SOLICITATION / CONTRACT / ORDER FOR COMMERCIAL ITEMS *OFFEROR TO COMPLETE BLOCKS 12, 17, 23, 24, & 30*			1. REQUISITION NUMBER	PAGE 1 OF 43
2. CONTRACT NO.	3. AWARD/EFFECTIVE DATE 01/15/2010	4. ORDER NUMBER DTMA1P10008	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 CODE 00091

DOT/Maritime Administration, MAR-380
1200 New Jersey Ave SE, MAR380 W26-429

Washington, DC 20590
TEL: (202) 366-0514 ext.
FAX: (202) 366-3237 ext.

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:
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 CODE HQ610

DOT/Maritime Administration, MAR-610
1200 New Jersey Ave., SE, MAR610, W25-209/212

Washington, DC 20590
Attn: Shaun Ireland

16. ADMINISTERED BY CODE 00091

DOT/Maritime Administration, MAR-380
1200 New Jersey Ave SE, MAR380 W26-429

Washington, DC 20590

17a. CONTRACTOR/ OFFEROR CODE * FACILITY CODE

Esco Marine Inc.

16200 Joe Garza Sr Rd
Brownsville, TX 78521-1920
TELEPHONE NO.(956) 831-4531 ext.

18a. PAYMENT WILL BE MADE BY CODE

DOT/ Enterprise Services Center (ESC) OFO/FAA, Oklahoma City
MARAD A/P Headquarters Invoices Branch AMZ-150 PO Box 25710
Oklahoma City, OK 73125

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
2010 - 70 - X17680 - 001SD - - 0000 - 16 - 000 - 25433 - - SDSCP00 - - - - - -

26. TOTAL AWARD AMOUNT (For Govt. Use Only)
$ 925,863.00

☐ 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 _____ 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:

30a. SIGNATURE OF OFFEROR/CONTRACTOR
K Wood

31a. UNITED STATES OF AMERICA *(SIGNATURE OF CONTRACTING OFFICER)*
Wayne W Leong

30b. NAME AND TITLE OF SIGNER *(Type or print)*
Kris Wood, Contracts & Logistics

30c. DATE SIGNED
12/30/09

31b. NAME OF CONTRACTING OFFICER *(Type or print)*
Wayne Leong

31c. DATE SIGNED
12/31/2010

AUTHORIZED FOR LOCAL REPRODUCTION
PREVIOUS EDITION IS NOT USABLE

STANDARD FORM 1449 (REV. 3/2005)
Prescribed by GSA - FAR (48 CFR) 53.212

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

32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE	32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE
	32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE

33. SHIP NUMBER	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT	37. CHECK NUMBER
PARTIAL FINAL			☐ COMPLETE ☐ PARTIAL ☐ FINAL	
38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY		

41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT		42a. RECEIVED BY *(Print)*	
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER	41c. DATE	42b. RECEIVED AT *(Location)*	
		42c. DATE REC'D *(YY/MM/DD)*	42d. TOTAL CONTAINERS

Line Item Summary	Document Number	Title	Page
	DTMA1P10008	WINTHROP VICTORY	3 of 43

Total Funding: $925,863.00

FYs		Fund	Budget Org	Sub	Object Class	Sub	Program	Cost Org	Sub	Proj/Job No.	Sub	Reporting Category
2010	70	X17680	001SD		0000	16	000	25433		SDSCP00		

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)
0001	Tow, Remediate and Dismantle Vessel WINTHROP VICTORY	332 dys. (ADC)	1.00	EA	$925,863.000	$ 925,863.00

Provide services to prepare an oceanic tow of the vessel ex-WINTHROP VICTORY from the BAE Shipyard in the San Fransisco Bay area to the contractor's facility in Brownsville Texas to completely remediate, dismantle and recycle all materials and components of the vessel.

Funding Information:
2010 - 70 - X17680 - 001SD - - 0000 - 16 - 000 - 25433 - - SDSCP00
- - - - - -
$925,863.00

Total Cost: $925,863.00

Requisition Number: PR600100026.

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COMMERCIAL CLAUSES

1	52.212-03	OFFEROR REPRESENTATIONS AND CERTIFICATIONS - COMMERCIAL ITEMS.	MARCH 2005

Contractor has an updated Representations and Certifications in ORCA which are incorporated by reference.

