

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

1. REQUISITION NUMBER
 PRSAR100222
 PAGE 1 OF 21

2. CONTRACT NO. 3. AWARD/EFFECTIVE DATE 12/29/2009 4. ORDER NUMBER DTMA2P10026 5. SOLICITATION NUMBER DTMA2Q10002 6. SOLICITATION ISSUE DATE 12/15/2009

7. FOR SOLICITATION INFORMATION CALL:
 a. NAME Eileen Williams b. TELEPHONE NUMBER (No collect calls) (757) 441-3268 ext. 8. OFFER DUE DATE/ 12/28/2009 LOCAL TIME 4:00 pm

9. ISSUED BY DOT/Maritime Administration, Atlantic Division Acquisition Office of Acquisition, MRG-7200 7737 Hampton Boulevard, Building 19, Suite 300 Norfolk, VA 23505 TEL: (757) 441-3245 ext. FAX: (757) 441-6080 ext. CODE 00092
 10. THIS ACQUISITION IS UNRESTRICTED OR SET ASIDE: 0.00% FOR:
 SMALL BUSINESS EMERGING SMALL BUSINESS
 HUBZONE SMALL BUSINESS 8(A)
 SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS
 NAICS: 336611
 SIZE STANDARD:

11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED SEE SCHEDULE 12. DISCOUNT TERMS
 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700) 13b. RATING
 14. METHOD OF SOLICITATION RFQ IFB RFP

15. DELIVER TO DOT/Maritime Administration, Atlantic Division Operations EMPIRE STATE, SUNY Maritime College, 6 Pennyfield Avenue Bronx, NY 10465 Attn: Thomas Dowd CODE 7118
 16. ADMINISTERED BY DOT/Maritime Administration, Atlantic Division Acquisition Office of Acquisition, MRG-7200, 7737 Hampton Boulevard, Building 19, Suite 300 Norfolk, VA 23505 CODE 00092

17a. CONTRACTOR/OFFEROR Ocean Services, LLC CODE ^ FACILITY CODE
 246 46th Street Brooklyn, NY 11220 TELEPHONE NO.(718) 439-2900 ext.
 18a. PAYMENT WILL BE MADE BY DOT/ Enterprise Services Center (ESC) OFO/FAA, Oklahoma City MARAD A/P Branch, AMZ-150 PO Box 25710 Oklahoma City, OK 73125 CODE AMZ150

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 SEE ADDENDUM

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 See Line Item Detail 26. TOTAL AWARD AMOUNT (For Govt. Use Only) \$ 58,985.00

27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED. ADDENDA ARE ARE NOT ATTACHED
 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED. ADDENDA ARE ARE NOT ATTACHED

28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN 1 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. Ocean Svce LLC quote OFFER DATED 12/28/2009. YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS: 0001-0007

30a. SIGNATURE OF OFFEROR/CONTRACTOR Eileen M. Williams 31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)
 30b. NAME AND TITLE OF SIGNER (Type or print) Eileen M. Williams 30c. DATE SIGNED 12/29/2009 31b. NAME OF CONTRACTING OFFICER (Type or print) Eileen M. Williams 31c. DATE SIGNED 12/29/2009

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>

Line Item Summary	Document Number DTMA2P10026	Title TESE Turbine Inspection	Page 3 of 21
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Total Funding: \$58,985.00

FYs	Fund	Budget Org	Sub	Object Class	Sub	Program	Cost Org	Sub	Proj/Job No.	Sub	Reporting Category
2010	X1750	SMR120	SM	D107	0	0000	160000				
Division	Closed FYs		Cancelled Fund								
25711	6100	6600									

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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0001	HP Turbine Inspection		1.00	JOB	\$21,110.000	\$ 21,110.00
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(01/04/2010 to 01/19/2010)

HP TURBINE INSPECTION as per attached Performance Work Statement (PWS).

Ref Req No: PRSAR100222

Funding Information:

2010 - - X1750 - SMR120 - SM - D107 - 0 - 0000 - 160000 - - - - -
 25711 - 6100 - 6600 -
 \$21,110.00

0002	HP Turbine Rotor		1.00	JOB	\$5,820.000	\$ 5,820.00
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(01/04/2010 to 01/19/2010)

If required remove rotor as per attached Performance Work Statement (PWS)

Ref Req No: PRSAR100222

Funding Information:

2010 - - X1750 - SMR120 - SM - D107 - 0 - 0000 - 160000 - - - - -
 25711 - 6100 - 6600 -
 \$5,820.00

0003	HP/LP Output Shaft Coupling Inspection		1.00	JOB	\$5,080.000	\$ 5,080.00
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(01/04/2010 to 01/19/2010)

Perform inspection as per attached Performance Work Statement (PWS).

Ref Req No: PRSAR100222

Funding Information:

2010 - - X1750 - SMR120 - SM - D107 - 0 - 0000 - 160000 - - - - -
 25711 - 6100 - 6600 -
 \$5,080.00

Line Item Summary	Document Number DTMA2P10026	Title TESE Turbine Inspection	Page 4 of 21
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Total Funding: \$58,985.00

FYs	Fund	Budget Org	Sub	Object Class	Sub	Program	Cost Org	Sub	Proj/Job No.	Sub	Reporting Category
2010	X1750	SMR120	SM	D107	0	0000	160000				
Division	Closed FYs		Cancelled Fund								
25711	6100	6600									

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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0004	LP Turbine Inspection		1.00	JOB	\$7,865.000	\$ 7,865.00
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(01/04/2010 to 01/19/2010)

Perform inspection as per attached Performance Work Statement (PWS)

Ref Req No: PRSAR100222

Funding Information:

2010 - - X1750 - SMR120 - SM - D107 - 0 - 0000 - 160000 - - - - -

25711 - 6100 - 6600 -

\$7,865.00

0005	Line shaft, Thrust Bearing, and Reduction Gear Inspection		1.00	JOB	\$5,110.000	\$ 5,110.00
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(01/04/2010 to 01/19/2010)

Perform inspection as per attached Performance Work Statement (PWS).

Ref Req No: PRSAR100222

Funding Information:

2010 - - X1750 - SMR120 - SM - D107 - 0 - 0000 - 160000 - - - - -

25711 - 6100 - 6600 -

\$5,110.00

Line Item Summary	Document Number DTMA2P10026	Title TESE Turbine Inspection	Page 5 of 21
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Total Funding: \$58,985.00

FYs	Fund	Budget Org	Sub	Object Class	Sub	Program	Cost Org	Sub	Proj/Job No.	Sub	Reporting Category
2010	X1750	SMR120	SM	D107	0	0000	160000				
Division	Closed FYs		Cancelled Fund								
25711	6100	6600									

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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0006	Supplemental Labor		100.00	HR	\$65.000	\$ 6,500.00
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(01/04/2010 to 01/19/2010)

Contractor to provide for Supplemental Labor IAW the attached PWS.

