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****(USE BELOW IN ALL SOLICITATIONS AND CONTRACTS.)****

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

5

****(USE BELOW IN ALL SOLICITATIONS AND CONTRACTS.)****

ADDITIONAL INSTRUCTIONS FOR COMPLETING THIS ITEM:

- Add a one to three sentence description of work.

ARTICLE B.1. BRIEF DESCRIPTION OF SUPPLIES OR SERVICES

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ARTICLE B.2. PRICES/COSTS

The final contract will contain the price/cost provisions agreed upon by the Government and the Offeror.

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****(USE BELOW FOR A FULLY FUNDED COST-REIMBURSEMENT CONTRACT WITH NO FEE.)****

ARTICLE B.3. ESTIMATED COST

The estimated cost of this contract is \$ _____ .

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****(USE BELOW FOR A FULLY FUNDED CPFF-LEVEL OF EFFORT CONTRACT.)****

ARTICLE B.3. ESTIMATED COST AND FIXED FEE

- a. The estimated cost of this contract is \$ _____ .
- b. The fixed fee for this contract is \$ _____. The fee shall be paid in direct ratio to the level of effort expended; that is, the percent of fee paid shall be equal to the percent of total effort expended. Payment shall be subject to the withholding provisions of the clauses ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1. of this contract.
- c. The total estimated amount of the contract, represented by the sum of the estimated cost plus the fixed fee, is \$ _____ .

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****(USE BELOW FOR A FULLY FUNDED CPFF-COMPLETION CONTRACT WHEN PAYMENT OF FEE WILL BE BASED ON PERCENTAGE OF COMPLETION OR WORK.)****

ARTICLE B.3. ESTIMATED COST AND FIXED FEE

- a. The estimated cost of this contract is \$ _____ .
- b. The fixed fee for this contract is \$ _____. The fixed fee shall be paid in installments based on the percentage of completion of work, as determined by the Contracting Officer, and subject to the withholding provisions of the clauses ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1. of this contract.
- c. The total estimated amount of the contract, represented by the sum of the estimated cost plus the fixed fee, is \$ _____ .

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****(USE BELOW FOR A FULLY FUNDED CPFF-COMPLETION CONTRACT WHEN THE PAYMENT OF FEE IS TIED TO TIME.)****

ARTICLE B.3. ESTIMATED COST AND FIXED FEE

- a. The estimated cost of this contract is \$ _____ .
- b. The fixed fee for this contract is \$ _____. The fixed fee shall be subject to the withholding provisions of the clauses ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1. of this contract.
- c. The total estimated amount of the contract, represented by the sum of the estimated cost plus the fixed fee, is \$ _____ .

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****(USE BELOW FOR A COST SHARING CONTRACT.)****

ARTICLE B.4. ESTIMATED COST - COST SHARING

This is a cost-sharing contract. The total estimated cost of performing the work under this contract is \$ _____. For further provisions regarding the specific cost-sharing arrangement, see the ADVANCE UNDERSTANDINGS Article in SECTION B of the Contract.

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****(USE BELOW FOR A COST-REIMBURSEMENT OPTION CONTRACT.)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ARTICLE:

- **Subparagraph b:**
 - Eliminate Fee Language When Appropriate.
 - Select the sentence appropriate for the type of contract within the brackets below. Make sure to delete the sentence that does not apply.

ARTICLE B.5. ESTIMATED COST - OPTION

- a. The estimated cost of the Base Period of this contract is \$ _____ .
- b. The fixed fee for the Base Period of this contract is \$ _____. [**For completion contracts:** The fixed fee shall be paid in installments based on the percentage of completion of work, as determined by the Contracting Officer./ **For level of effort contracts:** The fixed fee shall be paid in direct ratio to the level of effort expended; that is, the percent of fee paid shall be equal to the percent of total effort expended.] Payment shall be subject to the withholding provisions of the clauses ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1. of this contract.
- c. The total estimated amount of the contract, represented by the sum of the estimated cost plus the fixed fee for the Base Period is \$ _____ .
- d. If the Government exercises its option pursuant to the OPTION PROVISION Article in SECTION H of this contract, the Government's total estimated contract amount represented by the sum of the estimated cost plus the fixed fee will be increased as follows:

	Estimated Cost (\$)	Fixed Fee (\$)	Estimated Cost Plus Fixed Fee (\$)
Base Period			
Option Period(s):			
Total [Base Period and Option(s)]			

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****(USE BELOW FOR A COST-REIMBURSEMENT PERFORMANCE BASED AWARD TERM CONTRACT.)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ARTICLE:

1. Eliminate Fee Language When Appropriate.
2. **Subparagraph b :** Select the sentence appropriate for the type of contract within the brackets below. Make sure to delete the sentence that does not apply.