2	52.212-04	CONTRACT TERMS AND CONDITIONS--COMMERCIAL ITEMS	MARCH 2009

(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. If repair/replacement or reperformance will not correct the defects or is not possible, the Government may seek an equitable price reduction or adequate consideration for acceptance of nonconforming supplies or services. 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 for 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) 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—
(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) Interest. (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, as provided in (i)(6)(v) of this clause, and then at the rate applicable for each six-month period as fixed 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 within 30 days;
(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 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.

(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, 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; Section 1553 of the American Recovery and Reinvestment Act of 2009 relating to whistleblower protections for contracts funded under that Act; 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.
(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 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.

3	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.]

_x__ (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).

__x_ (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).

___ (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.

_x__ (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).

_x__ (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).

__x_ (24) 52.222-36, Affirmative Action for Workers with Disabilities (Jun 1998) (29 U.S.C. 793).

_x__ (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).

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

__x_ (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).

__x_ (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.

(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.).

___ (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).

(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)

4 TOW PREPARATION RESPONSIBILITIES

SHIP DISPOSAL PROGRAM
TOW PREPARATION RESPONSIBILITY
FOR OBSOLETE SHIPS
Provide and/or Install as indicated:
1. Schedule Towing Preparations / Ship movements - Fleet and Contractor (Monday-Friday to assist the Contractor in preparing the vessel for departure. Federal holidays, such as Thanksgiving shall be observed. Weekends may be arranged with enough notice.)

2. Filing Notices of Intent and Termination for coverage under the Vessel General Permit for Discharges Incidental to the Normal Operations of Vessels (VGP) while under tow - Fleet

3. Ensuring vessel in compliance with the VGP while under tow - Contractor

4. Sounding of tank liquids - Fleet

5. Tank sounding verification - Contractor

6. Internal tank surveys - Contractor

7. Ballasting for tow / dry-docking and adjust mooring lines while ballasting - Contractor

8. All regulatory and insurance requirements documents - Contractor

9. Contingency response plans and equipment for beyond Fleet boundary - Contractor

10. Towing equipment for the intended tow - Contractor

11. Secure loose items for sea - Contractor

12. Removal of Government equipment/material - Fleet

13. Safety, support escorts and power - Fleet (unpowered rows may need contractor supplied generators)

14. Shaft and rudder locks - Fleet/Contractor (Fleet provides if locks are readily available and preinstalled, Contractor provides if locks are not readily available)

15. Disconnecting from moorings - Fleet

16. 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.)

17. 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)

Responsible Parties:
Contractor - is the ship disposal contractor and any of it subcontractors.
Fleet - is the fleet anchorage organization as supported by its region and Headquarters' office.

5 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.

6 PERFORMANCE BONDING GUIDELINES

FY 2009-2010 Ship Disposal - Sales and Acquisitions
Bid Bond, Performance Bond Guidelines

Bid Bonds:
Currently the Maritime Administration does not require Bid Bonds for vessel sales offers or price revision requests. The Maritime Administration may in the future require Bid Bonds if it determines market conditions and contractor performance warrant such action.

Performance Bonds:
The bond ranges shown in the attached table are based on the estimated costs to the government to complete vessel remediation and recycling in a situation of contract default. That cost is adjusted based on a risk assessment of the likelihood of default, which considers the past performance of a specific contractor. Other factors that are considered in determining the bond amount includes the proximity to other contractors that could complete the work in the case of default and the contractors proposed period of performance. As market and other factors change with time, the bond amounts on the attached table may be adjusted according. When submitting sales bids or price revisions offerors should compare their proposed vessel performance period to the performance period ranges in the bonding plan chart. Offerors should submit their bid utilizing the highest performance bond amount in the range that corresponds to their proposed vessel performance period.

Performance Bond Guidelines for Individual Vessel Recycling Contracts
Based on the Length of the Project Period of Performance

For Contractors that HAVE had previous acceptable MARAD vessel recycling experience
Sales Contracts and Fee-For-Service Contracts

Single Vessel Performance Period *	Bond Amount Range **
<15 months	$150,000 - $249,999
15 - 20 months	$250,000 - $499,999
>20 months***	$500,000 - $1,000,000

For Contractors that HAVE NOT had previous acceptable MARAD vessel recycling experience
Sales Contracts and Fee-For-Service Contracts

Single Vessel Performance Period *	Bond Amount
<12 months	$500,000
12 - 18 months	$650,000
18 - 20 months	$800,000
>20 months***	$1,000,000 - $1,500,000

Proposed single vessel periods of performance greater than 20 months will not be accepted with price revisions and will be considered as non-responsive. See ***Note below for single ship periods of performance that exceed 20 months after contract award.

