

PPPL General Provisions for Non-Commercial Subcontracts
Reference List
Part F- Time & Materials or Labor-Hour Subcontracts

SUBCONTRACT NO. _____

The following clauses, the full texts of which are set forth below, are hereby incorporated in and made part of the above-cited subcontract.

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ADDITIONAL APPLICABLE CLAUSES

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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Part F - Time & Materials or Labor-Hour-Type Subcontracts

F1. PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS (FEB 2002)

Princeton will pay the Subcontractor as follows upon the submission of invoices or vouchers approved by Princeton:

(a) Hourly rate.

(1) The amounts shall be computed by multiplying the appropriate hourly rates prescribed in the Schedule by the number of direct labor hours performed. The rates shall include wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be payable on a prorated basis. Vouchers may be submitted once each month (or at more frequent intervals, if approved by Princeton), to Princeton or designee. The Subcontractor shall substantiate vouchers by evidence of actual payment and by individual daily job timecards, or other substantiation approved by Princeton. Promptly after receipt of each substantiated voucher, Princeton shall, except as otherwise provided in this subcontract, and subject to the terms of (e) of this section, pay the voucher as approved by Princeton.

(2) Unless otherwise prescribed in the Schedule, Princeton shall withhold 5 percent of the amounts due under this paragraph (a), but the total amount withheld shall not exceed \$50,000. The amounts withheld shall be retained until the execution and delivery of a release by the Subcontractor as provided in paragraph (f) of this section.

(3) Unless the Schedule prescribes otherwise, the hourly rates in the Schedule shall not be varied by virtue of the Subcontractor having performed work on an overtime basis. If no overtime rates are provided in the Schedule and overtime work is approved in advance by Princeton, overtime rates shall be negotiated. Failure to agree upon these overtime rates shall be treated as a dispute under the Disputes clause of this subcontract. If the Schedule provides rates for overtime, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by Princeton.

(b) Materials and sub subcontracts.

(1) Princeton will determine allowable costs of direct materials in accordance with Subpart 31.2 of the Federal Acquisition Regulation (FAR) in effect on the date of this subcontract. Direct materials, as used in this clause, are those materials that enter directly into the end product, or that are used or consumed directly in connection with the furnishing of the end product.

(2) The Subcontractor may include reasonable and allocable material handling costs in the charge for material to the extent they are clearly excluded from the hourly rate. Material handling costs are comprised of indirect costs, including, when appropriate, general and administrative expense allocated to direct materials in accordance with the Subcontractor's usual accounting practices consistent with Subpart 31.2 of the FAR.

(3) Princeton will reimburse the Subcontractor for items and services purchased directly for the

subcontract only when payments of cash, checks, or other forms of payment have been made for such purchased items or services.

(4)(i) Princeton will reimburse the Subcontractor for costs of lower-tier subcontracts that are authorized under the subcontract clause of this subcontract, provided that the costs are consistent with paragraph (b)(5) of this clause.

(ii) Princeton will limit reimbursable costs in connection with lower-tier subcontracts to the amounts paid for items and services purchased directly for the subcontract only when Subcontractor has made or will make payments of cash, checks, or other forms of payment to the lower-tier subcontractor.

(A) In accordance with the terms and conditions of a lower-tier subcontract or invoice; and

(B) Ordinarily prior to the submission of the Subcontractor's next payment request to Princeton.

(iii) Princeton will not reimburse the Subcontractor for any costs arising from the letting, administration, or supervision of performance of the subcontract, if the costs are included in the hourly rates payable under paragraph (a)(1) of this clause.

(5) To the extent able, the Subcontractor shall-

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

(ii) Take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other benefits. When unable to take advantage of the benefits, the Subcontractor shall promptly notify Princeton and give the reasons. The Subcontractor shall give credit to Princeton for cash and trade discounts, rebates, scrap, commissions, and other amounts that have accrued to the benefit of the Subcontractor, or would have accrued except for the fault or neglect of the Subcontractor. The Subcontractor shall not deduct from gross costs the benefits lost without fault or neglect on the part of the Subcontractor, or lost through fault of Princeton.