ARTICLE B.6. ESTIMATED COST - AWARD TERM

- a. The estimated cost of the Base Period of this contract is \$ _____ .
- b. The fixed fee for the Base Period of this contract is \$ _____. [**For completion contracts** : The fixed fee shall be paid in installments based on the percentage of completion of work, as determined by the Contracting Officer./ **For level of effort contracts** : The fixed fee shall be paid in direct ratio to the level of effort expended; that is, the percent of fee paid shall be equal to the percent of total effort expended.] Payment shall be subject to the withholding provisions of the clauses ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1. of this contract.
- c. The total estimated amount of the contract, represented by the sum of the estimated cost plus the fixed fee for the Base Period is \$ _____ .
- d. If the Award Term(s) is/are earned pursuant to the AWARD TERM QUALITY ASSURANCE SURVEILLANCE PLAN (QASP) Article in SECTION H of this contract, the Government's total estimated contract amount represented by the sum of the estimated cost plus the fixed fee will be increased as follows:

	Estimated Cost (\$)	Fixed Fee (\$)	Estimated Cost Plus Fixed Fee (\$)
Base Period			
Award Term(s):			
Total [Base Period and Award Term(s)]			

****(USE BELOW FOR A COST-REIMBURSEMENT PERFORMANCE BASED ACQUISITION (PBA) WHERE THE INCENTIVE IS TIED TO FEE.)****

ADDITIONAL INFORMATION ABOUT THIS ITEM:

1. An obligation of funds for award-fee shall not be made until the actual award-fee amount is determined and the contractor is notified. An award-fee is a bona fide need of the same year and appropriation that financed the related effort for which the award-fee was earned. Simplified, the same fiscal year appropriation used to fund the performance period evaluated must be used to pay the award-fee.

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ARTICLE:

1. **Subparagraph a.2.:** Select a subparagraph a.2.a., if appropriate, as follows:
 - If the total base fee is \$0, do not include any subparagraphs (a. or b.) under subparagraph a.2. [*Note: Providing a base fee is at the discretion of the Contracting Officer. See FAR 16.405-2 for additional information about CPAF contracts .*]
 - Use the first subparagraph a.2.a. when a base fee \$ amount is negotiated. Select the sentence appropriate for the type of contract within the brackets below. Make sure to delete the sentence that does not apply.
 - Use the second subparagraph a.2.b. for RFPs.
2. **Subparagraph b (Table):** Include all evaluation periods and associated available award fee for the life of the contract.
3. **Subparagraph c.:** The Total Estimated Cost of the contract should include Award Fee "EARNED," therefore, at the time of award, this amount will be estimated cost plus base fixed fee (if any) only. **This amount will need to be updated each time an award fee is earned to accurately reflect the total estimated cost of the contract .**

ARTICLE B.7. ESTIMATED COST PLUS AWARD FEE

a. Estimated Cost and Base Fixed Fee

1. The total estimated cost of this contract is \$ _____ .
2. The total base fixed fee is \$ _____ .
 - a. The base fixed fee shall be paid in [**For completion contracts :** installments based on the percentage of completion of work, as determined by the Contracting Officer/ **For level of effort contracts :** direct relation to the level of effort expended; that is, the percent of base fixed fee paid shall be equal to the percent of total effort expended.]
-OR-
 - b. The fee payment schedule will be determined during negotiations.

- c. Payment shall be subject to the withholding provision of the clauses ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1. of this contract.

b. Award Fee Consideration

Based on the evaluation/determination described in subparagraph d. below, an award fee may be earned by the Contractor at regular intervals as defined in the paragraphs herein. The total potential award fee available is \$ _____ and the evaluation periods shall be as follows:

Evaluation Period(s):	Available Award Fee:

c. Total Estimated Contract Amount

The total estimated amount of the contract, represented by the sum of the estimated cost plus base fixed fee (if any), plus earned award fee is \$ _____ .

d. Methodology for Award Fee Evaluation/Determination

1. The Contractor's performance hereunder will be observed and evaluated continuously by the Government. At the end of each evaluation period, the Contracting Officer will review performance based on the standards and criteria established in the Quality Assurance Surveillance Plan, dated _____ , listed in SECTION J - LIST OF ATTACHMENTS, attached hereto and made a part of this contract.
2. The findings of the evaluation will determine the amount of the available award fee (specified in subparagraph b. above) earned by the Contractor for the identified evaluation period. In no event, however, will any unearned award fee become available in subsequent evaluation periods.
3. The Contracting Officer will notify the Contractor, in writing, of the available award fee actually earned for a given evaluation period. Upon receipt of this notification, the Contractor shall submit a public voucher for payment of the total award fee earned.
4. The evaluation/determination of award fee shall be binding on both parties and not subject to the Disputes clause included in Section I of the contract.

****(USE BELOW IN COST-REIMBURSEMENT PERFORMANCE BASED ACQUISITION (PBA) WITH OPTIONS, WHERE THE INCENTIVE IS TIED TO FEE.)****

ADDITIONAL INFORMATION ABOUT THIS ITEM:

1. An obligation of funds for award-fee shall not be made until the actual award-fee amount is determined and the contractor is notified. An award-fee is a bona fide need of the same year and appropriation that financed the related effort for which the award-fee was earned. Simplified, the same fiscal year appropriation used to fund the performance period evaluated must be used to pay the award-fee.