* The single vessel period of performance as indicated on the contractor's integrated performance schedule as submitted during vessel solicitations and contractually agreed to at time of contract award.

** The exact bond amount will be determined upon contract award and will be based upon an assessment of the contractor's past performance and current capability. In accepting the award of the contract, the successful bidder/contractor will be accepting the Maritime Administration's determination of the performance bond amount. In this usage "the contractor" is defined as the apparent best value bidder for sales bids and fee-for-service contracts. The potential costs of completing the contract work will be taken into consideration in calculating the performance bond amount i.e. costs of towing, availability of other contractors in that geographic area, etc.

For any vessel performance period that extends beyond the performance periods indicated in the above table, the contractor shall be required to increase the performance bond for each vessel to the next performance bond level. Conversely, if the schedule completion date can be confirmed, for two consecutive reporting periods, as completing prior to the performance periods indicated in the above table then the contractor shall be eligible for a reduction in the performance bond to the next lowest bonding level. Failure to post the increased bond amount will be considered a performance failure and the existing bond will be collected by the Maritime Administration. The failure will also be considered in the past performance assessment for subsequent contract awards.

New offerors are required to satisfactorily complete one recycling project with MARAD in the last three years before they can be considered as having recycling experience.

*** NOTE: After contract award, when any combination of existing or new vessel recycling awards, whether via sales bids and/or price revisions, results in the submittal of an integrated performance schedule that contains single ship performance periods beyond 20 months, an appropriate increase in bonding will be applied between the ranges indicated in the table above. The bond amount will increase in $100,000 increments for every two months the period of performance goes beyond 20 months with a cap of $1,000,000 for contractors with previous recycling experience and a $1,500,000 cap for contractors without previous recycling experience. Failure to post the increased bond amount will be considered a performance failure and the existing bond will be collected by the Maritime Administration. The failure will also be considered in the past performance assessment determining subsequent contract awards.

The performance bond for this contract is set at $150,000.

7 MINIMUM INSURANCE REQUIREMENT

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 its 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 or 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
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.

8 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. For this contract the Product Service Code (PSC) is P300, the North American Industry Code Standard (NIACS) is 362910 and the small business size standard is $13 million.

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 of towing. The Contracting Officer will also consider making payment of properly supported and documented requests for payment of this item 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 as required by the clause entitled "Performance Bonding Guidelines" 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 throught the contract performance and until such time as a written release has been issued by the Contracting Officer.

10 CONTRACTING OFFICER 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 Jeff Siragusa from contract award through departure from the Shipyard. Kevin Smith will assume COTR duties once the vessel has departed the Shipyard and until contract performance is completed.

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.

11 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 $5,500,000, 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.

SECTION C -- DESCRIPTIONS AND SPECIFICATIONS

C.1 STATEMENT OF WORK

C.1 STATEMENT OF WORK

DESCRIPTIONS AND SPECIFICATIONS

C.1 WORK STATEMENT - DISPOSAL OF SBRF VESSEL WITH DRY-DOCKING

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, Clean Water Act (CWA), the Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHA), and the National Pollution Discharge Elimination System (NPDES) 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 BAE San Francisco Ship Repair (the "Shipyard") and shall convey custody of the vessel for towing to the Contractors facility for dismantlement. Prior to the transfer of custody, and through separate contracting actions, the vessels will be dry-docked for paint remediation and/or underwater hull cleaning. Upon undocking, the vessels will be moored at a wet berth at the shipyard where the Contractor shall complete all required tow preparations prior to departure for the Contractors recycling facility. The Contractor is responsible for the coordination of all activities related to the preparation of the vessel for inland and ocean towing including and towing the vessel from the shipyard to their recycling facility, as stated in C1-2 TOWING THE VESSEL. The Contractor shall coordinate all activities and tugs to ensure the vessel departs San Francisco Bay within 3 days after undocking (written notice to be provided by MARAD) but not later than 5 days after undocking. The Contractor shall remove the vessel from the shipyard within 3 to 5 days after undocking, which is scheduled for (TBD). The Contractor shall actively coordinate with the Shipyard and MARAD officials to ensure effective performance under this contract. This includes meetings and discussions, in any medium, as needed or directed by MARAD, and in a reasonable frequency to ensure the effective flow of information as the various tasks are performed.