Alternate I (MAR 2000) If the nature of the work to be performed requires the Subcontractor to furnish material that the Subcontractor regularly sells to the general public in the normal course of business, and the price is under the limitations prescribed in 16.601(b)(3), add the following paragraph (6) to paragraph (b) of the basic clause:

(b)(6) If the nature of the work to be performed requires the Subcontractor to furnish material that the Subcontractor regularly sells to the general public in the normal course of business, the price to be paid for such material, notwithstanding the other requirements of this paragraph (b), shall be on the basis of an established catalog or list price, in effect when the material is furnished, less all applicable discounts to Princeton, provided that in no event shall such price be in excess of

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the Subcontractor's sales price to its most favored customer for the same item in like quantity, or the current market price, whichever is lower.

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

(d) Ceiling price. Princeton shall not be obligated to pay the Subcontractor any amount in excess of the ceiling price in the Schedule, and the Subcontractor shall not be obligated to continue performance if to do so would exceed the ceiling price set forth in the Schedule, unless and until Princeton shall have notified the Subcontractor in writing that the ceiling price has been increased and shall have specified in the notice a revised ceiling that shall constitute the ceiling price for performance under this subcontract. When and to the extent that the ceiling price set forth in the Schedule has been increased, any hours expended and material costs incurred by the Subcontractor in excess of the ceiling price before the increase shall be allowable to the same extent as if the hours expended and material costs had been incurred after the increase in the ceiling price.

(e) Audit. At any time before final payment under this subcontract Princeton may request audit of the invoices or vouchers and substantiating material. Each payment previously made shall be subject to reduction to the extent of amounts, on preceding invoices or vouchers, that are found by Princeton not to have been properly payable and shall also be subject to reduction for overpayments or to increase for underpayments. Upon receipt and approval of the voucher or invoice designated by the Subcontractor as the "completion voucher" or "completion invoice" and substantiating material, and upon compliance by the Subcontractor with all terms of this subcontract (including, without limitation, terms relating to patents and the terms of (f) and (g) of this section), Princeton shall promptly pay any balance due the Subcontractor. The completion invoice or voucher, and substantiating material, shall be submitted by the Subcontractor as promptly as practicable following completion of the work under this subcontract, but in no event later than 1 year (or such longer period as

Princeton may approve in writing) from the date of completion.

(f) Assignment. The Subcontractor, and each assignee under an assignment entered into under this subcontract and in effect at the time of final payment under this subcontract, shall execute and deliver, at the time of and as a condition precedent to final payment under this subcontract, a release discharging Princeton, its officers, agents, and employees of and from all liabilities, obligations, and claims arising out of or under this subcontract, subject only to the following exceptions:

(1) Specified claims in stated amounts, or in estimated amounts if the amounts are not susceptible of exact statement by the Subcontractor.

(2) Claims, together with reasonable incidental expenses, based upon the liabilities of the Subcontractor to third parties arising out of performing this subcontract, that are not known to the Subcontractor on the date of the execution of the release, and of which the Subcontractor gives notice in writing to Princeton not more than 6 years after the date of the release or the date of any notice to the Subcontractor that Princeton is prepared to make final payment, whichever is earlier.

(3) Claims for reimbursement of costs (other than expenses of the Subcontractor by reason of its indemnification of Princeton against patent liability), including reasonable incidental expenses, incurred by the Subcontractor under the terms of this subcontract relating to patents.

(g) Refunds. The Subcontractor agrees that any refunds, rebates, or credits (including any related interest) accruing to or received by the Subcontractor or any assignee, that arise under the materials portion of this subcontract and for which the Subcontractor has received reimbursement, shall be paid by the Subcontractor to Princeton. The Subcontractor and each assignee, under an assignment entered into under this subcontract and in effect at the time of final payment under this subcontract, shall execute and deliver, at the time of and as a condition precedent to final payment under this subcontract, an assignment to Princeton of such refunds, rebates, or credits (including any interest) in form and substance satisfactory to Princeton.

(h) Interim payments.

(1) Interim payments made prior to the final payment under the subcontract are subcontract financing payments. Subcontract financing payments are not subject to the interest penalty provisions of the Prompt Payment Act.

(2) The designated payment office will make interim payments for subcontract financing on the _____ [Princeton shall insert the day, if not entered, insert "30th"] day after the designated billing office receives a proper payment request. In the event that Princeton requires an audit or other review of a specific payment request to ensure compliance with the terms and conditions of the subcontract, the designated payment office is not compelled to make payment by the specified due date

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Alternate II (FEB 2002). If no specific reimbursement for materials furnished is intended, the following clause (i) applies.

(i) The terms of this clause that govern reimbursement for materials furnished are considered to have been deleted..

