

## TERMS AND CONDITIONS

I Our proposal is based on the award of a Cost Plus Fixed Fee contract with the understanding that the cost principles set forth in Section XV of ASPR as in effect at the date of this proposal shall apply.

A. Allowable items of cost on the performance of this contract shall include:

1. General research as a part of the Contractor's G & A expense to the extent negotiated with the Department of Defense.
2. Expenditures by the Contractor for transportation of the personnel directly engaged in the performance of the work hereunder, plus reasonable actual subsistence expenses.
3. Overtime premium and shift premium. This shall apply to both the basic contract as well as negotiated changes thereto.
4. Progress payments to subcontractors performing work under this contract on a fixed price basis.
5. The standard selling price

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B. The fixed fee shall be paid in monthly installments based on allowable costs incurred by the Contractor and approved by the Contracting Officer computed at the same ratio that the total fixed fee stated herein is to the total estimated cost stated herein, subject, however, to the normal  withholding provision on the payment of fee.

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C. Preliminary inspection and acceptance shall be conducted at Contractor's Plant  by a representative of the customer and point of final inspection and acceptance at destination.

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II This proposal is submitted on the basis that authorization will be obtained for the Seller to use, on a rent free basis, the Government owned facilities and special tooling held by him, including those on facilities contract  and certain other facilities contracts.

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Page 2

III Our proposal is further based on the following:

- A. Receipt of a contract for all items and quantities quoted. In the event all items are not desired or different quantities are desired, we reserve the right to review our proposal and revise it, if necessary.
- B. Purchased technical services including engineering, design, drafting, model shop and technician labor on a labor hour basis may be required to meet contract delivery schedules due to fluctuations in workload.
- C. The subject matter of this proposal to be unclassified, the equipment will not be to mil-spec requirements, and only such drawings as necessary for fabrication will be prepared.
- D. The installation of the equipment will be the subject of a separate time and material contract.

IV All prices for hardware are quoted

V This proposal remains firm for a period of sixty (60) days from the date of our transmittal letter.

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Next 1 Page(s) In Document Exempt