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ARTICLE:

1. **Subparagraph a.3.:** Select a subparagraph a.3.a., if appropriate, as follows:
 - If the total base fee is \$0, do not include any subparagraphs (a. or b.) under subparagraph a.3. [*Note: Providing a base fee is at the discretion of the Contracting Officer. See FAR 16.405-2 for additional information about CPAF contracts .*]
 - Use first subparagraph a.3.a. when a base fee \$ amount is negotiated. Select the sentence appropriate for the type of contract within the brackets below. Make sure to delete the sentence that does not apply. Complete the information for all Option Periods.
 - Use the second subparagraph a.3.b. for RFPs.
2. **Subparagraph b.1 (CONTRACTS ONLY):** List all evaluation periods separately with applicable Award Fee Amounts for the Base Period Only.
3. **Subparagraph b.2 (CONTRACTS ONLY):** List all options and indicate the evaluation periods and associated available award fee for each option.
4. **Subparagraph c.:** The Total Estimated Cost of the contract should include Award Fee "EARNED," therefore, at the time of award, this amount will be estimated cost plus base fixed fee (if any) only. **This amount will need to be updated each time an award fee is earned to accurately reflect the total estimated cost of the contract .**

ARTICLE B.8. ESTIMATED COST PLUS AWARD FEE

a. Estimated Cost and Base Fixed Fee

1. The total estimated cost of the Base Period of this contract is \$ _____ .
2. If the Government exercises its option pursuant to the OPTION PROVISION Article in SECTION H of this contract, the estimated cost shall be increased as follows:

	Estimated Cost (\$)
Base Period:	
Option Period(s):	
Total [Base Period and Option(s)]	

3. The total base fixed fee for the Base Period of the contract is \$ _____ .
- a. The base fixed fee shall be paid in [**For completion contracts:** installments based on the percentage of completion of work, as determined by the Contracting Office/ **For level of effort contracts:** direct relation to the level of effort expended; that is, the percent of base fixed fee paid shall be equal to the percent of total effort expended.]

If the Government exercises its option pursuant to the OPTION PROVISION Article in SECTION H of this contract, the base fixed fee shall be increased as follows:

	Base Fixed Fee (\$)
Base Period:	
Option Period(s):	
Total [Base Period and Option(s)]	

-OR-

- b. The fee payment schedule will be determined during negotiations.
- c. Payment shall be subject to the withholding provision of the clauses ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1. of this contract.
- b. Award Fee Consideration
1. Based on the evaluation/determination described in subparagraph d. below, an award fee may be earned by the Contractor at regular intervals as defined in the paragraphs herein. The total potential award fee available is \$ _____ and the evaluation periods shall be as follows:

Base Period Evaluation Period(s):	Available Award Fee

2. If the Government exercises its option pursuant to the OPTION PROVISION Article in SECTION H of this contract, the total potential award fee available for the option years/periods and the evaluation periods shall be as follows:

OPTION(s) Period(s)	Evaluation Period(s) by Option	Available Award Fee

OPTION(s) Period(s)	Evaluation Period(s) by Option	Available Award Fee

c. Total Estimated Contract Amount

1. The total estimated amount of the contract, represented by the sum of the estimated cost plus the base fixed fee (if any), plus the earned award fee is \$ _____.
2. If the Government exercises its option pursuant to the OPTION PROVISION Article in SECTION H of this contract, the Government's total estimated contract amount, represented by the sum of the estimated cost plus base fixed-fee (if any) plus the earned award fee and the period of performance will be increased as follows:

	Estimated Cost (\$)	Base Fixed Fee (\$)	Earned Award Fee (\$)	Total Estimated Contract Amount (\$)
Base Period:				
Option Period(s):				
Total [Base Period and Option(s)]				

d. Methodology for Award Fee Evaluation/Determination

1. The Contractor's performance hereunder will be observed and evaluated continuously by the Government. At the end of each evaluation period, the Contracting Officer will review performance based on the standards and criteria established in the Quality Assurance Surveillance Plan, dated _____, listed in SECTION J - LIST OF ATTACHMENTS, attached hereto and made a part of this contract.
2. The findings of the evaluation will determine the amount of the available award fee (specified in subparagraph b. above) earned by the Contractor for the identified evaluation period. In no event, however, will any unearned award fee become available in subsequent evaluation periods.
3. The Contracting Officer will notify the Contractor, in writing, of the available award fee actually earned for a given evaluation period. Upon receipt of this notification, the Contractor shall submit a public voucher for payment of the total award fee earned.
4. The evaluation/determination of award fee shall be binding on both parties and not subject to the Disputes clause included in Section I of the contract.

****(USE BELOW FOR A COST-REIMBURSEMENT CONTRACT FOR SEVERABLE SERVICES USING INCREMENTAL FUNDING. See HHSAR Part 332 - Contract Funding for additional information on using incremental funding.)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ITEM:

1. **Subparagraph a:** Insert the full amount of the contract.
2. **Subparagraph b:**
 - **For Solicitations :** Leave this subparagraph as is.
 - **For Contracts :**
 - i. Remove the in the first sentence.
 - ii. Complete the Table based on negotiations.
 - iii. Remove the sentence under the Table.
3. **Subparagraph c :** Insert the amount funded to date.