F2. LIMITATION OF COST (APR 1984)

(a) The parties estimate that performance of this subcontract, exclusive of any fee, will not cost Princeton more than (1) the estimated cost specified in the subcontract agreement or, (2) if this is a cost-sharing subcontract, Princeton's share of the estimated cost specified in the subcontract agreement. The Subcontractor agrees to use its best efforts to perform the work specified in the subcontract and all obligations under this subcontract within the estimated cost, which, if this is a cost-sharing subcontract, includes both Princeton's and the Subcontractor's share of the cost.

(b) The Subcontractor shall notify Princeton in writing whenever it has reason to believe that -

(1) The costs the Subcontractor expects to incur under this subcontract in the next 60 days, when added to all costs previously incurred, will exceed 75 percent of the estimated cost specified in the subcontract agreement; or

(2) The total cost of the performance of this subcontract, exclusive of any fee, will be either greater or substantially less than had been previously estimated.

(c) As part of the notification, the Subcontractor shall provide Princeton a revised estimate of the total cost of performing this subcontract.

(d) Except as required by other provisions of this subcontract, specifically citing and stated to be an exception to this clause -

(1) Princeton is not obligated to reimburse the Subcontractor for costs incurred in excess of (i) the estimated cost specified in the subcontract agreement or, (ii) if this is a cost-sharing subcontract, the estimated cost to Princeton specified in the subcontract agreement; and

(2) The Subcontractor is not obligated to continue performance under this subcontract (including actions under the Termination clause of this subcontract) or otherwise incur costs in excess of the estimated cost specified in the subcontract agreement, until Princeton (i) notifies the Subcontractor in writing that the estimated cost has been increased and (ii) provides a revised estimated total cost of performing this subcontract. If this is a cost-sharing subcontract, the increase shall be allocated in accordance with the formula specified in the subcontract agreement.

(e) No notice, communication, or representation in any form other than that specified in subparagraph (d)(2) above, or from any person other than Princeton, shall affect this subcontract's estimated cost to Princeton. In the absence of the specified notice, Princeton is not obligated to reimburse the Subcontractor for any costs in subcontract, for any costs in excess of the estimated cost

to Princeton specified in the subcontract agreement, whether those excess costs were incurred during the course of the subcontract or as a result of termination.

(f) If the estimated cost specified in the subcontract agreement is increased, any costs the Subcontractor incurs before the increase that are in excess of the previously estimated cost shall be allowable to the same extent as if incurred afterward, unless Princeton issues a termination or other notice directing that the increase is solely to cover termination or other specified expenses.

(g) Change orders shall not be considered an authorization to exceed the estimated cost to Princeton specified in the subcontract agreement, unless they contain a statement increasing the estimated cost.

(h) If this subcontract is terminated or the estimated cost is not increased, Princeton and the Subcontractor shall negotiate an equitable distribution of all property produced or purchased under this subcontract, based upon the share of costs incurred by each.

F3. LIMITATION OF FUNDS (APR 1984)

(a) The parties estimate that performance of this subcontract will not cost Princeton more than (1) the estimated cost specified in the subcontract agreement or, (2) if this is a cost-sharing subcontract, Princeton's share of the estimated cost specified in the subcontract agreement. The Subcontractor agrees to use its best efforts to perform the work specified in the subcontract agreement and all obligations under this subcontract within the estimated cost, which, if this is a cost-sharing subcontract, includes both Princeton's and the Subcontractor's share of the cost.

(b) The subcontract agreement specifies the amount presently available for payment by Princeton and allotted to this subcontract, the items covered, Princeton's share of the cost if this is a cost-sharing subcontract, and the period of performance it is estimated the allotted amount will cover. The parties contemplate that Princeton will allot additional funds incrementally to the subcontract up to the full estimated cost to Princeton specified in the subcontract agreement, exclusive of any fee. The Subcontractor agrees to perform, or have performed, work on the subcontract up to the point at which the total amount paid and payable by Princeton under the subcontract approximates but does not exceed the total amount actually allotted by Princeton to the subcontract.

(c) The Subcontractor shall notify Princeton in writing whenever it has reason to believe that the costs it expects to incur under this subcontract in the next 60 days, when added to all costs previously incurred, will exceed 75 percent of (1) the total amount so far allotted to the subcontract by Princeton or, (2) if this is a cost-sharing subcontract, the amount then allotted to the subcontract by Princeton plus the Subcontractor's corresponding share. The notice shall state the estimated amount of additional funds required to continue performance for the period specified in the subcontract agreement.