The supplemental labor rate offered shall be a yardwide composite labor rate and include all management, supervision, overhead, G&A, handling charges, freight, profit, overtime, quality assurance, delay and disruption, bonds, insurance, etc. The yardwide composite rate offered by the Contractor shall be binding during the entire period of this contract for all supplemental work which cannot be accurately described at this time and is not included in other contract line items. Under this CLIN, the Government may order up to the indicated quantity of man-hours to be performed by the Contractor at the contract yardwide composite rate for supplemental labor. Authorization to proceed with supplemental labor work will be issued in writing by the COTR or Contracting Officer on a supplemental work authorization as defined in the clause MCL.H-2 SUPPLEMENTAL WORK REQUESTS.

FOR PROPOSAL SUBMISSION PURPOSES ONLY, provide supplemental labor of 100 hours.

Ref Req No: PRSAR100222

Funding Information:

2010 - - X1750 - SMR120 - SM - D107 - 0 - 0000 - 160000 - - - -
 25711 - 6100 - 6600 -
 \$6,500.00

Line Item Summary	Document Number DTMA2P10026	Title TESE Turbine Inspection	Page 6 of 21
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Total Funding: \$58,985.00

FYs	Fund	Budget Org	Sub	Object Class	Sub	Program	Cost Org	Sub	Proj/Job No.	Sub	Reporting Category
2010	X1750	SMR120	SM	D107	0	0000	160000				
Division	Closed FYs		Cancelled Fund								
25711	6100	6600									

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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0007	Supplemental Material		1.00	JOB	\$7,500.000	\$ 7,500.00
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(01/04/2010 to 01/19/2010)

Provide supplemental material as required and approved by COTR.

THIS IS A NOT TO EXCEED AMOUNT

The allowance for supplemental material is for direct costs of materials or subcontracts only. Any allowance for handling, equipment, profit and overhead is to be included in the applicable hourly rate for supplemental labor. All work under this CLIN must be specifically authorized in writing by the COTR or Contracting Officer on a supplemental work authorization as defined in the clause MCL.H-2 SUPPLEMENTAL WORK REQUESTS.

FOR PROPOSAL SUBMISSION PURPOSES ONLY, a cost of \$7,500.00 must be used by all offerors.

Ref Req No: PRSAR100222

Funding Information:

2010 - - X1750 - SMR120 - SM - D107 - 0 - 0000 - 160000 - - - - -
 25711 - 6100 - 6600 -
 \$7,500.00

Total Cost: \$58,985.00

NOTE: In order for invoices to be processed for payment, they must include your Federal ID Number, P.O. Nr., and invoice Nr. Without these numbers your invoice will be returned and payment will be delayed.

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COMMERCIAL CLAUSES

1 INVOICE INSTRUCTIONS-MARAD

INVOICE INSTRUCTIONS- MARAD

The Contractor may submit invoices in either electronic or paper format. Electronic submission is preferred.

(1) Electronic invoices shall be addressed to MARAD Invoices @faa.gov, with copy to MARADSARInvoices@dot.gov

Electronic invoices shall conform to the following criteria, or be subject to rejection:

- a. Invoice and supporting documentation shall be in Adobe Acrobat (pdf) format.
- b. The e-mail subject shall include the contract/purchase order number and invoice number.
- c. The transmitting e-mail shall include the following information: Name of the Contractor; Invoice date and number; Invoice amount; Contract Number and, if applicable, the order or modification number; Terms of any discount for prompt payment offered; Payment instructions (i.e., financial institution, ABA routing #, account #.)

(2) Paper invoices shall be submitted to one of the following addresses. Multiply copies are not required.

MARAD A/P SAR Invoices Branch
 AMZ-150
 PO Box 25710
 Oklahoma City, OK 73125

If a street address is required for delivery (i.e., Federal Express), the following address may be used in lieu of the post office box:
 MARAD A/P SAR INVOICES Branch
 AMZ-150
 6500 S MacArthur Blvd
 Oklahoma City, OK 73169

2 DOL SERVICE CONTRACT WAGE DETERMINATION

DOL SERVICE CONTRACT WAGE DETERMINATION

The following Department of Labor Service Contract Act Wage Determination is applicable to performance for these services: WD#2376 (REV 7) 08/04/2009, was first posted on www.dol.gov on 09/16/2008.

The wage determination may be viewed online at:
<http://www.wdol.gov/wdol/scafiles/std/05-2376.txt>.

3	52.212-04 ALT I	CONTRACT TERMS AND CONDITIONS--COMMERCIAL ITEMS (OCT 2008) - ALTERNATE I	OCTOBER 2008
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(a) Inspection/Acceptance. (1) The Government has the right to inspect and test all materials furnished and services performed under this contract, to the extent practicable at all places and times, including the period of performance, and in any event before acceptance.

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The Government may also inspect the plant or plants of the Contractor or any subcontractor engaged in contract performance. The Government will perform inspections and tests in a manner that will not unduly delay the work.

(2) If the Government performs inspection or tests on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

(3) Unless otherwise specified in the contract, the Government will accept or reject services and materials at the place of delivery as promptly as practicable after delivery, and they will be presumed accepted 60 days after the date of delivery, unless accepted earlier.

(4) At any time during contract performance, but not later than 6 months (or such other time as may be specified in the contract) after acceptance of the services or materials last delivered under this contract, the Government may require the Contractor to replace or correct services or materials that at time of delivery failed to meet contract requirements. Except as otherwise specified in paragraph (a)(6) of this clause, the cost of replacement or correction shall be determined under paragraph (i) of this clause, but the "hourly rate" for labor hours incurred in the replacement or correction shall be reduced to exclude that portion of the rate attributable to profit. Unless otherwise specified below, the portion of the "hourly rate" attributable to profit shall be 10 percent. The Contractor shall not tender for acceptance materials and services required to be replaced or corrected without disclosing the former requirement for replacement or correction, and, when required, shall disclose the corrective action taken. [Insert portion of labor rate attributable to profit.]