ARTICLE B.9. ESTIMATED COST - INCREMENTALLY FUNDED CONTRACT

- a. The total estimated cost to the Government for full performance of this contract, including all allowable direct and indirect costs, is \$ _____ .
- b. The following represents the schedule* by which the Government expects to allot funds to this contract:

CLIN, Task, Number, or Description	Start Date of Period or Increment of Performance	End Date of Period or Increment of Performance	Estimated Cost (\$)	Fee (\$) (as appropriate)	Estimated Cost Plus Fee (\$) (as appropriate)
			[Total]	[Total]	[Total]

*To be inserted after negotiation

- c. Total funds currently obligated and available for payment under this contract are \$ _____ .
- d. The Contracting Officer may issue unilateral modifications to obligate additional funds to the contract and make related changes to paragraphs b. and/or c., above.
- e. Until this contract is fully funded, the requirements of the clause at FAR 52.232-22, Limitation of Funds, shall govern. Once the contract is fully funded, the requirements of

the clause at FAR 52.232-20, Limitation of Cost, shall govern.

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****(USE BELOW FOR A CPFF CONTRACT FOR SEVERABLE SERVICES USING INCREMENTAL FUNDING.)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ITEM:

1. **Second paragraph:** consists of information in a Drop down box. Choose the applicable sentence as follows:

- **For Level of Effort contracts:** Choose the first selection which states that fee will be paid in proportion to level of effort expended.
- **For Completion contracts:** Choose the second selection which states that fee will be paid based on the percentage of work completed.
- **For Completion contracts where fee is tied to time:** Use default selection, which is blank.

Note: Because some of the choices are lengthy, you will have to scroll over to the right to locate the drop down icon to select the text.

- f. Payment of fee shall be subject to the withholding provisions of the clauses ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1. of this contract.

[/The fee shall be paid in direct ratio to the level of effort expended; that is, the percent of fee paid shall be equal to the percent of total effort expended./The fixed fee shall be paid in installments based on the percentage of completion of work, as determined by the Contracting Officer.]

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****(USE BELOW FOR AN INCREMENTALLY FUNDED, COST-PLUS-FIXED-FEE, MULTI-YEAR CONTRACT (FAR 17.1).)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ARTICLE:

1. **Subparagraph a:** Insert periods of performance and amounts in the table.
2. **Subparagraph b:** Select the sentence within the brackets that is appropriate for the contract type. Delete the sentence that does not apply.

Note: *Contract funding shall not be less than the full amount of the first program year in accordance with 17.106-1(g).*

ARTICLE B.10. COST-PLUS-FIXED-FEE - MULTI-YEAR CONTRACT

- a. This contract is awarded in accordance with Federal Acquisition Regulation (FAR) Subpart 17.1, Multi-year Contracting. Funding will be provided incrementally to cover the following periods of performance:

Cost reimbursement multi-year table

Program Year	Estimated Cost (\$)	Fixed Fee (\$)	Estimated Cost Plus Fixed Fee (\$)
Year 1 <i>[Insert Dates]</i>			
Year 2 <i>[Insert Dates]</i>			
Year 3 <i>[Insert Dates]</i>			
Year 4 <i>[Insert Dates]</i>			
Year 5 <i>[Insert Dates]</i>			
Total			

- b. [**For completion contracts:** The fixed fee shall be paid in installments based on the percentage of completion of work, as determined by the Contracting Officer. - **or - For level-of-effort contracts:** The fixed fee shall be paid in direct ratio to the level of effort expended; that is, the percent of fee paid shall be equal to the percent of total effort expended.] Payment of fixed fee shall be subject to the clauses entitled ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1. of this contract.
- c. Total funds currently obligated under this contract are \$ _____ ; of which \$ _____ represents the estimated cost; \$ _____ represents the fixed fee; and \$ _____ represents the cancellation ceiling. For further provisions on funding, see the LIMITATION OF FUNDS clause referenced in Part II, ARTICLE I.2. Authorized Substitutions of Clauses. The Limitation of Funds clause does not apply to the cancellation ceiling.
- d. It is estimated that the amount currently obligated will cover performance of the contract through _____ .
- e. The Contracting Officer may obligate additional funds to the contract without the concurrence of the Contractor.

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****(USE BELOW FOR A FULLY FUNDED, COST-PLUS-FIXED-FEE, MULTI-YEAR CONTRACT (FAR 17.1).)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ARTICLE:

- **Subparagraph b:** Select the sentence within the brackets that is appropriate for the contract type. Delete the sentence that does not apply.

