

SECTION E -- INSPECTION AND ACCEPTANCE

E.1 52.252-02                      Clauses Incorporated By Reference                      FEBRUARY 1998

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

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

Clause	Title	Date
52.246-02	Inspection Of Supplies--Fixed Price	August 1996
52.246-03	Inspection Of Supplies Cost-Reimbursement	May 2001
52.246-04	Inspection Of Services- Fixed Price	August 1996
52.246-05	Inspection Of Services Cost-Reimbursement	April 1984
52.246-16	Responsibility for Supplies	April 1984

E.2 PERFORMANCE QUALITY CONTROL-BOTH PHASES

a. Ship Manager performance shall be evaluated by the ACO throughout the life of the contract. Ship management services which do not meet the minimum quality standards specified in the QASP, TE-2, and elsewhere in this contract, may be subject to deductions or other remedies. These remedies may include but are not limited to the following:

- (1) Re-performance by the Ship Manager, as directed by the ACO.
- (2) Re-performance by the government, with re-performance costs charged to the Ship Manager.
- (3) Reduction in per diem.
- (4) Partial Termination for default.
- (5) Termination for default.

b. The foregoing shall not be construed as a waiver or modification of any rights available to the Government under FAR 52.246-2 or 52.246-4, as incorporated in Section E; nor of any other right or remedy available to the government.

c. The ACO, with the assistance of the COTR shall prepare a semi-annual Ship Manager performance evaluation in accordance with the Award Term Incentive Option Plan (ATIOP). A copy of this evaluation shall be forwarded to the Ship Manager for review and comment. The Ship Manager shall have no less than thirty (30) days to submit written comments, rebutting statements, or additional information to the ACO. The completed evaluation shall not be released to other than government personnel and the contractor whose performance is being evaluated.

E.3 INSPECTION AND ACCEPTANCE DUTIES FOR REIMBURSABLE ITEMS

The Ship Manager is responsible for inspection and acceptance of reimbursable items that the Ship Manager is authorized to procure. Each reimbursable invoice shall be submitted for payment in accordance with the instructions provided in Section G.

#### E.4 FINAL ACCEPTANCE

The Government's final acceptance of services provided under this contract shall be made only upon certification of the Final Invoice as defined in the invoicing provisions contained in Section G. Such certification shall be made by the ACO.

#### E.5 QUALITY ASSURANCE SURVEYS AND INSPECTIONS

- a. The Government or persons authorized by the Government shall have the right to inspect, and survey the ships at any time and at any location, in order to ascertain their material condition, as deemed necessary and appropriate by the Government.
- b. To the extent accommodation aboard the ship and USCG Certification will permit, the Government shall have the right of assigning personnel aboard the ship to observe or inspect the performance under the contract.
- c. If, in the opinion of the authorized representative of the Government, deficiencies exist in the material condition or appearance of a ship resulting from lack of timely or adequate maintenance and repair, or other failure to perform obligations set forth in this contract, a deficiency report can be issued by the ACO or COTR. Corrections of deficiencies shall be performed at the Government's option in accordance with the provisions of FAR 52.246-4, Inspection of Services-Fixed Price, and provided in the provision at Section E.2, Performance Quality Control - Both Phases.

#### E.6 THIRD PARTY AUDITS

The Government reserves the right to attend third party audits of ISM and other quality assurance approaches. If the Government is unable to attend a third party audit, it shall be provided a copy of the analysis when it is published.

[END OF SECTION E]