(5)(i) If the Contractor fails to proceed with reasonable promptness to perform required replacement or correction, and if the replacement or correction can be performed within the ceiling price (or the ceiling price as increased by the Government), the Government may-

(A) By contract or otherwise, perform the replacement or correction, charge to the Contractor any increased cost, or deduct such increased cost from any amounts paid or due under this contract; or

(B) Terminate this contract for cause.

(ii) Failure to agree to the amount of increased cost to be charged to the Contractor shall be a dispute under the Disputes clause of the contract.

(6) Notwithstanding paragraphs (a)(4) and (5) above, the Government may at any time require the Contractor to remedy by correction or replacement, without cost to the Government, any failure by the Contractor to comply with the requirements of this contract, if the failure is due to-

(i) Fraud, lack of good faith, or willful misconduct on the part of the Contractor's managerial personnel; or

(ii) The conduct of one or more of the Contractor's employees selected or retained by the Contractor after any of the Contractor's managerial personnel has reasonable grounds to believe that the employee is habitually careless or unqualified.

(7) This clause applies in the same manner and to the same extent to corrected or replacement materials or services as to materials and services originally delivered under this contract.

(8) The Contractor has no obligation or liability under this contract to correct or replace materials and services that at time of delivery do not meet contract requirements, except as provided in this clause or as may be otherwise specified in the contract.

(9) Unless otherwise specified in the contract, the Contractor's obligation to correct or replace Government-furnished property shall be governed by the clause pertaining to Government property.

(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 52.233-1, 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. (1) The clause at FAR 52.202-1, Definitions, is incorporated herein by reference. As used in this clause-

(i) Direct materials means those materials that enter directly into the end product, or that are used or consumed directly in connection with the furnishing of the end product or service.

(ii) Hourly rate means the rate(s) prescribed in the contract for payment for labor that meets the labor category qualifications of a labor category specified in the contract that are-

(A) Performed by the contractor;

(B) Performed by the subcontractors; or

(C) Transferred between divisions, subsidiaries, or affiliates of the contractor under a common control.

(iii) Materials means-

(A) Direct materials, including supplies transferred between divisions, subsidiaries, or affiliates of the contractor under a common control;

(B) Subcontracts for supplies and incidental services for which there is not a labor category specified in the contract;

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(C) Other direct costs (e.g., incidental services for which there is not a labor category specified in the contract, travel, computer usage charges, etc.);

(D) The following subcontracts for services which are specifically excluded from the hourly rate: [Insert any subcontracts for services to be excluded from the hourly rates prescribed in the schedule.]; and

(E) Indirect costs specifically provided for in this clause.

(iv) Subcontract means any contract, as defined in FAR Subpart 2.1, entered into with a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract including transfers between divisions, subsidiaries, or affiliates of a contractor or subcontractor. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(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 of 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;

(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) Payments. (1) Services accepted. Payment shall be made for services accepted by the Government that have been delivered to the delivery destination(s) set forth in this contract. The Government will pay the Contractor as follows upon the submission of commercial invoices approved by the Contracting Officer:

(i) Hourly rate.

(A) The amounts shall be computed by multiplying the appropriate hourly rates prescribed in the contract by the number of direct labor hours performed. Fractional parts of an hour shall be payable on a prorated basis.

(B) The rates shall be paid for all labor performed on the contract that meets the labor qualifications specified in the contract. Labor hours incurred to perform tasks for which labor qualifications were specified in the contract will not be paid to the extent the work is performed by individuals that do not meet the qualifications specified in the contract, unless specifically authorized by the Contracting Officer.

(C) Invoices may be submitted once each month (or at more frequent intervals, if approved by the Contracting Officer) to the Contracting Officer or the authorized representative.

(D) When requested by the Contracting Officer or the authorized representative, the Contractor shall substantiate invoices (including any subcontractor hours reimbursed at the hourly rate in the schedule) by evidence of actual payment, individual daily job timecards, records that verify the employees meet the qualifications for the labor categories specified in the contract, or other substantiation specified in the contract.

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(E) Unless the Schedule prescribes otherwise, the hourly rates in the Schedule shall not be varied by virtue of the Contractor having performed work on an overtime basis.

(1) If no overtime rates are provided in the Schedule and the Contracting Officer approves overtime work in advance, overtime rates shall be negotiated.

(2) Failure to agree upon these overtime rates shall be treated as a dispute under the Disputes clause of this contract.

(3) If the Schedule provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by the Contracting Officer.

(ii) Materials.

(A) If the Contractor furnishes materials that meet the definition of a commercial item at FAR 2.101, the price to be paid for such materials shall be the contractor's established catalog or market price, adjusted to reflect the-

(1) Quantities being acquired; and

(2) Any modifications necessary because of contract requirements.

(B) Except as provided for in paragraph (i)(1)(ii)(A) and (D)(2) of this clause, the Government will reimburse the Contractor the actual cost of materials (less any rebates, refunds, or discounts received by the contractor that are identifiable to the contract) provided the Contractor-

(1) Has made payments for materials in accordance with the terms and conditions of the agreement or invoice; or

(2) Makes these payments within 30 days of the submission of the Contractor's payment request to the Government and such payment is in accordance with the terms and conditions of the agreement or invoice.

(C) To the extent able, the Contractor shall-

(1) Obtain materials at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials; and

(2) Give credit to the Government for cash and trade discounts, rebates, scrap, commissions, and other amounts that are identifiable to the contract.

(D) Other Costs. Unless listed below, other direct and indirect costs will not be reimbursed.

(1) Other Direct Costs. The Government will reimburse the Contractor on the basis of actual cost for the following, provided such costs comply with the requirements in paragraph (i)(1)(ii)(B) of this clause: [Insert each element of other direct costs (e.g., travel, computer usage charges, etc. Insert "None" if no reimbursement for other direct costs will be provided. If this is an indefinite delivery contract, the Contracting Officer may insert "Each order must list separately the elements of other direct charge(s) for that order or, if no reimbursement for other direct costs will be provided, insert 'None'."]

(2) Indirect Costs (Material Handling, Subcontract Administration, etc.). The Government will reimburse the Contractor for indirect costs on a pro-rata basis over the period of contract performance at the following fixed price: [Insert a fixed amount for the indirect costs and payment schedule. Insert "\$0" if no fixed price reimbursement for indirect costs will be provided. (If this is an indefinite delivery contract, the Contracting Officer may insert "Each order must list separately the fixed amount for the indirect costs and payment schedule or, if no reimbursement for indirect costs, insert 'None'.")]