The Contractor agrees to accept delivery and custody of the obsolete vessels "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.

Unless otherwise stated, all "days" are calendar days.

The following are the vessel characteristics for the Vessel WINTHROP VICTORY
Official No: 247957
Hull Type: Breakbulk
Design: VC2-S-AP2
Year Built: 1945
LOA: 455
Beam: 62
Draft: 28
Light Ship Displacement: 4,526
Location: Suisun Bay Reserve Fleet (SBRF)

All personnel provided by the Contractor to support the performance of the work defined in this Contract shall have appropriate training and, 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 its TCP submitted as part of its General Technical Proposal in response to this solicitation and any updates submitted in response to requests for pricing which demonstrates his/her knowledge and understanding of all applicable Federal, State and local laws. The TCP shall be incorporated by reference in all ship recycling contracts. The Contractor shall maximize scrap and salvage equipment/material proceeds. 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 shall 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 Contractor's 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). The Contractor shall complete all necessary inland waterway tow preparations, perform required regulatory submittals and obtain all required approvals, and have the vessel ready for fleet departure to the Shipyard on (TBD). The vessel shall depart the fleet for dry-docking at San Francisco Ship Repair. The Contractor should complete as much of the tow preparation as possible at the fleet prior to its departure to the shipyard.
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 after undocking from the Shipyard, complete all remaining oceanic and Panama Canal tow preparations, and tow the vessel(s) from the Shipyard pier to the Contractor's ship recycling facility. The Contractor shall remove the vessel from the Shipyard pier within 3 to 5 days after the vessel is un-docked from the dry-dock. The Contractor will be informed of the un-docking date by the Government.
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 THE 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 (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). Where international tows are concerned, towing contracts shall be awarded to towing companies that comply with the ISM Code.

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 vessel may not be towed in tandem.

Joint Inspection. The Contractor shall participate in a joint hull inspection with the Government and the Shipyard within four (4) hours after the completion of the underwater hull cleaning. The purpose of the joint inspection is to identify potential ship condition issues that could adversely influence subsequent work tasks, and may require repair prior to the un-docking of the vessel.

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 SAFETY REGULATIONS for reserve fleet safety rules and required personal protective equipment. See TOWING PREPARATION RESPONSIBILITIES, 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 to ensure that the vessel is in compliance with the National Pollution Discharge Elimination System (NPDES), Vessel General Permit, while under tow, and applies for all the inspections, record keeping, and reporting requirements under the NPDES Vessel General Permit, with the exception of filing the Notices of Intent and Termination, which will be filed by MARAD. The Contractor is responsible only for compliance while the vessel is under its control during the ocean towing task, from the Shipyard to its recycling facility. (The Shipyard is responsible for the inland waterway tow from the SBRF to their dry-dock and from the dry-dock to their wet berth).

The Contractor shall complete all tow preparations required by the U .S.C.G., Independent and/or Insurance Surveyors, Panama Canal representatives, Shipyard dry-docking requirements and towing companies, and have the vessel ready for departure from the fleet to the Shipyard on a date to be determined by the Government. The Contractor shall manage and coordinate the entire ship-breaking process, from tow preparations through to the complete recycling of the vessel, with the exception that the Shipyard shall be responsible for towing the vessel from the SBRF to its dry-dock facility. The Shipyard shall be responsible for procuring the tugs, pilots, line handlers as necessary to remove the vessel from the SBRF and deliver it to their dry-dock and shall be responsible for un-docking and shifting of the vessel to the wet berth at their facility. The Contractor shall be required to conduct inland and ocean tow preparations, including any Panama Canal requirements; trim the vessel at the SBRF for dry-docking and towing as required; complete the final ocean tow preparations at a wet berth at the

shipyard, as necessary; and tow the vessel from the shipyard to its recycling facility. The Contractor shall coordinate the completion of the tow preparations so as not to interfere with any of the dry-dock work specifications, specifically the hydro wash of exfoliating paint on the vessels freeboard areas and horizontal and vertical surfaces of the main deck. This may require the completion of final tow preparations after the vessel is undocked and moored in the wet berth. The Contractor is responsible for obtaining all appropriate regulatory approvals for all towing tasks. The contractor shall be responsible for providing pilots, tugs, line handlers and mooring lines to support the towing of the vessel from the shipyard to Brownsville, TX. The Contractor shall not use the existing vessel mooring lines for the tow or berthing of the vessel and shall ensure there are sufficient mooring lines on the vessel to safely secure the vessel at the wet berth after un-docking.