(d) Sixty days before the end of the period specified in the subcontract agreement, the Subcontractor shall notify Princeton in writing of the estimated amount of additional funds, if any, required to continue timely under the subcontract or for any further period specified in the subcontract agreement or otherwise agreed upon, and when the funds will be required.

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(e) If, after notification, additional funds are not allotted by the end of the period specified in the subcontract agreement or another agreed-upon date, upon the Subcontractor's written request Princeton will terminate this subcontract on that date in accordance with the provisions of the Termination clause of this subcontract. If the Subcontractor estimates that the funds available will allow it to continue to discharge its obligations beyond that date, it may specify a later date in its request, and Princeton may terminate this subcontract on that later date.

(f) Except as required by other provisions of this subcontract, specifically citing and stated to be an exception to this clause -

(1) Princeton is not obligated to reimburse the Subcontractor for costs incurred in excess of the total amount allotted by Princeton to this subcontract; and

(2) The Subcontractor is not obligated to continue performance under this subcontract (including actions under the Termination clause of this subcontract) or otherwise incur costs in excess of (i) the amount then allotted to the subcontract by Princeton or, (ii) if this is a cost-sharing subcontract, the amount then allotted by Princeton to the subcontract plus the Subcontractor's corresponding share, until Princeton notifies the Subcontractor in writing that the amount allotted by Princeton has been increased and specifies an increased amount, which shall then constitute the total amount allotted by Princeton to this subcontract.

(g) The estimated cost shall be increased to the extent that (1) the amount allotted by Princeton or, (2) if this is a cost-sharing subcontract, the amount then allotted by Princeton to the subcontract plus the Subcontractor's corresponding share, exceeds the estimated cost specified in the subcontract agreement. If this is a cost-sharing subcontract, the increase shall be allocated in accordance with the formula specified in the subcontract agreement.

(h) No notice, communication, or representation in any form other than that specified in subparagraph (f)(2) above, or from any person other than Princeton's Subcontract Administrator shall affect the amount allotted by Princeton in this subcontract. In the absence of the specified notice, Princeton is not obligated to reimburse the subcontractor for any costs in excess of the total amount allotted by Princeton to this subcontract, whether incurred during the course of the subcontract or as a result of termination.

(i) When and to the extent that the amount allotted by Princeton to the subcontract is increased, any costs the Subcontractor incurs before the increase that are in excess of (1) the amount previously allotted by Princeton or, (2) if this is a cost-sharing subcontract, the amount previously allotted by Princeton to the subcontract plus the Subcontractor's corresponding share, shall be allowable to the same extent as if incurred afterward, unless Princeton issues a termination or other notice and directs that the increase is solely to cover termination or other specified expenses.

(j) Change orders shall not be considered an authorization to exceed the amount allotted by Princeton

specified in the subcontract agreement, unless they contain a statement increasing the amount allotted.

(k) Nothing in this clause shall affect the right of Princeton to terminate this subcontract. If this subcontract is terminated, Princeton and the Subcontractor shall negotiate an equitable distribution of all property produced or purchased under the subcontract, based upon the share of costs incurred by each.

(l) If Princeton does not allot sufficient funds to allow completion of the work, the Subcontractor is entitled to a percentage of the fee specified in the subcontract agreement equaling the percentage of completion of the work contemplated by this subcontract.

F4. CHANGES--TIME-AND-MATERIALS OR LABOR-HOURS (SEP 2000)

(a) Princeton may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this subcontract in any one or more of the following:

- (1) Description of services to be performed.
- (2) Time of performance (i.e., hours of the day, days of the week, etc.).
- (3) Place of performance of the services.
- (4) Drawings, designs, or specifications when the supplies to be furnished are to be specially manufactured for Princeton in accordance with the drawings, designs, or specifications.
- (5) Method of shipment or packing of supplies.
- (6) Place of delivery.
- (7) Amount of Government-furnished property.

(b) If any change causes an increase or decrease in any hourly rate, the ceiling price, or the time required for performance of any part of the work under this subcontract, whether or not changed by the order, or otherwise affects any other terms and conditions of this subcontract, Princeton will make an equitable adjustment in any one or more of the following and will modify the contract accordingly:

- (1) Ceiling price.
- (2) Hourly rates.
- (3) Delivery schedule.
- (4) Other affected terms.

