authorized to make management decisions relative to the requirements of the Contract.

a. The Contractor shall be prepared to discuss the following:

1. Total percentage of work complete, percentage completion of each Work Item, Performance Schedule milestones, key events, Controlling Work Items, Critical Path, float, and schedule recovery.
2. Planned production manning versus actual manning.
3. Major problems for each item and proposed corrective action.

b. The Contractor shall provide for the bi-weekly meeting and at least one working day prior to the scheduled weekly progress meeting an updated performance schedule with a summary report listing each work item and activity, current physical progress percent complete for each. Percentage complete shall agree will the percentage complete as reported in the Production Schedule.

C1-10 NOTIFICATION OF ITEMS FOUND ONBOARD:

During dismantling of the vessels, in the event that the Contractor discovers items such as photographs, documents, drawings or other information onboard the vessel, the Contractor will immediately notify the COTR of the items found and their location on the ship. These items will be safeguarded and turned over to the COTR.

C1-11 INSPECTION FACILITIES:

The Contractor shall provide office facilities and services for use by the Government contract administration and oversight organization. The facilities and services shall be equal to those provided by the Contractor for his use for generally similar purposes. Facilities provided shall be equipped with door locks with (2) two keys for the COTR. The Contractor shall also provide a minimum of two desks and two chairs. The Contractor shall provide two parking spaces at the Contractor's facility for use by the Government. The contractor shall provide and maintain a telephone and direct line with local and long distance capability; telephones for this type of service shall be provided with a dial lock or equivalent. The Contractor shall include in the contract price the full cost of providing all telephone service except for long distance calls. Long distance calls shall be billed to the Government on the basis of actual cost.

PART 2 - GENERAL REQUIREMENTS

C2-1 ACCESS TO THE VESSEL

Officers, employees and associates of other prime Contractors with the Government and their subcontractors, as authorized by the Contractor, shall have, at all reasonable times, admission to the facility, access to the vessel where and as required, and be permitted,

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within the facility and on the vessel and as required to perform and fulfill their respective obligations to the Government. The Contractor shall make reasonable arrangements with the Government or Contractors of the Government, as shall have been identified and authorized by the Contractor to be given admission to the facility and access to the vessel, for office space, work areas, storage or shop areas, or other facilities and services, necessary for the performance of the respective responsibilities involved, and reasonable to their performance.

Safety During Access to Vessels : DEPARTMENT OF LABOR SAFETY AND HEALTH STANDARDS FOR SHIPBUILDING
Attention of the Contractor is directed to Public Law 91-596, approved December 29, 1970 (84 Stat. 1590, 29 USC 655) known as the "OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970" and to the "OCCUPATIONAL SAFETY AND HEALTH STANDARDS FOR SHIPYARD EMPLOYMENT" promulgated thereunder by the Secretary of Labor (29 CFR. 1910 and 1915). These regulations apply to all shipbuilding and related work, as defined in the regulations. Nothing contained in this contract shall be construed as relieving the Contractor from any obligations, which it may have for compliance with the aforesaid regulations.

C2-2 PERMITS AND RESPONSIBILITIES

The Contractor shall, without additional expense to the Government, be responsible for obtaining any necessary licenses and permits, and for complying with all contractual requirements which are consistent with U.S. statutory and regulatory requirements including, but not limited to, the Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHAct) as well as international laws, treaties, conventions and agreements, in connection with any movement over the public highways of overweight/overdimensional materials. The Contractor shall ensure that the Performance Bond submitted as outlined in 10 CONTRACT FINANCING, is maintained through the contract performance and until such time as a written release has been issued by the Contracting Officer.

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SECTION F -- DELIVERIES OR PERFORMANCE

F.1 PERIOD OF PERFORMANCE

F.2 PERIOD OF PERFORMANCE for the VULCAN

PERIOD OF PERFORMANCE (Including Contract Award Date and Notice to Proceed Date)

The Contractor cannot begin work on any aspect of this contract, including incurring any costs for acquiring such items as bonding, insurance and vessel marine surveys until the Contracting Officer issues an official contract start date. The contract milestones will be calculated from the contract start date unless specifically instructed by the Contracting Officer. The Contractor will not be liable for the submittal of any contract deliverables until the Contracting Officer issues written notification of the contract start date. The contract start date will be the official commencement date at which time the contractor may incur costs in the performance of the contract and bear responsibility for compliance with the terms and conditions in the contract. The contract start date designated by the Contracting Officer, but will normally be no later than 3 days after the award date. The Contractor bears all responsibility and costs associated with preparing the vessel for tow and MARAD will not reimburse the Contractor for expenses incurred prior to issuance of a Notice to Proceed (NTP) except for the inspection by a Marine Surveyor for the purpose of developing the Trip in Tow survey that will be the only activity allowed aboard the Obsolete Vessels(s) prior to the issuance of the NTP. The NTP will only be issued after the Contractor has received acceptance by MARAD of all insurances and surety submittals. The Contractor is advised that MARAD fleet sites will not allow the Contractor access to the vessel to perform Marine Surveyor required tow preparations prior to the Contracting Officer's issuance of NTP. At no time prior to vessel departure from the fleet shall any materials, components or artifacts be removed from the vessel by the Contractor.