Coordination. The Contractor shall actively coordinate with the Shipyard and MARAD officials to ensure effective performance under this contract. This includes meetings and discussions, in any medium, as needed or directed by MARAD, and in a reasonable frequency to ensure the effective flow of information as the various tasks are performed.

The Contractor is required to meet with the Fleet Program Manager upon completion of all required surveys and inspections to discuss actions and plans resulting from surveys and inspections. 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 Program Manager. 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) while at the Fleet without first consulting with the Fleet Program Manager and obtaining all required approvals. Under no circumstances will liquids be discharged overboard from the Obsolete Vessels(s) while under tow except as permitted under the NPDES Vessel General Permit.

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 prepositioned 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 Program Manager 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 except that the Contractor is responsible only when it has custody of the vessel. . 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.

The Contractor shall complete in full the COTR provided Dead Ship Tow Oil Spill Contingency Plan Emergency Contact Notification List and provide the completed form to the COTR not later then 10 days after the contract start date.

4. The Contractor shall provide the COTR, a daily situation report, due to the COTR not later than 10:00am EST daily, 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 the placement, immediately upon the vessels arrival, of a containment boom around the vessel in the event of oil discharging from the obsolete vessels. The containment equipment shall remain in place at all times during the recycling operation while the vessel or any part of the vessel remains in the water. 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.

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.

C1-3.1. Notice to Proceed (NTP). A Notice to Proceed will be issued by the Contracting Officer once the required deliverables are submitted and approved by the Government. The NTP will authorize the Contractor to proceed with the performance of work under the contract. The deliverables required prior to NTP are as follows:
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. 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(s) 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. 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.

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 Weighted Average Breakdown	7 days after Contract Start Date.
Deliver Surveyor's Trip in Tow Recommendation Report	5 days after NTP.
Deliver Liquid Load /Ballast Plan for towing	Not later than 7 days prior to tow.
Complete Inland Tow Preparations Prior to scheduled tow to BAE	NLT (TBD).

Deliver Vessel Afloat Monitoring Plan 10 days after Contract Start Date, but not later than 3 days prior to the vessel oceanic tow.
Deliver Oil Spill Contingency Plan Emergency 10 days after Contract Start Date,
Contact Notification List but not later than 3 days prior to oceanic tow.
Deliver Towers Insurance NLT 3 days prior to vessel departure from oceanic tow.
Deliver Facilities Pollution Insurance NLT 3 days prior to oceanic tow.
Deliver U.S.C.G. Load line Exemption
/Order for Departure Prior to the oceanic tow.
Vessel departs fleet for dry docking NLT (TBD)
Vessel is undocked and shifted to the pier (TBD)
Remove Vessel from BAE's Facility NLT 3 to 5 days after undocking at BAE.
Deliver Pre-Arrival/Arrival Reports 4 days after vessel arrival.
Deliver Hazardous Materials/Wastes
Inventory/Contractor Estimate. 10 days after vessel arrival.
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.
Move Vessel into Dismantling Slip 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 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 (OSHAct) 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 Clean Water Act,
(CWA) Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHAct) and the National Pollution Discharge Elimination System (NPDES) as well as international laws, treaties, conventions and agreements, as applicable.

C1-5 SALE OF RECYCLABLE/REUSABLE EQUIPMENT/ SCRAP MATERIAL
Notwithstanding the fact that the Government will retain title to the vessel, 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 sufficiently qualified to accomplish the scope of work.