(c) The Subcontractor shall assert its right to an adjustment under this clause within 30 days from the date of receipt of the written order. However, if Princeton decides that the facts justify it, Princeton may receive and act upon a proposal submitted before final payment of the subcontract.

(d) Failure to agree to any adjustment will be a dispute under the Disputes clause. However, nothing in this clause excuses the Subcontractor from proceeding with the subcontract as changed.

F5. FOREIGN TRAVEL (DEC 2000) (MODIFIED)

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- (a) Foreign travel, when charged directly, shall be subject to the prior approval of Princeton for each separate trip regardless of whether funds for such travel are contained in an approved budget. Foreign travel is defined as any travel outside of Canada, Mexico and the United States and its territories and possessions.
- (b) Subcontractor foreign travel shall be conducted pursuant to the requirements contained in DOE Order 551.1, *Official Foreign Travel*, or any subsequent version of the order in effect at the time of award.

F6. TERMINATION (TIME & MATERIALS OR LABOR-HOUR) (ALTERNATE IV) (SEP 1996)

- (a) Princeton may terminate performance of work under this subcontract in whole or, from time to time, in part, if--

- (1) Princeton determines that a termination is in Princeton's interest; or

- (2) The Subcontractor defaults in performing this contract and fails to cure the default within 10 days (unless extended by Princeton's Subcontract Administrator) after receiving a notice specifying the default. "Default" includes failure to make progress in the work so as to endanger performance.

- (b) Princeton's Subcontract Administrator shall terminate by delivering to the Subcontractor a Notice of Termination specifying whether termination is for default of the Subcontractor or for convenience of Princeton, the extent of termination, and the effective date. If, after termination for default, it is determined that the Subcontractor was not in default or that the Subcontractor's failure to perform or to make progress in performance is due to causes beyond the control and without the fault or negligence of the Subcontractor as set forth in the Excusable Delays clause, the rights and obligations of the parties will be the same as if the termination was for the convenience of Princeton.

- (c) After receipt of a Notice of Termination, and except as directed by Princeton's Subcontract Administrator, the Subcontractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:

- (1) Stop work as specified in the notice.

- (2) Place no further subcontracts or orders (referred to as subcontracts in this clause), except as necessary to complete the continued portion of the subcontract.

- (3) Terminate all sub-subcontracts to the extent they relate to the work terminated.

- (4) Assign to Princeton, as directed by Princeton's Subcontract Administrator, all right, title, and interest of the Subcontractor under the sub-subcontracts terminated, in which case Princeton shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.

- (5) With approval or ratification to the extent required by Princeton's Subcontract Administrator, settle all outstanding liabilities and termination settlement proposals arising from the termination of sub-subcontracts, the cost of which would be reimbursable in whole or in part, under this subcontract; approval or ratification will be final for purposes of this clause.

- (6) Transfer title (if not already transferred) and, as directed by Princeton's Subcontract Administrator, deliver to Princeton (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated, (ii) the completed or partially completed plans, drawings, information, and other property that, if the subcontract had been completed, would be required to be furnished to Princeton, and (iii) the jigs, dies, fixtures, and other special tools and tooling acquired or manufactured for this subcontract, the cost of which the Subcontractor has been or will be reimbursed under this subcontract.

- (7) Complete performance of the work not terminated.

- (8) Take any action that may be necessary, or that Princeton's Subcontract Administrator may direct, for the protection and preservation of the property related to this contract that is in the possession of the Subcontractor and in which Princeton has or may acquire an interest.

- (9) Use its best efforts to sell, as directed or authorized by Princeton's Subcontract Administrator, any property of the types referred to in subparagraph (c)(6) of this clause; provided, however, that the Subcontractor (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at prices approved by, Princeton's Subcontract Administrator. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by Princeton under this subcontract, credited to the price or cost of the work, or paid in any other manner directed by Princeton's Subcontract Administrator.

- (d) The Subcontractor shall submit complete termination inventory schedules no later than 120 days from the effective date of termination, unless extended in writing by Princeton's Subcontract Administrator upon written request of the Subcontractor within this 120-day period.