ARTICLE B.10. COST-PLUS-FIXED-FEE - MULTI-YEAR CONTRACT

- a. This contract is awarded in accordance with Federal Acquisition Regulation (FAR) Subpart 17.1, Multi-year Contracting.
- b. the estimated cost of this contract is \$ _____, and the fixed fee is \$ _____. The total estimated amount of this contract, represented by the sum of the estimated cost plus fixed fee, is \$ _____.
- c. [**For completion contracts:** The fixed fee shall be paid in installments based on the percentage of completion of work, as determined by the Contracting Officer. - **or - For level-of-effort contracts:** The fixed fee shall be paid in direct ratio to the level of effort expended; that is, the percent of fee paid shall be equal to the percent of total effort expended.] Payment of fixed fee shall be subject to the clauses entitled ALLOWABLE COST AND PAYMENT and FIXED FEE referenced in the General Clause Listing in Part II, ARTICLE I.1. of this contract.
- d. For further provisions on funding, see the LIMITATION OF COST clause referenced in Part II, ARTICLE I.2. Authorized Substitutions of Clauses.

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****(USE BELOW FOR AN INCREMENTALLY FUNDED, COST-REIMBURSEMENT (NO FEE), MULTI-YEAR CONTRACT (FAR 17.1).)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ARTICLE:

- **Subparagraph a:** Insert periods of performance and amounts in the table.

Note: *Contract funding shall not be less than the full amount of the first program year in accordance with 17.106-1(g).*

ARTICLE B.10. COST-REIMBURSEMENT - MULTI-YEAR CONTRACT

- a. This contract is awarded in accordance with Federal Acquisition Regulation (FAR) Subpart 17.1, Multi-year Contracting. Funding will be provided incrementally to cover the following periods of performance:

Program Year	Estimated Cost (\$)
Year 1 <i>[Insert Dates]</i>	
Year 2 <i>[Insert Dates]</i>	
Year 3 <i>[Insert Dates]</i>	
Year 4 <i>[Insert Dates]</i>	
Year 5 <i>[Insert Dates]</i>	
Total	

- b. Total funds obligated to this contract are \$ _____; of which \$ _____ represents the cancellation ceiling. For further provisions on funding, see the LIMITATION OF FUNDS

clause referenced in Part II, ARTICLE I.2. Authorized Substitutions of Clauses. The Limitation of Funds clause does not apply to the cancellation ceiling.

- c. It is estimated that the amount currently obligated will cover performance of the contract through _____.
- d. The Contracting Officer may allot additional funds to the contract without the concurrence of the Contractor.

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****(USE BELOW FOR A FULLY FUNDED, COST-REIMBURSEMENT (NO FEE), MULTI-YEAR CONTRACT (FAR 17.1.)****

ARTICLE B.10. COST-REIMBURSEMENT - MULTI-YEAR CONTRACT

- a. This contract is awarded in accordance with Federal Acquisition Regulation (FAR) Subpart 17.1, Multi-year Contracting. The estimated cost of this contract is \$ _____.
- b. For further provisions on funding, see the LIMITATION OF COST clause referenced in Part II, ARTICLE I.2. Authorized Substitutions of Clauses.

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****(USE BELOW IN ALL **INCREMENTALLY FUNDED**, MULTIYEAR CONTRACTS.)****

Do not use this Article in multi-year contracts that are fully funded at award. See note 3 below.

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ARTICLE:

Table:

- In the "Program Year" column, identify the applicable periods of performance.
- In the "Cancellation Date" column, identify the date by which the cancellation notification is to be given.
- In the "Cancellation Ceiling" column, identify the applicable dollar amount for which the contractor may be entitled if the contract is cancelled. Ceilings must exclude amounts for requirements included in prior program years. The Contracting Officer must reduce the cancellation ceiling for each program year in direct proportion to the remaining requirements subject to cancellation.

NOTES:

1. The full amount of the cancellation ceiling must be funded at award in accordance with 41 U.S.C. 254c.
2. Within the context of FAR Subpart 17.1, "program year" has the same meaning as "contract year."
3. The Government does not create a "cancellation liability" when a multi-year contract is fully funded at award. Therefore, the Article below should not be included in multi-year contracts that are fully funded at award. Cancellation of a fully funded multi-year contract is handled using termination for convenience procedures.

ARTICLE B.11. CANCELLATION CEILING

- a. Performance under this contract during the second and subsequent program years is contingent upon the appropriation of funds. All program years except the first are subject to cancellation. Cancellation shall occur by the dates specified below if the Contracting Officer-
1. notifies the Contractor that funds are not available for contract performance for any subsequent program year; or
 2. fails to notify the Contractor that funds are available for performance of the succeeding program year.
- b. The Government's liability for cancellation charges shall not exceed \$ _____. This amount will be reduced in accordance with FAR 17.106-1(c)(1) at the conclusion of each program year, as follows:

Program Year	Cancellation Date	Cancellation Ceiling
Year 1: [Insert Dates] *	N/A	N/A
Year 2: [Insert Dates] *	[Insert Date]	\$ [insert amount]
Year 3: [Insert Dates] *	[Insert Date]	\$ [insert amount]
Year 4: [Insert Dates] *	[Insert Date]	\$ [insert amount]
Year 5: [Insert Dates] *	[Insert Date]	\$ [insert amount]

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****(USE BELOW FOR SINGLE AWARD INDEFINITE QUANTITY TYPE CONTRACTS FOR SUPPLIES OR SERVICES THAT HAVE BEEN IDENTIFIED AND PRICED AT THE TIME OF AWARD.)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ITEM:

1. **Subparagraph a:** Enter the minimum and maximum dollar amounts for the supplies and/or services to be purchased over the period of performance in the spaces provided.
2. **Subparagraph b:**
 - Select the correct term "costs" or "prices" from the drop-down box.
 - Enter the period of performance in the spaces provided.
3. **Subparagraph c:**
 - Select the appropriate type of order from the drop down box as follows: Delivery Order for Supplies; Task Order for services.
 - Select the correct term "unit price(s)" or "cost(s)" within the brackets, or modify to accurately reflect your situation. Delete the brackets and inapplicable information.
 - Enter the Schedule/Line Items and associated costs/prices. Modify the Table, as necessary, to accurately reflect the costs/prices for each item/line item.

Note: If the contract will have options, make sure to include the Article B, entitled "Option Prices" or "Estimated Cost - Option" as appropriate .

ARTICLE B.12. PRICES/COSTS

- a. This is an Indefinite Quantity contract as contemplated by FAR 16.504. The Contractor shall be reimbursed by the Government in an amount not less than a total of \$ _____ (minimum) nor more than a total of \$ _____ (maximum) for successful performance of this contract.
- b. The [costs/prices] set forth in this ARTICLE will cover the contract period _____ through _____ .
- c. The Government will issue [Task/Delivery] Orders based on the work described in SECTION C of this contract and the following schedule. Upon delivery and acceptance of the item(s) described in each Task Order, the Government shall pay to the Contractor the [unit price(s)/costs] set forth below:

SCHEDULE OF CHARGES FOR THE BASIC AWARD PERIOD

Description of Item	Unit	Price (or Cost)/Unit

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****(USE BELOW FOR SINGLE AWARD INDEFINITE QUANTITY TYPE CONTRACTS FOR SUPPLIES OR SERVICES WHEN INDIVIDUALLY NEGOTIATED TASK ORDERS WILL BE ISSUED DURING THE PERIOD OF PERFORMANCE.)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ITEM:

1. **Subparagraph a:** Enter the minimum and maximum dollar amounts for the supplies and/or services to be purchased over the period of performance in the spaces provided.
2. **Subparagraph b:**
 - Select the correct term "costs" or "prices" from the drop-down box.
 - Enter the period of performance in the spaces provided.
3. **Subparagraph c:** Select the appropriate type of order from the drop down box as follows: Delivery Order for Supplies; Task Order for services.

Note: *If the contract will have options, make sure to include the Article B, entitled "Option Prices" or "Estimated Cost - Option" as appropriate .*

ARTICLE B.12. PRICES/COSTS

- a. This is an Indefinite Quantity contract as contemplated by FAR 16.504. The Contractor shall be reimbursed by the Government in an amount not less than a total of \$ _____ (minimum) nor more than a total of \$ _____ (maximum) for successful

performance of this contract.

- b. The [costs/prices] set forth in this ARTICLE will cover the contract period _____ through _____ .
- c. The Government will issue [Task/Delivery] Orders based on the work described in SECTION C of this contract.

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****(USE BELOW FOR MULTIPLE AWARD INDEFINITE QUANTITY TYPE CONTRACTS FOR SUPPLIES OR SERVICES THAT HAVE BEEN IDENTIFIED AND PRICED AT THE TIME OF AWARD.)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ITEM:

1. **Subparagraph a:** Enter the minimum and maximum dollar amounts for the supplies and/or services to be purchased over the period of performance in the spaces provided.
2. **Subparagraph b:**
 - Select the correct term "costs" or "prices" from the drop-down box.
 - Enter the period of performance in the spaces provided.
3. **Subparagraph c:**
 - Select the appropriate type of order from the drop down box as follows: Delivery Order for Supplies; Task Order for services.
 - Select the correct term "unit price(s)" or "cost(s)" within the brackets, or modify to accurately reflect your situation. Delete the brackets and inapplicable information.
 - Enter the Schedule/Line Items and associated costs/prices. Modify the Table, as necessary, to accurately reflect the costs/prices for each item/line item.

Note: *If the contract will have options, make sure to include the Article B, entitled "Option Prices" or "Estimated Cost - Option" as appropriate .*

ARTICLE B.12. PRICES/COSTS

- a. This is a Multiple Award Indefinite Quantity contract as contemplated by FAR 16.504. The Contractor shall be reimbursed by the Government in an amount not less than a total of \$ _____ (minimum) nor more than a total of \$ _____ (maximum) for successful performance of this contract.
- b. The [costs/prices] set forth in this ARTICLE will cover the contract period _____ through _____ .
- c. The Government will compete and award [Task/Delivery] Orders based on the work described in SECTION C of this contract and the following schedule. Upon delivery and

acceptance of the item(s) described in each Task Order, the Government shall pay to the Contractor the [unit price(s)/costs] set forth below:

SCHEDULE OF CHARGES FOR THE BASIC AWARD PERIOD

Description of Item	Unit(s)	Price/Unit

- d. Ordering procedures are described in The METHOD OF ORDERING Article in SECTION G of this contract.