(2) Total cost. It is estimated that the total cost to the Government for the performance of this contract shall not exceed the ceiling price set forth in the Schedule and the Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this contract within such ceiling price. If at any time the Contractor has reason to believe that the hourly rate payments and material costs that will accrue in performing this contract in the next succeeding 30 days, if added to all other payments and costs previously accrued, will exceed 85 percent of the ceiling price in the Schedule, the Contractor shall notify the Contracting Officer giving a revised estimate of the total price to the Government for performing this contract with supporting reasons and documentation. If at any time during the performance of this contract, the Contractor has reason to believe that the total price to the Government for performing this contract will be substantially greater or less than the then stated ceiling price, the Contractor shall so notify the Contracting Officer, giving a revised estimate of the total price for performing this contract, with supporting reasons and documentation. If at any time during performance of this contract, the Government has reason to believe that the work to be required in performing this contract will be substantially greater or less than the stated ceiling price, the Contracting Officer will so advise the Contractor, giving the then revised estimate of the total amount of effort to be required under the contract.

(3) Ceiling price. The Government will not be obligated to pay the Contractor any amount in excess of the ceiling price in the Schedule, and the Contractor shall not be obligated to continue performance if to do so would exceed the ceiling price set forth in the Schedule, unless and until the Contracting Officer notifies the Contractor in writing that the ceiling price has been increased and specifies in the notice a revised ceiling that shall constitute the ceiling price for performance under this contract. When and to the extent that the ceiling price set forth in the Schedule has been increased, any hours expended and material costs incurred by the Contractor in excess of the ceiling price before the increase shall be allowable to the same extent as if the hours expended and material costs had been incurred after the increase in the ceiling price.

(4) Access to records. At any time before final payment under this contract, the Contracting Officer (or authorized representative) will have access to the following (access shall be limited to the listing below unless otherwise agreed to by the Contractor and the Contracting Officer):

(i) Records that verify that the employees whose time has been included in any invoice meet the qualifications for the labor categories specified in the contract;

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- (ii) For labor hours (including any subcontractor hours reimbursed at the hourly rate in the schedule), when timecards are required as substantiation for payment-
- (A) The original timecards (paper-based or electronic);
 - (B) The Contractor's timekeeping procedures;
 - (C) Contractor records that show the distribution of labor between jobs or contracts; and
 - (D) Employees whose time has been included in any invoice for the purpose of verifying that these employees have worked the hours shown on the invoices.
- (iii) For material and subcontract costs that are reimbursed on the basis of actual cost-
- (A) Any invoices or subcontract agreements substantiating material costs; and
 - (B) Any documents supporting payment of those invoices.
- (5) Overpayments/Underpayments. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding invoices, that are found by the Contracting Officer not to have been properly payable and shall also be subject to reduction for overpayments or to increase for underpayments. The Contractor shall promptly pay any such reduction within 30 days unless the parties agree otherwise. The Government within 30 days will pay any such increases, unless the parties agree otherwise. The Contractor's payment will be made by check. If the Contractor becomes aware of a duplicate invoice payment or that the Government has otherwise overpaid on an invoice payment, the Contractor shall—
- (i) Remit the overpayment amount to the payment office cited in the contract along with a description of the overpayment including the—
 - (A) Circumstances of the overpayment (e.g., duplicate payment, erroneous payment, liquidation errors, date(s) of overpayment);
 - (B) Affected contract number and delivery order number, if applicable;
 - (C) Affected contract line item or subline item, if applicable; and
 - (D) Contractor point of contact.
 - (ii) Provide a copy of the remittance and supporting documentation to the Contracting Officer.
- (6)(i) All amounts that become payable by the Contractor to the Government under this contract shall bear simple interest from the date due until paid unless paid within 30 days of becoming due. The interest rate shall be the interest rate established by the Secretary of the Treasury, as provided in section 611 of the Contract Disputes Act of 1978 (Public Law 95-563), which is applicable to the period in which the amount becomes due, and then at the rate applicable for each six month period as established by the Secretary until the amount is paid.
- (ii) The Government may issue a demand for payment to the Contractor upon finding a debt is due under the contract.
 - (iii) Final Decisions. The Contracting Officer will issue a final decision as required by 33.211 if—
 - (A) The Contracting Officer and the Contractor are unable to reach agreement on the existence or amount of a debt in a timely manner;
 - (B) The Contractor fails to liquidate a debt previously demanded by the Contracting Officer within the timeline specified in the demand for payment unless the amounts were not repaid because the Contractor has requested an installment payment agreement; or
 - (C) The Contractor requests a deferment of collection on a debt previously demanded by the Contracting Officer (see FAR 32.607-2).
 - (iv) If a demand for payment was previously issued for the debt, the demand for payment included in the final decision shall identify the same due date as the original demand for payment.
 - (v) Amounts shall be due at the earliest of the following dates:
 - (A) The date fixed under this contract.
 - (B) The date of the first written demand for payment, including any demand for payment resulting from a default termination.
 - (vi) The interest charge shall be computed for the actual number of calendar days involved beginning on the due date and ending on—
 - (A) The date on which the designated office receives payment from the Contractor;
 - (B) The date of issuance of a Government check to the Contractor from which an amount otherwise payable has been withheld as a credit against the contract debt; or
 - (C) The date on which an amount withheld and applied to the contract debt would otherwise have become payable to the Contractor.
 - (vii) The interest charge made under this clause may be reduced under the procedures prescribed in 32.608-2 of the Federal Acquisition Regulation in effect on the date of this contract.
 - (viii) Upon receipt and approval of the invoice designated by the Contractor as the "completion invoice" and supporting documentation, and upon compliance by the Contractor with all terms of this contract, any outstanding balances will be paid within 30 days unless the parties agree otherwise. The completion invoice, and supporting documentation, shall be submitted by the Contractor as promptly as practicable following completion of the work under this contract, but in no event later than 1 year (or such longer period as the Contracting Officer may approve in writing) from the date of completion.
- (7) Release of claims. The Contractor, and each assignee under an assignment entered into under this contract and in effect at the time of final payment under this contract, shall execute and deliver, at the time of and as a condition precedent to final payment under this contract, a release discharging the Government, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions.
- (i) Specified claims in stated amounts, or in estimated amounts if the amounts are not susceptible to exact statement by the Contractor.
 - (ii) Claims, together with reasonable incidental expenses, based upon the liabilities of the Contractor to third parties arising out of performing this contract, that are not known to the Contractor on the date of the execution of the release, and of which the Contractor

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gives notice in writing to the Contracting Officer not more than 6 years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier.

