52.246-6 Inspection-Time-and-Material and Labor-Hour.

As prescribed in 46.306 , insert the following clause:

Inspection-Time-and-Material and Labor-Hour (*May* 2001)

(a) *Definitions*. As used in this clause-

Contractor's managerial personnel means any of the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of-

(1) All or substantially all of the Contractor's business;

(2) All or substantially all of the Contractor's operation at any one plant or separate location where the contract is being performed; or

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

Materials includes data when the contract does not include the *Warranty* of Data clause.

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

(c) The Government has the right to inspect and test all *materials* furnished and services performed under this contract, to the extent practicable at all places and times, including the period of performance, and in any event before acceptance. The Government *may* also inspect the plant or plants of the Contractor or any subcontractor engaged in contract performance. The Government *shall* perform *inspections* and tests in a manner that will not unduly delay the work.

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

(e) Unless otherwise specified in the contract, the Government *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 contract performance, but not later than 6 months (or such other time as *may* be specified in the contract) after acceptance of the services or *materials* last delivered under this contract, the Government *may* require the Contractor to replace or correct services or *materials* that at time of delivery failed to meet contract 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 Contractor *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 Contractor 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 the Government), the Government *may*-

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

(ii) Terminate this contract for default.

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

(h) Notwithstanding paragraphs (f) and (g) of this clause, the Government *may* at any time require the Contractor to remedy by correction or replacement, without cost to the Government, any failure by the Contractor to comply with the requirements of this contract, if the failure is due to-

(1) Fraud, lack of good faith, or willful misconduct on the part of the *Contractor's managerial personnel*; or

(2) The conduct of one or more of the Contractor's employees selected or retained by the Contractor after any of the *Contractor'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 contract.

(j) The Contractor has no obligation or liability under this contract 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 contract.

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

(End of clause)

Alternate I (Apr 1984). If Government *inspection* and acceptance are to be performed at the contractor's plant, paragraph (e) below *may* be substituted for paragraph (e) of the basic clause:

(e) The Government *shall* inspect for acceptance all items (other than aircraft to be flown away, if any) to be furnished under this contract at the Contractor's plant or plants specified in the contract, or at any other plant or plants approved for such purpose *in writing* by the *Contracting Officer*. The Contractor *shall* inform the *contract administration office* or *Contracting Officer* when the work is ready for *inspection*. The Government reserves the right to charge to the Contractor any additional cost of Government *inspection* and test when items are not ready at the time for which *inspection* and test is requested by the Contractor.

Parent topic: 52.246 [Reserved]