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. 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 MARADCOTR 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 Clean Water Act (CWA), Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), and the Occupational Safety and Health Act (OSHAct), and the National Pollution Discharge Elimination System (NPDES) 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 vessel's arrival at the facility, all discharges from the vessel must be included in, and covered under, the facility's NPDES permit, or equivalent federal or state water discharge permit. Upon the Government's request, the 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 Clean Water Act (CWA), Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHAct) and the National Pollution Discharge Elimination System (NPDES) 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 Clean Water Act (CWA), Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHAct) and the National Pollution Discharge Elimination System (NPDES) 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.
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 biweekly 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 eporting period.
3. Recyclable Materials
a. Status of recyclable equipment and materials disposal including copies of all required property transfer documents.
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 heath 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/licensees 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 it 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 offeror'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.
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 Contractor 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 recyclable 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" in accordance with the Federal Acquisition Regulation (FAR).
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, 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 there under 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 Clean Water Act (CWA), Toxic Substances Control Act (TSCA), the Resource Conservation and Recovery Act (RCRA), Occupational Safety and Health Act (OSHAct), and the National Pollution Discharge Elimination System (NPDES) 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 out the contract performance and until such time as a written release has been issued by the Contracting Officer.

SECTION F -- DELIVERIES OR PERFORMANCE

F.1 52.211-11 LIQUIDATED DAMAGES--SUPPLIES, SERVICES, OR RESEARCH AND DEVELOPMENT SEPTEMBER 2000

(a) If the Contractor fails to deliver the supplies or perform the services within the time specified in this contract, the Contractor shall, in place of actual damages, pay to the Government liquidated damages of $600 per calendar day of delay [Contracting Officer insert amount].

(b) If the Government terminates this contract in whole or in part under the Default-Fixed-Price Supply and Service clause, the Contractor is liable for liquidated damages accruing until the Government reasonably obtains delivery or performance of similar supplies or services. These liquidated damages are in addition to excess costs of repurchase under the Termination clause.

(c) The Contractor will not be charged with liquidated damages when the delay in delivery or performance is beyond the control and without the fault or negligence of the Contractor as defined in the Default-Fixed-Price Supply and Service clause in this contract.

(End of clause)

F.2 PERIOD OF PERFORMANCE

F.2 PERIOD OF PERFORMANCE for Recycling Services of the Vessel WINTHROP VICTORY
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 7 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 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 Contractor's integrated group schedule submitted with its price verification dated 9 November 2009. 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 contracted vessel shall commence on the Contract Start Date and complete within 332 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 contracted vessel 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.

SECTION H -- SPECIAL CONTRACT REQUIREMENTS

H.1 DEMURRAGE

The Contractor is responsible for the payment of the first five (5) days of demurrage from the scheduled undocking date incurred by its subcontracted towing service while performing the Statement of Work. The Government is not responsible for any demurrage incurred prior to the un-docking of the vessel from BAE's dry dock facility.

H.2 DAMAGES

H.2 ADDITIONAL DAMAGES
Due to the precise timing required for certain tasks, the Government may incur additional actual damages as a result of the contractor's Contractor non-performance. Therefore, in addition to any other damages specified in the contract, the contractor shall be responsible for the following actual damages:
1. If the Contractor fails to commence towing of the vessel from the San Francisco Bay within the required 3-5 day window after the vessel is undocked from the drydock at BAE Systems, the Contractor shall pay actual damages incurred by the Government. Such damages may include, but are not limited to, the cost of layberth, re-drydocking the vessel, tug demurrage, etc.
2. If the Government terminates to contract in whole or in part under paragraph (m), Termination for cause, of clause FAR 52.212-4, CONTRACT TERMS AND CONDITIONS--COMMERCIAL ITEMS (MAR 2009), the Contractor is liable for actual damages incurred by the Government. These damages are in addition to any and all rights and remedies provided by law.
3. The Contractor will not be charged for damages when the delay in performance is due to circumstances beyond the control and is without the fault or negligence of the Contractor as defined paragraph (f), Excusable delays, of clause FAR 52.212-04 CONTRACT TERMS AND CONDITIONS--COMMERCIAL ITEMS (Mar 2009) in this contract.

SECTION I -- CONTRACT CLAUSES

I.1 SPECIAL CLAUSE FOR CONTRACT FINANCING

Contract Financing Clause

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:

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

2. The Contractor shall be entitled to financing payments submitted as long as the weighted average schedule is accompanied with sufficient documentation that demonstrates progress, and MARAD approves the payment request.

