Part F- Time & Materials or Labor-Hour Subcontracts

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

No.	Clause Title	Page No.
F1.	PAYMENT UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS (AUG 2012)	1
F2.	CHANGES—TIME-AND-MATERIALS OR LABOR-HOURS (SEP 2000)	2
F3.	FOREIGN TRAVEL (APRIL 2012)	3
F4.	TERMINATION (TIME & MATERIALS OR LABOR –HOUR) (MAY 2004) ALTERNATE IV (SEP 1996)	3
F5.	EXCUSABLE DELAYS (APR 1984)	5
F6.	INSPECTION – TIME-AND-MATERIAL AND LABOR HOUR (MAY 2001)	5
F7.	STOP-WORK ORDER (AUG 1989)	6
F8.	CLAUSES INCORPORATED BY REFERENCE	6
F8.1	ALLOWABLE COST AND PAYMENT	6

ADDITIONAL APPLICABLE CLAUSES

Part F- Time & Materials or Labor-Hour Subcontracts

F1. PAYMENTS UNDER TIME-AND-MATERIALS AND LABOR-HOUR CONTRACTS (AUG 2012)

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

(a) Hourly rate.

(1) "Hourly rate" means the rate(s) prescribed in the subcontract for payment for labor that the meets the labor category qualifications of a labor category specified in the contract that are –

(i) Performed by the Subcontractor;

(ii) Performed by the lower-tier subcontractors; or

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

(2) The amounts shall be computed by multiplying the appropriate hourly rates prescribed in the Subcontract by the number of direct labor hours performed.

(3) The hourly rates shall be paid for all labor performed on the subcontract that meets the labor qualifications specified in the subcontract. Labor hours incurred to perform tasks for which labor qualifications were specified in the subcontract will not be paid to the extent the work is performed by employees that do not meet the qualifications specified in the subcontract, unless specifically authorized by the Princeton subcontract administrator.

(4) The hourly rates shall include wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be payable on a prorated basis.

(5) Invoices may be submitted once each month (or at more frequent intervals, if approved by Princeton), to Princeton or designee. A small business concern may receive more frequent payments. The Subcontractor shall substantiate invoices (including any lower-tier subcontractor hours reimbursed at the hourly rate in the subcontract) by evidence of actual payment and by –

(a) Individual daily job timekeeping records;

(b) Records that verify the employees meet the qualification for the labor categories specified in the subcontract, or

(c) Other substantiation approved by Princeton.

(6) Promptly after receipt of each substantiated invoice, Princeton shall, except as otherwise provided in this subcontract, and subject to the terms of paragraph (e) of this clause, pay the invoice as approved by Princeton.

(7) Unless otherwise prescribed in the Subcontract, Princeton may unilaterally issue a subcontract modification requiring the Subcontractor to withhold amounts from its billings until a reserve is set aside in an amount that Princeton considers necessary to protect Princeton's interests. Princeton may require a withhold of 5 percent of the amounts due under this paragraph (a) of this clause, but the total amount withheld for this subcontract

shall not exceed $50,000. The amounts withheld shall be retained until the Subcontractor executes and delivers the release required by paragraph (g) of this clause.

(8) Unless the Subcontract prescribes otherwise, the hourly rates in the Subcontract shall not be varied by virtue of the Subcontractor having performed work on an overtime basis. If no overtime rates are provided in the Subcontract 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 Subcontract 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.

(1) For the purposes of this clause –

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

(ii) "Materials" means –

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

(B.) Lower-tier subcontracts for supplies and incidental services for which there is not a labor category specified in the subcontract;

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

(D.) Applicable indirect costs.

(2) If the Subcontractor furnishes its own materials that meet the definition of a commercial item at FAR 2.101, the price to be paid for such materials shall not exceed the Subcontractor's established catalog or market price, adjusted to reflect the –

(i) Quantities being acquired; and

(ii) Actual cost of any modifications necessary because of subcontract requirements.