(iii) Claims for reimbursement of costs (other than expenses of the Contractor by reason of its indemnification of the Government against patent liability), including reasonable incidental expenses, incurred by the Contractor under the terms of this contract relating to patents.

(8) 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.

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

(10) 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 that appears on the payment check or the specified payment date if an electronic funds transfer payment is made.

(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 an amount for direct labor hours (as defined in the Schedule of the contract) determined by multiplying the number of direct labor hours expended before the effective date of termination by the hourly rate(s) in the contract, less any hourly rate payments already made to the Contractor plus reasonable charges the Contractor can demonstrate to the satisfaction of the Government using its standard record keeping system that 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 that 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 52.212-5.

(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.

(9) The specification.

(t) Central Contractor Registration (CCR).

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(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 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.

(End of clause)

4 52.212-05 **CONTRACT TERMS AND CONDITIONS REQUIRED TO IMPLEMENT STATUTES OR EXECUTIVE ORDERS-- COMMERCIAL ITEMS** **SEPTEMBER 2009**

(a) The Contractor shall comply with the following Federal Acquisition Regulation (FAR) clauses, which are incorporated in this contract by reference, to implement provisions of law or Executive orders applicable to acquisitions of commercial items:

- (1) 52.222-50, Combating Trafficking in Persons (FEB 2009) (22 U.S.C. 7104(g)).
___ Alternate I (AUG 2007) of 52.222-50 (22 U.S.C. 7104(g)).
- (2) 52.233-03, Protest After Award (AUG 1996) (31 U.S.C. 3553).
- (3) 52.233-04, Applicable Law for Breach of Contract Claim (OCT 2004) (Pub. L. 108-77, 108-78)

(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) 52.203-06, Restrictions on Subcontractor Sales to the Government (Sept 2006), with Alternate I (Oct 1995) (41 U.S.C. 253g and 10 U.S.C. 2402).

___ (2) 52.203-13, Contractor Code of Business Ethics and Conduct (DEC 2008) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note)).

___ (3) 52.203-15, Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009 (MAR 2009) (Section 1553 of Pub. L. 111-5). (Applies to contracts funded by the American Recovery and Reinvestment Act of 2009.)

___ (4) 52.204-11, American Recovery and Reinvestment Act—Reporting Requirements (MAR 2009) (Pub. L. 111-5).

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- ___ (5) 52.219-03, Notice of Total HUBZone Small Business Set-Aside (Jan 1999) (15 U.S.C 657a).
- ___ (6) 52.219-04, Notice of Price Evaluation Preference for HUBZone Small Business Concerns (JULY 2005) (if the offeror elects to waive the preference, it shall so indicate in its offer) (15 U.S.C 657a).
- ___ (7) [Reserved]
- ___ (8)(i) 52.219-06, 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.
- ___ (9)(i) 52.219-07 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.
- ___ (10) 52.219-08, Utilization of Small Business Concerns (May 2004) (15 U.S.C. 637 (d)(2) and (3)).
- ___ (11)(i) 52.219-09, Small Business Subcontracting Plan (APR 2008) (15 U.S.C. 637(d)(4)).
- ___ (ii) Alternate I (Oct 2001) of 52.219-9.
- ___ (iii) Alternate II (Oct 2001) of 52.219-9.
- ___ (12) 52.219-14, Limitations on Subcontracting (Dec 1996) (15 U.S.C. 637(a)(14)).
- ___ (13) 52.219-16, Liquidated Damages—Subcontracting Plan (JAN 1999) (15 U.S.C. 637(d)(4)(F)(i)).
- ___ (14)(i) 52.219-23, Notice of Price Evaluation Adjustment for Small Disadvantaged Business Concerns (OCT 2008) (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.
- ___ (15) 52.219-25, Small Disadvantaged Business Participation Program--Disadvantaged Status and Reporting (APR 2008) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- ___ (16) 52.219-26, Small Disadvantaged Business Participation Program--Incentive Subcontracting (Oct 2000) (Pub. L. 103-355, section 7102, and 10 U.S.C. 2323).
- ___ (17) 52.219-27, Notice of Total Service-Disabled Veteran-Owned Small Business Set-Aside (May 2004) (15 U.S.C. 657 f).
- ___ (18) 52.219-28, Post Award Small Business Program Rerepresentation (APR 2009) (15 U.S.C. 632(a)(2)).
- X _ (19) 52.222-03, Convict Labor (June 2003) (E.O. 11755).
- X__ (20) 52.222-19, Child Labor-Cooperation with Authorities and Remedies (AUG 2009) (E.O. 13126).
- X (21) 52.222-21, Prohibition of Segregated Facilities (Feb 1999).
- X__ (22) 52.222-26, Equal Opportunity (MAR 2007) (E.O. 11246).
- X__ (23) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEPT 2006) (38 U.S.C. 4212).
- ___ (24) 52.222-36, Affirmative Action for Workers with Disabilities (Jun 1998) (29 U.S.C. 793).

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___ (25) 52.222-37, Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEPT 2006) (38 U.S.C. 4212).

___ (26) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) (E.O. 13201).

___ (27) 52.222-54, Employment Eligibility Verification (JAN 2009). (Executive Order 12989). (Not applicable to the acquisition of commercially available off-the-shelf items or certain other types of commercial items as prescribed in 22.1803.)

___ (28)(i) 52.223-09, Estimate of Percentage of Recovered Material Content for EPA-Designated Items (MAY 2008) (42 U.S.C. 6962(c)(3)(A)(ii)).

___ (ii) Alternate I (MAY 2008) of 52.223-09 (42 U.S.C. 6962(i)(2)(C)).

___ (29) 52.223-15, Energy Efficiency in Energy-Consuming Products (DEC 2007) (42 U.S.C. 8259b).

___(30)(i) 52.223-16, IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products (DEC 2007) (E.O. 13423).

___(ii) Alternate I (DEC 2007) of 52.223-16.

___ (31) 52.225-01, Buy American Act—Supplies (June 2003) (41 U.S.C. 10a-10d).

___ (32)(i)52.225-03, Buy American Act—Free Trade Agreements—Israeli Trade Act (JUNE 2009) (41 U.S.C. 10a-10d, 19 U.S.C. 3301 note, 19 U.S.C. 2112 note, 19 U.S.C. 3805 note, Pub. L. 108-77, 108-78, 108-286, 108-302, 109-53, 109-169, 109-283, and 110-138.