The performance period for the dismantlement of the vessel shall be expressed in calendar days and shall cover the entire contract time frame from contract start date through final reporting. Workdays shall pertain to specific days and or durations within the performance period linked to the accomplishment of specific activities and or milestones. The overall period of performance of this contract is predicated on the Contractors proposal schedule submitted with its price verification dated September 6, 2006. The baseline schedule shall be submitted in accordance with contract provisions and shall not exceed the total performance period duration. The performance period for the dismantlement of the vessel VULCAN shall commence on the Contract Start Date and complete within 303 calendar days, not excluding any designated holidays, as calculated from the Contract Start Date. The contractor will incorporate all existing work and the dismantlement schedule for the VULCAN into a master schedule and clearly indicate any dependent relationships between projects. All milestones and deliverables required under this contract shall be due beginning with the issuance by the Contracting Officer of notification of the official Contract start date. If, after acquiring tug service to move the vessel, or at anytime during the transit of the vessel from the fleet to the contractors facility, the tug towing the vessel is taken out of service for more than three calendar days, the Contractor will contract for additional towing services to continue to transit of the vessel to the Contractors facility at no additional cost to the Government. The Contractor shall immediately notify the Government of the actions taken to minimize disruption of the transit of the vessel.

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SECTION I -- CONTRACT CLAUSES

I.1 52.252-02 CLAUSES INCORPORATED BY REFERENCE

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://www.acqnet.gov/far/current/html/FARMTOC.html>

<http://www.acqnet.gov/far/current/html/FARMTOC.html>

[Insert one or more Internet addresses]

Clause	Title	Date
52.225-13	Restrictions on Certain Foreign Purchases	February 2006

I.2 52.232-29 TERMS FOR FINANCING OF PURCHASES OF COMMERCIAL ITEMS FEBRUARY 2002

(a) Contractor entitlement to financing payments. The Contractor may request, and the Government shall pay, a contract financing payment as specified elsewhere in this contract when: the payment requested is properly due in accordance with this contract; the supplies deliverable or services due under the contract will be delivered or performed in accordance with the contract; and there has been no impairment or diminution of the Government's security under this contract.

(b) Special terms regarding termination for cause. If this contract is terminated for cause, the Contractor shall, on demand, repay to the Government the amount of unliquidated contract financing payments. The Government shall be liable for no payment except as provided by the Termination for Cause paragraph of the clause at 52.212-4, Contract Terms and Conditions--Commercial Items.

(c) Security for Government financing. In the event the Contractor fails to provide adequate security, as required in this contract, no financing payment shall be made under this contract. Upon receipt of adequate security, financing payments shall be made, including all previous payments to which the Contractor is entitled, in accordance with the terms of the provisions for contract financing. If at any time the Contracting Officer determines that the security provided by the Contractor is insufficient, the Contractor shall promptly provide such additional security as the Contracting Officer determines necessary. In the event the Contractor fails to provide such additional security, the Contracting Officer may collect or liquidate such security that has been provided and suspend further payments to the Contractor; and the Contractor shall repay to the Government the amount of unliquidated financing payments as the Contracting Officer at his sole discretion deems repayable.

(d) Reservation of rights.

(1) No payment or other action by the Government under this clause shall--

- (i) excuse the Contractor from performance of obligations under this contract; or
- (ii) constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The Government's rights and remedies under this clause--

- (i) shall not be exclusive, but rather shall be in addition to any other rights and remedies provided by law or this contract; and
- (ii) shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Government.

(e) Content of Contractor's request for financing payment. The Contractor's request for financing payment shall contain the following:

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- (1) The name and address of the Contractor;
- (2) The date of the request for financing payment;
- (3) The contract number and/or other identifier of the contract or order under which the request is made; and
- (4) An appropriately itemized and totaled statement of the financing payments requested and such other information as is necessary for computation of the payment, prepared in accordance with the direction of the Contracting Officer.
- (f) Limitation on frequency of financing payments. Contractor financing payments shall be provided no more frequently than monthly. -
- (g) Dates for payment. A payment under this clause is a contract financing payment and not subject to the interest penalty provisions of the Prompt Payment Act. The designated payment office will pay approved payment requests within 30 days of submittal of a proper request for payment.
- (h) Conflict between terms of offeror and clause. In the event of any conflict between the terms proposed by the offeror in response to an invitation to propose financing terms (52.232-31) and the terms in this clause, the terms of this clause shall govern.

I.3 WAGE DETERMINATION

Wage Determination No. 94-2103 Revision (34) is incorporated into this contract.