(3) Except as provided for in paragraph (b)(2) of this clause, Princeton will reimburse the Subcontractor for allowable cost of materials provided the Subcontractor –

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

(ii) Ordinarily makes these payments within 30 days of the submission of the Subcontractor's payment request to Princeton and such payment is in accordance with the terms and conditions of the agreement or invoice.

(4) Payment for materials is subject to the Allowable Cost and Payment clause of this subcontract. Princeton will determine allowable costs of materials in accordance with Subpart 31.2 of the Federal Acquisition Regulation (FAR) in effect on the date of this subcontract.

(5) The Subcontractor may include allocable indirect costs and other direct costs to the extent they are –

(i) Comprised only of costs that are clearly excluded from the hourly rate;

(ii) Allocated in accordance with the Subcontractor's written or established accounting practices; and

(iii) Indirect costs are not applied to lower-tier subcontracts that are paid at the hourly rates.

(6) 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.

(7) Except as provided for in FAR 31.205-26 (e) and (f), Princeton will not pay profit or fee to the Subcontractor on materials.

(c) If the Subontractor enters into any subcontract that requires consent under the clause at 52.244-2, Subcontracts, without obtaining such consent, the Princeton is not required to reimburse the Subontractor for any costs incurred under the subcontract prior to the date the Subcontractor obtains the required consent. Any reimbursement of subcontract costs incurred prior to the date the consent was obtained shall be at the sole discretion of the Princeton.

(d) 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 subcontract and the Subcontractor agrees to use its best efforts to perform the work specified in the subcontract 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 subcontract, 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.

(e) 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 subcontract, unless and until Princeton notifies the Subcontractor in writing that the ceiling price has been increased and specifies in the notice a revised ceiling that shall constitute the ceiling price for performance under this subcontract. When and to the extent that the ceiling price set forth in the subcontract 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.

(f) Audit. At any time before final payment under this subcontract Princeton may request audit of the invoices or vouchers and supporting documentation. 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 supporting documentation, and upon compliance by the Subcontractor with all terms of this subcontract (including, without limitation, terms relating to patents and the terms of paragraph (g) of this clause), Princeton shall promptly pay any balance due the Subcontractor. The completion invoice or voucher, and supporting documentation, shall be submitted by the Subcontractor as promptly as practicable following completion of the work under this subcontract, but in no event later than 120 days (or such longer period as Princeton may approve in writing) from the date of completion.

(g) Assignment and Release of Claims. 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 and the Government against patent liability), including reasonable incidental expenses, incurred by the Subcontractor under the terms of this subcontract relating to patents.

(h) Interim payments on subcontracts for other than services.

(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.

(i) Interim payments on contracts for services. For interim payments made prior to the final payment under this subcontract, Princeton will make payment in accordance with the Prompt Payment Act (31 USC 3903) and prompt payment regulations at 5 CFR part 1315.

F2. 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 subcontract 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.

F3. FOREIGN TRAVEL (APRIL 2012)

Subcontractor foreign travel shall be conducted pursuant to the requirements contained in Department of Energy (DOE) Order 551.1D, or its successor, Official Foreign Travel, or its successor in effect at the time of award.

F4. TERMINATION (TIME & MATERIALS OR LABOR-HOUR) (MAY 2004) (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 subcontract 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 lower-tier subcontracts or orders (referred to as lower-tier subcontracts in this clause), except as necessary to complete the continued portion of the subcontract.

(3) Terminate all lower-tier 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 lower-tier 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 lower-tier 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 subcontract that is in the possession of the Subcontractor and in which the Government 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 paragraph (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 49.001 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.

(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.

Part F- Time & Materials or Labor-Hour Subcontracts

(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.

(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.

F5. EXCUSABLE DELAYS (APRIL 1984)

Part F- Time & Materials or Labor-Hour Subcontracts

(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 the Government 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.

(d)

F6. INSPECTION – TIME-AND-MATERIAL AND LABOR HOUR (MAY 2001)

(a) Definitions. As used in this clause—

“Subcontractor’s managerial personnel” means any of the Subcontractor’s directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of—

(1) All or substantially all of the Subcontractor’s business;

(2) All or substantially all of the Subcontractor’s operation at any one plant or separate location where the subcontract is being performed; or

(3) A separate and complete major industrial operation connected with the performance of this subcontract.