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

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

___ (33) 52.225-05, Trade Agreements (AUG 2009) (19 U.S.C. 2501, et seq., 19 U.S.C. 3301 note).

___ (34) 52.225-13, Restrictions on Certain Foreign Purchases (JUNE 2008) (E.O.'s, proclamations, and statutes administered by the Office of Foreign Assets Control of the Department of the Treasury).

___ (35) 52.226-04, Notice of Disaster or Emergency Area Set-Aside (NOV 2007) (42 U.S.C. 5150).

___ (36) 52.226-05, Restrictions on Subcontracting Outside Disaster or Emergency Area (NOV 2007) (42 U.S.C. 5150).

___ (37) 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)).

___ (38) 52.232-30, Installment Payments for Commercial Items (Oct 1995) (41 U.S.C. 255(f), 10 U.S.C. 2307(f)).

X___ (39) 52.232-33, Payment by Electronic Funds Transfer-Central Contractor Registration (Oct 2003) (31 U.S.C. 3332).

___ (40) 52.232-34, Payment by Electronic Funds Transfer-Other than Central Contractor Registration (May 1999) (31 U.S.C. 3332).

___ (41) 52.232-36, Payment by Third Party (May 1999) (31 U.S.C. 3332).

___ (42) 52.239-01, Privacy or Security Safeguards (Aug 1996) (5 U.S.C. 552a).

___ (43)(i) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx 1241(b) and 10 U.S.C. 2631).

___ (ii) Alternate I (Apr 2003) of 52.247-64.

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(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.]

X__ (1) 52.222-41, Service Contract Act of 1965 (NOV 2007) (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) (SEP 2009) (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 (SEP 2009) (29 U.S.C. 206 and 41 U.S.C. 351, et seq.).

X__ (5) 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements (NOV 2007) (41 U.S.C. 351, et seq.).

___ (6) 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services--Requirements (FEB 2009) (41 U.S.C. 351, et seq.).

___ (7) 52.226-06, Promoting Excess Food Donation to Nonprofit Organizations (MAR 2009) (Pub. L. 110-247).

___ (8) 52.237-11, Accepting and Dispensing of \$1 Coin (SEPT 2008) (31 U.S.C. 5112(p)(1)).

(d) Comptroller General Examination of Record. The Contractor shall comply with the provisions of this paragraph (d) if this contract was awarded using other than sealed bid, is in excess of the simplified acquisition threshold, and does not contain the clause at 52.215-2, Audit and Records--Negotiation.

(1) The Comptroller General of the United States, or an authorized representative of the Comptroller General, shall have access to and right to examine any of the Contractor's directly pertinent records involving transactions related to this contract.

(2) The Contractor shall make available at its offices at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until 3 years after final payment under this contract or for any shorter period specified in FAR Subpart 4.7, Contractor Records Retention, of the other clauses of this contract. If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement. Records relating to appeals under the disputes clause or to litigation or the settlement of claims arising under or relating to this contract shall be made available until such appeals, litigation, or claims are finally resolved.

(3) As used in this clause, records include books, documents, accounting procedures and practices, and other data, regardless of type and regardless of form. This does not require the Contractor to create or maintain any record that the Contractor does not maintain in the ordinary course of business or pursuant to a provision of law.

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

(i) 52.203-13, Contractor Code of Business Ethics and Conduct (DEC 2008) (Pub. L. 110-252, Title VI, Chapter 1 (41 U.S.C. 251 note)).

(ii) 52.219-08, 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 \$550,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(iii) [Reserved]

(iv) 52.222-26, Equal Opportunity (MAR 2007) (E.O. 11246).

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(v) 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (SEPT 2006) (38 U.S.C. 4212).

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

(vii) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) (E.O. 13201).

(viii) 52.222-41, Service Contract Act of 1965 (NOV 2007)(41 U.S.C. 351, et seq.).

(ix) 52.222-50, Combating Trafficking in Persons (FEB 2009) (22 U.S.C. 7104(g)).

___Alternate I (AUG 2007) of 52.222-50 (22 U.S.C. 7104(g)).

(x) 52.222-51, Exemption from Application of the Service Contract Act to Contracts for Maintenance, Calibration, or Repair of Certain Equipment-Requirements (NOV 2007) (41 U.S.C. 351, et seq.).

(xi) 52.222-53, Exemption from Application of the Service Contract Act to Contracts for Certain Services-Requirements (FEB 2009) (41 U.S.C. 351, et seq.).

(xii) 52.222-54, Employment Eligibility Verification (JAN 2009)

(xiii) 52.226-06, Promoting Excess Food Donation to Nonprofit Organizations (MAR 2009) (Pub. L. 110-247). Flow down required in accordance with paragraph (e) of FAR clause 52.226-06.

(xiv) 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels (Feb 2006) (46 U.S.C. Appx. 1241(b) and 10 U.S.C. 2631). Flow down required in accordance with paragraph (d) of FAR clause 52.247-64.

(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.

(End of Clause)

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SECTION H -- SPECIAL CONTRACT REQUIREMENTS

H.1 MCL.H-2 SUPPLEMENTAL WORK REQUESTS

AUGUST
2005

(a.) In the complex world of ship repairs, supplemental work often emerges as a result of test, inspection, or discovery of unknown or otherwise differing conditions. The extent and nature of such supplemental work can neither be identified in bid or proposal specifications, and both parties recognize the possibility that such work may arise. Notwithstanding the possibility of the identification of such work, MARAD does not guarantee the award of any supplemental work during contract performance.

(b.) Although MARAD shall be under no obligation to award supplemental work during contract performance, MARAD has provided an estimate for labor (in labor hours) and material (in dollars) for such work in the Schedule (Section B of the solicitation under applicable supplemental work contract line item numbers (CLIN or CLINs)). The offeror shall specify an hourly composite billing rate in its bid or proposal for supplemental work labor. The composite labor-billing rate shall be the rate applicable to labor for all supplemental work that MARAD orders under the applicable supplemental CLIN of the resulting contract. Any supplies or subcontracts required to complete supplemental work will be charged as a direct cost reimbursable under the applicable supplemental work CLIN; additional indirect charges for materials and subcontracts will not be allowed.

(c.) During the performance of the contract, when conditions indicate a need for supplemental work, the Contracting Officer's Technical Representative (COTR) is empowered to provide technical direction, negotiate the amount of labor and material, and authorize the contractor to perform supplemental work through the issuance of a written authorization. The COTR will issue authorizations for supplemental work in accordance with the following:

(1.) When conditions make supplemental work appropriate, the COTR shall submit to the contractor a supplemental work request that identifies the work to be accomplished.