- (e) After expiration of the plant clearance period as defined in Subpart 45.6 of the Federal Acquisition Regulation, the Subcontractor may submit to Princeton's Subcontract Administrator a list, certified as to quantity and quality, of termination inventory not previously disposed of, excluding items authorized for disposition by Princeton's Subcontract Administrator. The Subcontractor may request Princeton to remove those items or enter into an agreement for their storage. Within 15 days, Princeton will accept the items and remove them or enter into a storage agreement. Princeton's Subcontract Administrator may verify the list upon removal of the items, or if stored, within 45 days from submission of the list, and shall correct the list, as necessary, before final settlement.

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(f) After termination, the Subcontractor shall submit a final termination settlement proposal to Princeton's Subcontract Administrator in the form and with the certification prescribed by Princeton's Subcontract Administrator. The Subcontractor shall submit the proposal promptly, but no later than 1 year from the effective date of termination, unless extended in writing by Princeton's Subcontract Administrator upon written request of the Subcontractor within this 1-year period. However, if Princeton's Subcontract Administrator determines that the facts justify it, a termination settlement proposal may be received and acted on after 1 year or any extension. If the Subcontractor fails to submit the proposal within the time allowed, Princeton's Subcontract Administrator may determine, on the basis of information available, the amount, if any, due the Subcontractor because of the termination and shall pay the amount determined.

(g) Subject to paragraph (f) of this clause, the Subcontractor and Princeton's Subcontract Administrator may agree on the whole or any part of the amount to be paid (including an allowance for fee) because of the termination. The subcontract shall be amended, and the Subcontractor paid the agreed amount.

(h) If the Subcontractor and Princeton's Subcontract Administrator fail to agree in whole or in part on the amount to be paid because of the termination of work, Princeton's Subcontract Administrator shall determine, on the basis of information available, the amount, if any, due the Subcontractor and shall pay the amount determined as follows:

(1) If the termination is for the convenience of Princeton, include--

(i) An amount for direct labor hours (as defined in the Subcontract Agreement) determined by multiplying the number of direct labor hours expended before the effective date of termination by the hourly rate(s) in the Subcontract Agreement, less any hourly rate payments already made to the Subcontractor;

(ii) An amount (computed under the provisions for payment of materials) for material expenses incurred before the effective date of termination, not previously paid to the Subcontractor;

(iii) An amount for labor and material expenses computed as if the expenses were incurred before the effective date of termination if they are reasonably incurred after the effective date, with the approval of or as directed by Princeton's Subcontract Administrator; however, the Subcontractor shall discontinue these expenses as rapidly as practicable;

(iv) If not included in subdivision (h)(1)(i), (ii), or (iii) of this clause, the cost of settling and paying termination settlement proposals under terminated Lower tier subcontracts that are properly chargeable to the terminated portion of the subcontract; and

(v) The reasonable costs of settlement of the work terminated, including--

(A) Accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;

(B) The termination and settlement of lower tier subcontracts (excluding the amounts of such settlements); and

(C) Storage, transportation, and other costs incurred, reasonably necessary for the protection or disposition of the termination inventory.

(2) If the termination is for default of the Subcontractor, include the amounts computed under subparagraph (h)(1) of this clause but omit--

(i) Any amount for preparation of the Subcontractor's termination settlement proposal; and

(ii) The portion of the hourly rate allocable to profit for any direct labor hours expended in furnishing materials and services not delivered to and accepted by Princeton.

(i) The cost principles and procedures in Part 31 of the Federal Acquisition Regulation, in effect on the date of this subcontract, shall govern all costs claimed, agreed to, or determined under this clause. (j) The Subcontractor shall have the right of appeal, under the Disputes clause, from any determination made by Princeton's Subcontract Administrator under paragraph (f), (h) or (l) of this clause, except that if the Subcontractor failed to submit the termination settlement proposal within the time provided in paragraph (f) and failed to request a time extension, there is no right of appeal. If Princeton's Subcontract Administrator has made a determination of the amount due under paragraph (f), (h) or (l) of this clause, Princeton shall pay the Subcontractor (1) the amount determined by Princeton's Subcontract Administrator if there is no right of appeal or if no timely appeal has been taken, or (2) the amount finally determined on an appeal.

(k) In arriving at the amount due the Subcontractor under this clause, there shall be deducted--

(1) All unliquidated advance or other payments to the Subcontractor, under the terminated portion of this subcontract;

(2) Any claim which Princeton has against the Subcontractor under this subcontract; and

(3) The agreed price for, or the proceeds of sale of materials, supplies, or other things acquired by the Subcontractor or sold under this clause and not recovered by or credited to Princeton.