3. The liquidation rate shall be 90%. However, if requested, the Contracting Officer will consider approving payments up to 100% for towing costs only. The contractor must request in writing not later than the issuance by MARAD of the official Notice to Proceed their request for approval of towing invoices at the 100% rate. Additionally, the Contracting Officer will consider paying towing costs in a time frame sooner than 30 days. Those payment requests must be clearly marked as "Fast Pay". Fast Pay will only apply to payment of towing costs. At no time prior to the completion of the contract requirement and MARAD's acceptance will the total financing exceed 90% of the contract price.

4. As security the Contractor shall submit a performance bond for the sum certain indicated in each contract to the Contracting Officer. The bond shall be in the form of a firm commitment in accordance with Treasury Department regulations, supported by corporate sureties whose names appear on the list contained in Treasury Department Circular 570; individual sureties; or by other acceptable security such as postal money order, certified check, irrevocable letter of credit.

5. To be considered for approval, the payment request must contain the following information: Contractor name: contract number; payment request date, signature of the Contractor's authorized official; payment request number; task(s); point of contact; and performance period. The payment request must be submitted through MarkView to the office in Oklahoma City indicated in the contract. The following statement must be included on the bottom of the payment request: "I have reviewed this payment request 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 requested." Payment requests for accelerated payment for towing costs must be submitted as stand alone requests and must be clearly marked "FAST PAY REQUESTED". Comingled payment requests for Fast Pay that include activities other than towing will result in rejection of the entire payment request.

6. This clause may be modified as payment procedures change.

I.2 52.204-04 PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER AUGUST 2000

(a) Definitions. As used in this clause—

"Postconsumer material" means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item. Postconsumer material is a part of the broader category of "recovered material." For paper and paper products, postconsumer material means "postconsumer fiber" defined by the U.S. Environmental Protection Agency (EPA) as—

(1) Paper, paperboard, and fibrous materials from retail stores, office buildings, homes, and so forth, after they have passed through their end-usage as a consumer item, including: used corrugated boxes; old newspapers; old magazines; mixed waste paper; tabulating cards; and used cordage; or

(2) All paper, paperboard, and fibrous materials that enter and are collected from municipal solid waste; but not

(3) Fiber derived from printers' over-runs, converters' scrap, and over-issue publications.

"Printed or copied double-sided" means printing or reproducing a document so that information is on both sides of a sheet of paper.

"Recovered material," for paper and paper products, is defined by EPA in its Comprehensive Procurement Guideline as "recovered fiber" and means the following materials:

(1) Postconsumer fiber; and

(2) Manufacturing wastes such as—

(i) Dry paper and paperboard waste generated after completion of the papermaking process (that is, those manufacturing operations up to and including the cutting and trimming of the paper machine reel into smaller rolls or rough sheets) including: envelope cuttings, bindery trimmings, and other paper and paperboard waste resulting from printing, cutting, forming, and other converting operations; bag, box, and carton manufacturing wastes; and butt rolls, mill wrappers, and rejected unused stock; and

(ii) Repulped finished paper and paperboard from obsolete inventories of paper and paperboard manufacturers, merchants, wholesalers, dealers, printers, converters, or others.

(b) In accordance with Section 101 of Executive Order 13101 of September 14, 1998, Greening the Government through Waste Prevention, Recycling, and Federal Acquisition, the Contractor is encouraged to submit paper documents, such as offers, letters, or reports, that are printed or copied double-sided on recycled paper that meet minimum content standards specified in Section 505 of Executive Order 13101, when not using electronic commerce methods to submit information or data to the Government.

(c) If the Contractor cannot purchase high-speed copier paper, offset paper, forms bond, computer printout paper, carbonless paper, file folders, white wove envelopes, writing and office paper, book paper, cotton fiber paper, and cover stock meeting the 30 percent postconsumer material standard for use in submitting paper documents to the Government, it should use paper containing no less than 20 percent postconsumer material. This lesser standard should be used only when paper meeting the 30 percent postconsumer material standard is not obtainable at a reasonable price or does not meet reasonable performance standards.

(End of clause)

I.3 52.232-29 TERMS FOR FINANCING OF PURCHASES OF COMMERCIAL FEBRUAR

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(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:

(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.4 WAGE DETERMINATION

Wage Determination No. WD 2005-2519 Rev 6 is incorporated into this contract.