(2.) The Contractor shall promptly review each supplemental work request upon receipt and shall, within seventy-two (72) hours of issuance, or sooner, as specified by the COTR, provide the COTR with a proposed price for the supplemental work. Price proposals for all supplemental work must be broken down by labor hours, materials, and subcontracts and allocated to the applicable supplemental work CLIN as appropriate. The contractor shall price the supplemental work to be performed in accordance with the composite labor rate bid or proposed under the supplemental work CLIN in the contract. If necessary, the Contractor shall submit prices for subcontractors, which will be negotiated and treated as direct materials. Once the COTR and contractor agree on the technical direction and price to accomplish the supplemental work, the contractor and COTR shall sign the authorization for supplemental work, which shall be final and binding on the contractor and MARAD. Subject to paragraphs (c.) (3.) through (c.) (6.), if urgent circumstances do not permit waiting for a written authorization, the parties may orally agree and follow up with written confirmation.

(3.) Notwithstanding the preceding, the COTR shall not authorize and the contractor shall not accept individual supplemental work authorizations from the COTR in excess of the price ceiling established by the Contracting Officer pursuant to paragraph (d.) (10.). In addition, the COTR shall not authorize and the contractor shall not accept a supplemental work authorization from the COTR that, when combined with all previously authorized supplemental work under the contract, exceeds the amount of labor hours and materials specified in the applicable supplemental work CLINs.

(4.) If the contractor requests an adjustment to the contract completion date in its proposal for the supplemental work, the COTR must refer the issue to the Contracting Officer for resolution, which could include modifying the performance period of the contract. All supplemental work must be accomplished within the contract performance period. The COTR shall not authorize and the contractor shall not accept supplemental work authorizations from the COTR that cannot be completed within the contract performance period.

(5.) If the COTR and contractor cannot agree upon the price, the time required, or any other term of a supplemental work request, the matter shall be referred to the Contracting Officer who may resolve the issue in accordance with the procedures contained in the Changes clause incorporated in the contract. Specifically, the Contracting Officer shall have the option of (i) directing that the Contractor perform the work at a price and within a time period determined by the Contracting Officer to be reasonable, or (ii) withdrawing said supplemental work request. The Contractor's refusal to perform the work as directed by the Contracting Officer shall constitute an event of default under the default clauses of the contract. Disputed issues resulting from supplemental work unilaterally directed by the Contracting Officer may be handled under the disputes clause of the contract.

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(6.) If the Contracting Officer directs the Contractor to perform the work at a price and within a time period determined by the Contracting Officer to be reasonable, the Contractor shall maintain and submit to MARAD on a daily basis, report sheets itemizing materials used, the costs and man hours of all labor (direct, indirect, and impact), production schedule activities affected by and/or related thereto, and charges for equipment, whether furnished by the Contractor, subcontractors or others. Material charges shall be substantiated by valid copies of materials and/or suppliers invoices. Such invoices shall be submitted with the daily report sheets or, if not available, as soon as reasonably practicable thereafter. Said daily reports shall also include an indication as to which specific schedule activity(ies) are affected by the order which are the subject of the daily report sheets. To the extent the contractor fails or refuses to submit the aforementioned daily report sheets on a daily basis, such failure or refusal shall constitute a basis for the Contracting Officer to suspend payment for work completed under the supplemental work until appropriate documentation required by the contract is provided.

(d.) The following rules apply to supplemental work authorizations:

(1.) The COTR shall authorize supplemental-work only during the period of performance of the contract.

(2.) All authorizations for supplemental work are subject to the terms and conditions of the contract and must be within the scope of the contract.

(3.) If mailed, an authorization is considered "issued" when MARAD deposits the order in the mail. Authorizations may also be issued orally, or by written communications, that is hand-delivered or sent by facsimile or electronic transmission. Oral orders must be followed up by written confirmation as soon as practicable thereafter.

(4.) Unless otherwise explicitly noted in the authorization for supplemental work, all authorizations for supplemental work are firm fixed price. The agreed upon price shall cover all costs including, but not limited to, direct and indirect labor and material, overhead, delay, acceleration, and disruption caused by the supplemental work. Where the parties are unable to agree that an order establishes mutually agreeable terms, the parties shall note the specific differences that are not agreed upon in the text of the proposed work authorization and refer the matter to the Contracting Officer for resolution pursuant to paragraph (c).(5.).

(5.) Unless the contractor otherwise explicitly notes in the supplemental work authorization, in consideration of the price of the order, the Contractor remises, releases, and forever discharges MARAD, its officers, agents, employees, and sureties from any and all civil claims and requests for equitable adjustment whatsoever, relating to, arising out of, or connected with said supplemental work authorization. Such release is full and final settlement of all claims and requests for equitable adjustment relating to, arising out of, or connected with the work authorization, as modified, including, but not limited to, all impact claims such as delay, acceleration, disruption, and cumulative effects of the instant and all previously issued supplemental work authorizations. The executed work authorization constitutes a complete and final adjustment of the price and the delivery schedule.

(6.) When MARAD requires supplies or services covered by the contract in an amount less than the total value of the contract, MARAD is not obligated to award supplemental work for the balance of the price bid or proposed for supplemental work. The Contractor is not obligated to honor additional supplemental work in excess of the estimated labor hours identified in the Schedule. This subparagraph does not affect or change the Contracting Officer's authority under the changes clause of the contract.

(7.) Except for limitations of labor hours estimated in the Schedule, there is no limit to the number of supplemental work authorizations that may be issued. MARAD may issue supplemental work authorizations requiring delivery or performance in multiple locations, if the contract contemplates multiple locations.

(8.) In the event a supplemental work authorization covers a series of related procedures, the Contracting Officer may request the Contractor to furnish separate prices for each item of the work.

(9.) If not otherwise provided, the Contracting Officer may request at any time during performance of supplemental work a list of subcontractors performing work covered by the supplemental work, the dollar value of the respective subcontracts, and a description of the subcontracted work, and the contractor shall promptly provide the requested information.

(10.) The COTR shall not issue and the contractor shall not accept supplemental work authorizations from the COTR that exceeds _____ . (Contracting Officer fills in amount up to \$5000.)

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SECTION J -- LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

J.1 PERFORMANCE WORK STATEMENT (PWS)

TS EMPIRE STATE

DTMA2P10026

HP/LP TURBINE INSPECTION

1. ABSTRACT

The intent of this item is to accomplish inspection of the High Pressure, Low Pressure and associated output shaft couplings as per the requirements of the American Bureau of Shipping.