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****(USE BELOW FOR MULTIPLE AWARD INDEFINITE QUANTITY TYPE CONTRACTS FOR SUPPLIES OR SERVICES WHEN INDIVIDUALLY NEGOTIATED TASK ORDERS WILL BE ISSUED DURING THE PERIOD OF PERFORMANCE.)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ITEM:

1. **Subparagraph a:** Enter the minimum and maximum dollar amounts for the supplies and/or services to be purchased over the period of performance in the spaces provided.
2. **Subparagraph b:**
 - Select the correct term "costs" or "prices" within the brackets.
 - Enter the period of performance in the spaces provided.
3. **Subparagraph c:**
 - Select the appropriate type of order from the drop down box as follows: Delivery Order for Supplies; Task Order for services.
 - If the Statement of Work includes specific tasks areas for which each contractor will be qualified, the Contracting Officer may modify this subparagraph to include the specific information. If minimum and maximum amounts are assigned for each Task area as well as the overall contract, they may be included as well.

Note: *If the contract will have options, make sure to include the Article B, entitled "Option Prices" or "Estimated Cost - Option" as appropriate .*

ARTICLE B.12. PRICES/COSTS

- a. This is a Multiple Award Indefinite Quantity contract as contemplated by FAR 16.504. The Contractor shall be reimbursed by the Government in an amount not less than a total of \$ _____ (minimum) nor more than a total of \$ _____ (maximum) for successful performance of this contract.

- b. The [prices/costs] set forth in this ARTICLE will cover the contract period _____ through _____ .
- c. The Government will compete and award [Task/Delivery] Orders based on the work described in SECTION C of this contract.
- d. Ordering procedures are described in The TASK ORDER PROCEDURE Article in SECTION G of this contract.

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****(USE BELOW FOR FIXED-PRICE CONTRACTS WHEN THE CONTRACTOR WILL BE PAID IN ONE LUMP SUM.)****

ARTICLE B.13. PRICES

- a. The total fixed price of this contract is \$ _____ .
- b. Upon delivery and acceptance of the item(s) specified in the DELIVERY Article in SECTION F and described in SECTION C of this contract, the Government shall pay to the Contractor the total fixed price.

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****(USE BELOW FOR SUPPLY CONTRACTS, WHEN THE CONTRACTOR WILL RECEIVE PARTIAL PAYMENTS BASED ON THE DELIVERY SCHEDULE SET FORTH IN THE CONTRACT.)****

ARTICLE B.13. PRICES

- a. The total fixed price of this contract is \$ _____ .
- b. Upon delivery and acceptance of the item(s) described in SECTION C of this contract and identified in the schedule of charges below, the Government shall pay to the Contractor the unit price(s) set forth below:

SCHEDULE OF CHARGES FOR THE BASIC AWARD PERIOD

Description of Item	Quantity (Units)	Price (\$)	Unit Price (\$)	Total (\$)

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****(USE BELOW FOR SERVICE CONTRACTS, WHEN THE CONTRACTOR WILL RECEIVE PARTIAL PAYMENTS BASED ON THE DELIVERY SCHEDULE SET FORTH IN THE CONTRACT.)****

ARTICLE B.13. PRICES

- a. The total fixed price of this contract is \$ _____ .
- b. Upon delivery and acceptance of the services described in SECTION C of this contract and identified in the schedule of charges below, the Government shall pay to the Contractor the unit price(s) set forth below:

SCHEDULE OF CHARGES FOR THE BASIC AWARD PERIOD

Description of Service	Quantity (Units)	Price (\$)	Unit Price(\$)	Total (\$)

30

****(USE BELOW FOR CONTRACTS THAT WILL RECEIVE PARTIAL PAYMENTS BASED ON A PERCENTAGE OF THE TOTAL PRICE TIED TO SPECIFIC MILESTONES IDENTIFIED.)****

Note: *The milestones and the percentage of payment MUST be set forth below .*

EXAMPLE SITUATION FOR USE:

This item could be used when the Government is purchasing a large item of equipment in which the Contractor will also be required to install, demonstrate and train personnel on its use. In this case a percentage of the total cost could be paid upon delivery of the equipment and the remaining amount could be paid upon completion of services associated with the equipment.

ARTICLE B.13. PRICES

- a. The total fixed price of this contract is \$ _____ .
- b. Upon delivery and acceptance of the item(s) and/or service(s) specified in the DELIVERY Article in SECTION F and described in SECTION C, the Contractor shall be paid as follows:

PAYMENT SCHEDULE

Description of Service or Item to be Delivered	Percentage (%) of Total Fixed-Price Amount to be Paid	Total Payment Amount

31

****(USE BELOW FOR REQUIREMENTS TYPE CONTRACTS.)****

ARTICLE B.13. PRICES

- a. The total estimated amount of this contract is \$ _____ .
- b. Upon delivery and acceptance of the item(s) described in SECTION C of this contract and identified in the schedule of charges below, the Government shall pay to the Contractor the unit price(s) set forth below:

SCHEDULE OF CHARGES FOR THE BASIC AWARD PERIOD

Description of Item	Quantity (Units)	Price	Unit Price	Total

- c. The estimated contract amount and quantity of items set forth in paragraphs a. & b. above is not a guarantee that the estimated quantities will be required or ordered.