(l) If the termination is partial, the Subcontractor may file with Princeton's Subcontract Administrator a proposal for an equitable adjustment of the price(s) for the continued portion of the subcontract. Princeton's Subcontract Administrator shall make any equitable adjustment agreed upon. Any proposal by the Subcontractor for an equitable adjustment under this clause shall be requested within 90 days from the effective date of termination, unless extended in writing by Princeton's Subcontract Administrator.

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- (m) (1) Princeton may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Subcontractor for the terminated portion of the subcontract, if Princeton's Subcontract Administrator believes the total of these payments will not exceed the amount to which the Subcontractor will be entitled.

(2) If the total payments exceed the amount finally determined to be due, the Subcontractor shall repay the excess to Princeton upon demand, together with interest computed at the rate established by the Secretary of the Treasury under 50 U.S.C. App. 1215(b)(2). Interest shall be computed for the period from the date the excess payment is received by the Subcontractor to the date the excess is repaid. Interest shall not be charged on any excess payment due to a reduction in the Subcontractor's termination settlement proposal because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by Princeton's Subcontract Administrator because of the circumstances.

- (n) The provisions of this clause relating to fee are inapplicable if this subcontract does not include a fee.

F7 EXCUSABLE DELAYS (52.249-14) (APR 1984)

(a) Except for defaults of subcontractors at any tier, the Subcontractor shall not be in default because of any failure to perform this subcontract under its terms if the failure arises from causes beyond the control and without the fault or negligence of the Subcontractor. Examples of these causes are (1) acts of God or of the public enemy, (2) acts of Princeton in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of the Subcontractor. "Default" includes failure to make progress in the work so as to endanger performance.

(b) If the failure to perform is caused by the failure of a subcontractor at any tier to perform or make progress, and if the cause of the failure was beyond the control of both the Subcontractor and the lower tier subcontractor, and without the fault or negligence of either, the Subcontractor shall not be deemed to be in default, unless -

- (1) The subcontracted supplies or services were obtainable from other sources;
- (2) Princeton ordered the Subcontractor in writing to purchase these supplies or services from the other source; and
- (3) The Subcontractor failed to comply reasonably with this order.

(c) Upon request of the Subcontractor, Princeton shall ascertain the facts and extent of the failure. If Princeton determines that any failure to perform results from one or more of the causes above, the delivery schedule shall be revised, subject to the rights of Princeton under the termination clause of this subcontract.

F8 INSPECTION (OCT 1997)

Princeton has the right to inspect and evaluate the work performed or being performed under the subcontract, and the premises where work is being performed, at all reasonable times and in a manner that will not unduly delay the work. If Princeton performs inspection or evaluation on the premises of the Subcontractor or a sub-subcontractor, the Subcontractor shall furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

F9 STOP-WORK ORDER (AUG 1989)

(a) Princeton may, at any time, by written order to the Subcontractor, require the Subcontractor to stop all, or any part, of the work called for by this subcontract for a period of 90 days after the order is delivered to the Subcontractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order issued under this clause. Upon receipt of the order, the Subcontractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop-work order is delivered to the Subcontractor, or within any extension of that period to which the parties shall have agreed, Princeton shall either--

(1) Cancel the stop-work order; or

(2) Terminate the work covered by the order as provided in the Default, or the Termination for Convenience of Princeton, clause of this subcontract.

(b) If a stop-work order issued under this clause is canceled or the period of the order or any extension thereof expires, the Subcontractor shall resume work. Princeton shall make an equitable adjustment in the delivery schedule or subcontract price, or both, and the subcontract shall be modified, in writing, accordingly, if -

(1) The stop-work order results in an increase in the time required for, or in the Subcontractor's cost properly allocable to, the performance of any part of this subcontract; and

(2) The Subcontractor asserts its right to the adjustment within 30 days after the end of the period of work stoppage; provided, that, if Princeton decides the facts justify the action, Princeton may receive and act upon the claim submitted at any time before final payment under this subcontract.

(c) If a stop-work order is not canceled and the work covered by the order is terminated for the convenience of Princeton, Princeton shall allow reasonable costs resulting from the stop-work order in arriving at the termination settlement.

(d) If a stop-work order is not canceled and the work covered by the order is terminated for default, Princeton shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop-work order.

**PPPL General Provisions for Non-Commercial Subcontracts
Part F - Time & Materials or Labor-Hour-Type Subcontracts**

NOTHING FOLLOWS