“Materials” includes data when the subcontract does not include the Warranty of Data clause.

(b) The Subcontractor shall provide and maintain an inspection system acceptable to Princeton covering the material, fabricating methods, work, and services under this subcontract. Complete records of all inspection work performed by the Subcontractor shall be maintained and made available to Princeton during contract performance and for as long afterwards as the subcontract requires.

(c) Princeton has the right to inspect and test all materials furnished and services performed under this subcontract, to the extent practicable at all places and times, including the period of performance, and in any event before acceptance. Princeton may also inspect the plant

or plants of the Subcontractor or any lower-tier subcontractor engaged in subcontract performance. Princeton shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If Princeton performs inspection or test on the premises of the Subcontractor or a lower-tier subcontractor, the Subcontractor shall furnish and shall require lower-tier subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

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

(f) At any time during subcontract performance, but not later than 6 months (or such other time as may be specified in the subcontract) after acceptance of the services or materials last delivered under this subcontract, Princeton may require the Subcontractor to replace or correct services or materials that at time of delivery failed to meet subcontract requirements. Except as otherwise specified in paragraph (h) of this clause, the cost of replacement or correction shall be determined under the Payments Under Time-and-Materials and Labor-Hour Contracts clause, but the “hourly rate” for labor hours incurred in the replacement or correction shall be reduced to exclude that portion of the rate attributable to profit. The Subcontractor shall not tender for acceptance materials and services required to be replaced or corrected without disclosing the former requirement for replacement or correction, and, when required, shall disclose the corrective action taken.

(g) (1) If the Subcontractor fails to proceed with reasonable promptness to perform required replacement or correction, and if the replacement or correction can be performed within the ceiling price (or the ceiling price as increased by Princeton), Princeton may—

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

(ii) Terminate this subcontract for default.

(2) Failure to agree to the amount of increased cost to be charged to the Subcontractor shall be a dispute.

(h) Notwithstanding paragraphs (f) and (g) of this clause, Princeton may at any time require the Subcontractor to remedy by correction or replacement, without cost to Princeton, any failure by the Subcontractor to comply with the requirements of this subcontract, if the failure is due to—

(1) Fraud, lack of good faith, or willful misconduct on the part of the Subcontractor’s managerial personnel; or

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

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

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

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

F7. 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 Termination 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 the subcontract ceiling price, or a combination thereof, and in any other terms of the subcontracts that may be affected, 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.

F8. CLAUSES INCORPORATED BY REFERENCE

The Subcontractor agrees to comply with the following Federal Acquisition Regulation (FAR) clauses by reference, as they exist on the effective date of this contract, with the same force

and effect as if they were in full text. For FAR provisions incorporated by reference, "Government" means "Princeton", Contracting Officer" means "Princeton Plasma Physics Laboratory's Procurement Division Buyer or Subcontract Administrator", except where statute or regulation vests authority exclusively in specific agencies or individuals, and "Contractor" means "Subcontractor" or "Supplier". The FAR clauses are available through the General Services Administration (GSA) at http://www.acquisition.gov/far/ or they may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C.

To the maximum extent practicable, the Subcontractor shall incorporate, and require its subcontractors, divisions, subsidiaries or affiliates at all tiers to incorporate commercial items or non-developmental items as components of items to be supplied under this Agreement. The Subcontractor is not required to include any FAR provisions or clauses other than those listed below to the extent that they are applicable and as may be required to establish the reasonableness of prices under FAR 15, in a subcontract at any tier for commercial items or components. The Subcontractor shall include the terms of this clause, including this statement, in lower-tier subcontracts awarded under this Agreement.

Clause	Title	FAR Ref.
F8-1	Allowable Cost and Payment (applicable only to reimbursement for materials in time & materials agreements; not applicable to labor hour contracts)	52.216-7