52.246-8 Inspection of Research and Development-Cost-Reimbursement.

As prescribed in 46.308 , insert the following clause in *solicitations* and contracts for research and development when (a) the primary objective is the delivery of end items other than designs, drawings, or reports; and (b) cost-reimbursement contract is contemplated; unless use of the clause is impractical and the clause prescribed in 46.309 is considered to be more appropriate:

Inspection of Research and Development—Cost-Reimbursement (*May* 2001)

(a) Definitions.As used in this clause—

Contractor's managerial personnel means 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 performing this contract."Work" 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 work 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 work called for by the 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 its subcontractors engaged in the contract performance. The Government *shall* perform *inspections* and tests in a manner that will not unduly delay the work.

(d) If the Government performs any *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 provided in the contract, the Government *shall* accept work as promptly as practicable after delivery, and work *shall* be deemed accepted 90 days after delivery, unless accepted earlier.

(f) At any time during contract performance, but no later than 6 months (or such other time as *may* be specified in the contract) after acceptance of all of the end items (other than designs, drawings, or reports) to be delivered under the contract, the Government *may* require the Contractor to replace or correct work not meeting contract requirements. Time devoted to the replacement or correction of such work *shall* not be included in the computation of the above time period. Except as otherwise provided in paragraph (h) of this clause, the cost of replacement or correction *shall* be determined as specified in the Allowable Cost and Payment clause, but no additional fee *shall* be paid. The Contractor *shall* not tender for acceptance work 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, the Government *may*—

(i) By contract or otherwise, perform the replacement or correction, charge to the Contractor any increased cost, or make an equitable reduction in any fixed fee paid or payable under the contract;

(ii) Require delivery of any undelivered articles and *shall* have the right to make an equitable reduction in any fixed fee paid or payable under the contract; or

(iii) Terminate the contract for default.

(2) Failure to agree on the amount of increased cost to be charged the Contractor or to the reduction in fixed fee *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 *shall* apply in the same manner to a corrected or replacement end item or *components* as to work originally delivered.

(j) The Contractor has no obligation or liability under the contract to correct or replace articles not meeting contract requirements at time of delivery, except as provided in this clause or as *may* otherwise be specified in the contract.

(k) Unless otherwise provided in the contract, the Contractor's obligations 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 it is contemplated that the contract will be on a no-fee basis, substitute paragraphs (f) and (g) below for paragraphs (f) and (g) of the basic clause.

(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 all of the end items (other than designs, drawings, or reports) to be delivered under the contract, the Government *may* require the Contractor to correct or replace work not meeting contract requirements. Time devoted to the correction or replacement of such work *shall* not be included in the computation of the above time period. Except as otherwise provided in paragraph (g) of this clause, the allowability of the cost of any such replacement or correction *shall* be determined as specified in the Allowable Cost and Payment

clause. The Contractor *shall* not tender for acceptance corrected work without disclosing the former requirement for correction, and, when required, *shall* disclose the corrective action taken.

(g) If the Contractor fails to proceed with reasonable promptness to perform required replacement or correction, the Government *may*-

(1) By contract or otherwise, perform the replacement or correction and charge to the Contractor any increased cost;

(2) Require delivery of any undelivered articles; or

(3) Terminate the contract for default. Failure to agree on the amount of increased cost to be charged to the Contractor *shall* be a dispute.

Parent topic: 52.246 [Reserved]