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****(USE BELOW FOR FIXED PRICE OPTION CONTRACTS.)****

ADDITIONAL INSTRUCTIONS TO COMPLETE THIS ARTICLE:

- **Subparagraph c:**
 - Select the appropriate Headings for the Option Table; e.g. Identify if the Option is an Item or Service;
 - Identify if there is a specific Quantity or a Minimum & Maximum required. Delete the portion of the Heading that does not apply to your contract.

ARTICLE B.14. OPTION PRICES

- a. Unless the Government exercises its option pursuant to the option clause referenced in ARTICLE I.3. ADDITIONAL CONTRACT CLAUSES, this contract consists only of the Base Period specified in the Statement of Work as defined in SECTIONS C and F, for the price set forth in ARTICLE B.2. of this contract.
- b. Pursuant to [FAR Clause 52.217-6/Option for Increased Quantity/FAR Clause 52.217-7/Option for Increased Quantity-Separately Priced Line Item/FAR Clause 52.217-8/Option to Extend Services/FAR Clause 52.217-9/Option to Extend] set forth in ARTICLE I.3. ADDITIONAL CONTRACT CLAUSES of this contract, the Government may, by unilateral contract modification, require the Contractor to perform the Option Period(s) specified in the Statement of Work as defined in SECTIONS C and F of this contract. If the Government exercises this/these option(s), notice must be given before the

expiration date of the contract. Specific information regarding the time frame for this notice is set forth in the OPTION PROVISION Article in SECTION H of this contract. The fixed price of this contract will be increased as set forth in paragraph c., below.

- c. Upon the delivery and acceptance of the [Option Item/Option Items/Option Service/Option Services] described in SECTION C of the contract and identified in the schedule of charges below, the Government shall pay the Contractor the unit price(s) set forth below:

Option Period	Description of Option Item(s) - or- Option Service(s)	Quantity (Units) - or- Minimum & Maximum	Unit Price	Total Price of Option -or- Minimum & Maximum

33

****(USE BELOW IN ALL COST-REIMBURSEMENT SOLICITATIONS.)****

ARTICLE B.15. PROVISIONS APPLICABLE TO DIRECT COSTS

This article will prohibit or restrict the use of contract funds, unless otherwise approved by the Contracting Officer. The following is a list of items that may be included in the resultant contract as applicable. 1) Conferences & Meetings, 2) Food for Meals, Light Refreshments & Beverages, 3) Promotional Items, 4) Acquisition, by purchase or lease, of any interest in real property; 5) Special rearrangement or alteration of facilities; 6) Purchase or lease of any item of general purpose office furniture or office equipment regardless of dollar value; 7) Travel Costs including Foreign Travel; 8) Consultant Costs; 9) Subcontract Costs; 10) Patient Care Costs; 11) Accountable Government Property; 12) Printing costs; and 13) Research Funding.

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****(INCLUDE BELOW IN ALL SOLICITATIONS.)****

ARTICLE B.16. ADVANCE UNDERSTANDINGS

Specific elements of cost, which normally require prior written approval of the Contracting Officer before incurrence of the cost (e.g., foreign travel, consultant fees, subcontracts) will be included in this Article if the Contracting Officer has granted his/her approval prior to contract award.

****(USE BELOW IF THE CONTRACTOR HAS **NOT** TRANSITIONED TO THE DEPARTMENT OF TREASURY'S INVOICE PROCESSING PLATFORM.)****

a. Invoice Processing Platform (IPP)

NIH is using a phased transition approach from the NIH Office of Financial Management (OFM) Electronic Invoice Submission instructions to the Department of Treasury's Invoice Processing Platform (IPP). This award will transition to IPP in the future. The Contractor/Vendor shall use the attached NIH OFM Electronic Invoice Submission Instructions until the Contractor/Vendor has transitioned to IPP as specified on the [OALM IPP website at https://oalm.od.nih.gov/IPP](https://oalm.od.nih.gov/IPP). It is the Contractor/Vendor's responsibility to periodically check the OALM IPP website and be prepared to transition to IPP on the designated transition date. Questions concerning the transition to IPP should be directed to NIH-IPPinvoicing@mail.nih.gov. Questions concerning this award should be directed to the NIH Contracting Officer.

All IPP invoices must contain a Unique Entity Identifier (UEI) which is located in the System for Award Management (SAM) and replaces the Dun & Bradstreet Data Universal Numbering System (DUNS) number.

****(USE BELOW IF THE AWARD IS A PARENT INDEFINITE DELIVERY AWARD OR BLANKET PURCHASE AGREEMENT SET-UP.)****

b. Invoice Processing Platform (IPP)

If this award is a parent indefinite delivery award or a Blanket Purchase Agreement Set-Up, then HHSAR 352.232-71 applies to all task/delivery orders or Blanket Purchase Agreement calls issued under this award.