2. REFERENCES:

2.1 Main Propulsion Turbine Technical Manual Nr 209/172 (available onboard)

3. LOCATION:

3.1 Vessel Location: SUNY Maritime College, #6 Pennyfield Ave, Bronx, NY

3.2 Equipment: Main Operating Platform, TS Empire State

3.3 Equipment Description: MFR: Newport News Ship Building, Hull Nr 552
One (1) Set Cross Compound Steam Turbines

High Pressure Turbine, single flow impulse type

Low Pressure Turbine, single flow impulse reaction type w/astern element

3.4 Approximate Weights:

HP Casing Upper Half: 6,500 lbs

HP Rotor : 2,700 lbs

LP Casing Upper Half: 15,600 lbs

LP Rotor : 15,500 lbs

4. OWNER FURNISHED EQUIPMENT/MATERIAL/SERVICES:

4.1 The Maritime Administration will arrange for American Bureau of Shipping Surveyor attendance.

4.2 Installed turbine lifting gear may be utilized by the Contractor to accomplish Statement of Work.

5. STATEMENT OF WORK:

5.1 Contractor will supply a recognized turbine field services technician for all Disassembly, inspection, and re-assembly proceedings of this work.

5.1.1. Suggested Sources:

Mr. J. Michael Ross, (718)-439-2900

Mr. Walt Taggert, (917)-705-1025

5.2 HIGH PRESSURE TURBINE (CLIN 001)

5.2.1. Contractor will perform all removals, including insulation and lagging To permit access to all bolting and fasteners to allow separation of the HP Turbine upper casing. All removals to be bagged and secured for Re-installation.

5.2.2 Contractor will unbolt all casing horizontal fasteners, retain same for Reinstallation.

5.2.3 Contractor will unbolt forward and aft HP Turbine Rotor Bearing Caps . Rig clear from the assembly bearing cap and upper bearing assembly.

5.2.4 When directed by attending Turbine Rep and COTR, lift and rig clear The upper HP Turbine Casing form the rotor assembly.

5.2.5 Under the direction of the attending Turbine Representative, obtain a Complete set of internal measurements as required by ABS and the Manufacture Technical Manual. All bearings will be dis-assembled, cleaned and inspected in accordance with manufactures Technical Manual.

- 5.2.6 When directed by the COTR, clean all casing horizontal and vertical joints to include bearing cap surfaces. Provide and install new gasket Sealing compound as specified by the Manufactures Technical Manual. Re-install the HP Turbine Upper casing, utilizing previously Removed fasteners. Torque all bolts and fasteners in accordance accordance with provided Technical Manual criteria.
- 5.2.7 When directed by the COTR, re-install all previously removed lagging And insulation.
- 5.3 HIGH PRESSURE TURBINE ROTOR (CLIN 0002)
 - 5.3.1 Contractor shall assume that the HP Turbine Rotor will be required to Be rigged clear of the HP Turbine assembly. When directed by the COTR, rig the HP Turbine Rotor clear of the lower casing assembly to a safe working area within the Operating Platform. Contractor to provide suitable blocking and bracing to allow rotor to be secured for inspection.
 - 5.3.2 Accomplish inspection of all lower casing diaphragms and steam seals As delineated in the Manufactures Technical Manual.
 - 5.3.3 When directed by the COTR, the HP turbine rotor will be reinstalled in Accordance with the Manufactures Technical Manual.
- 5.4 HP/LP OUTPUT SHAFT COUPLING INSPECTION (CLIN 0003)
 - 5.4.1 Both High Pressure and Low Pressure high speed coupling covers will be removed to a safe working area. All horizontal and vertical sealing surfaces shall be cleaned and prepared for reinstallation. All removed fasteners shall be bagged and safely stored for reinstallation.
 - 5.4.2 HP and LP couplings will be unbolted from associated turbine rotor Shafts and pinion gears. Couplings will be rigged clear to a safe work area, dis-assembled, clean and inspected in accordance with the Manufactures Technical Manual.
 - 5.4.3 When directed by the COTR, Contractor will reassemble the coupling Assemblies, reinstall same in their parent location in accordance with The Manufactures Technical Manual. Reinstall previously removed coupling covers utilizing appropriate joint sealant compound to obtain a leak free fit.
- 5.5 LP TURBINE INSPECTION (CLIN004)
 - 5.5.1 Contractor will unbolt the fwd and aft LP Turbine rotor bearing caps and rig clear to a secure area.
 - 5.5.2 Bearings shall be rolled out one at a time, clean inspected and reinstalled. Bearing Oil deflector assemblies shall be rolled out, cleaned, inspected and reinstalled. Upon reinstallation Contractor shall obtain bearing oil clearances. Only one bearing to be removed at a time.
 - 5.5.3 When directed by the COTR, reinstall previously removed bearing caps and associated interferences using appropriate joint sealant.
 - 5.5.4 Contractor to unbolt and rig clear the manhole access inway of the exhaust trunk to allow access to accomplish inspection and condition assessment of the last stages of the LP Turbine Rotor and the Astern element.
 - 5.5.5 When directed by the COTR, reinstall the manhole utilizing new gasket material.
- 5.6 LINE SHAFT, THRUST BEARING, REDUCTION GEAR (CLIN0005)
 - 5.6.1 Contractor shall unbolt the overflow pipeline on the main thrust Bearing housing and rig clear to a secure location. The cover plate on top of the thrust assembly will be unbolted and rigged clear.
 - 5.6.2 The thrust collar and shoes will be inspected in the presence of the ABS Surveyor. Required clearances obtained and provided to the COTR and Chief Engineer.
 - 5.6.3 Contractor shall provide suitable sized hydraulic jacks and set up

Same in accordance with Manufactures Technical Manual. Shafting assembly will be bumped to obtain total thrust clearance of the propulsion shafting. Obtained clearances to be provided to the COTR and Chief Engineer. Upon completion remove the jacks and reinstall All previously removed covers and interferences.

- 5.6.4 The Contractor under supervision of the Chief Engineer, will open all Main Reduction Gear Inspection covers. Ships Force will energize the reduction gear lube oil system and jacking gear assembly to allow for inspection of gear elements and oil sprays for proper flow. When directed by the COTR, reinstall all inspection covers.

6.0 PERFORMANCE CRITERIA/DELIVERABLES

- 6.1 Contractor shall notify the COTR a minimum of eight hours in advance of Required American Bureau of Shipping check points
- 6.2 Contractor shall prepare a close out Turbine Inspection Report upon Completion of this work, listing all observed conditions and clearances Found. Report to be delivered to the COTR.