



Department of Property & Procurement

Government of the United States Virgin Islands

3274 ESTATE RICHMOND, CHRISTIANSTED, U. S. VIRGIN ISLANDS 00820

8201 SUB BASE, 3RD FLOOR, ST. THOMAS, U. S. VIRGIN ISLANDS 00802

ST. CROIX MAIN OFFICE: 340.773.1561 | ST. THOMAS MAIN OFFICE: 340.774.0828

ST. CROIX FAX: 340.773.0986 | ST. THOMAS FAX: 340.774.9587

[HTTP://DPP.VI.GOV](http://DPP.VI.GOV)



Executed letter

November 23, 2020

Mr. Raymond N. Sharmouj
Raymond N. Sharmouj d/b/a Cruzan Tires
1 K Little Princess
Christiansted
St. Croix, VI 00820

RE: S004ADPPC21(CT) Purchase and Delivery of Oils and Lubricants to Various Departments in the Virgin Islands Government in the St. Croix District.

Dear Mr. Sharmouj:

Transmitted herewith is the fully executed Supply Contract for Purchase and Delivery of Oils and Lubricants to various Departments in the St. Croix District during the period of **October 1, 2020**, through **September 30, 2021**. *Raymond N. Sharmouj d/b/a Cruzan Tires* will perform under this Contract in accordance with Addendum I (Scope of Work), Addendum II (General Provisions), and Addendum III (Termination of Contracts). *Raymond N. Sharmouj d/b/a Cruzan Tires* fails to comply with the terms of the enclosed Contract, the Government of the Virgin Islands will exercise all rights and remedies available to it in law and equity all documents via email to the Department of Property and Procurement for further processing.

If you have any questions, please contact Dynell R. Williams, Deputy Commissioner of Procurement, at 340-773-1561 ext. 5244 or email dynell.williams@dpp.vi.gov.

Respectfully,

Dynell R. Williams
Deputy Commissioner of Procurement

DRW/mth

xc: Department of Property and Procurement Project file
Division of Transportation, Deputy Commissioner



Department of Property & Procurement

Government of the United States Virgin Islands

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October 29, 2020

Mr. Raymond N. Sharmouj
Raymound N. Sharmouj d/b/a Cruzan Tires
1 K Little Princess
Christiansted
St. Croix, VI 00820

RE: Supply Contract—S004ADPPC21(CT)

Dear Mr. Sharmouj:

Transmitted herewith is a Supply Contract for the **Purchase and Delivery of Oils and Lubricants to Various Departments in the Virgin Islands Government in the St. Croix District during the period of October 1, 2020 through September 30, 2021.** Services provided will be made in accordance with the terms and conditions of the contract.

We invite your attention to the General Provisions of said contract particularly to Addendum II concerning default.

Enclosed herewith for your review and signature is one (1) original Supply Contract. Additionally, please be sure to initial all pages of the Contract.

In addition, please provide the following documents to complete your packet:

1. Execute and Initial Supply Contract; Initial all documents in the bottom right hand corner (BLUE INK ONLY).
2. Sign the original contract in the presence of one (1) witness (BLUE INK ONLY).
3. Proof of Commercial General Liability Insurance with the Government of the Virgin Islands as Certificate Holder and Additional Insured as indicated on Endorsement (policy number on endorsement must match policy number on certificate).
4. Proof of Worker's Compensation Coverage/ Government Insurance Coverage
5. Sam.Gov Registration
6. Proof of Professional Liability Coverage with Government of the Virgin Islands as Certificate Holder for professional services contract.
7. Tradename certificate (valid for two years)

Upon receipt of the requested information, please return all documents via email to the Department of Property and Procurement for further processing.

If you have any questions, please contact Dynell R. Williams, Deputy Commissioner of Procurement at 340-773-1561 ext. 5244 or email dynell.williams@dpp.vi.gov.

Respectfully,

Anthony D. Thomas
Commissioner

ADT/drw/mth

GOVERNMENT OF
THE VIRGIN ISLANDS OF THE UNITED STATES
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DEPARTMENT OF PROPERTY AND PROCUREMENT

SUPPLY CONTRACT

No. S004ADPPC21(CT)

This AGREEMENT, made this _____ day of _____, 20____
for the Purchase and Delivery of Oils and Lubricants to Various Departments in the Virgin Islands
Government in the St. Croix District by and between the Government of the Virgin Islands,
hereinafter called the "GOVERNMENT", and Raymound N. Sharmouj d/b/a Cruzan Tires whose
address is 1 K Little Princess Christiansted St. Croix, VI 00820 hereinafter called the
"CONTRACTOR",

WITNESSETH:

For, and in consideration of the acceptance of the Contractor's proposal, under Invitation for Bids No. 052DPPC20 (S) opened on September 3, 2020 and the award of this contract to the Contractor, notification hereof having been made to the Contractor on October 1, 2020, and, in further consideration of the covenants and agreements of the Parties herein contained, to be well and truly observed and faithfully kept by them, and each of them, it is mutually agreed between the Parties as follows:

SECTION 1. That for and in consideration of the price or prices and agreement in this proposal hereto attached and made a part of this Contract, the said Contractor agrees to furnish and deliver any or all of the commodities described in the said Invitation for Bids No. 052DPPC20 (S) and the Scope of Work (Addendum I) at the price or prices stated therein and in strict accordance with the conditions of said accepted proposal. The Advertisement, Invitation for Bids, General Provisions (Addendum II), Termination of Contracts (Addendum III), any Supplemental Provisions and Specifications and the Purchase Order, including any change thereof, are all part and parcel of this Contract and are by this reference, incorporated in this Contract as fully and effectively as if set forth in detail herein.

SECTION 2. The Government, for and in consideration of the full and true performance of the work by the Contractor, agrees to pay the price or prices set forth in the attached Invitation for Bids and the line items as indicated in Addendum I, in lawful money of the United States, and the payment shall be made at the time and in the manner set forth in the Invitation for Bids and the General Provisions.

SECTION 3. This Contract shall commence on October 1, 2020 and shall terminate on September 30, 2021 unless mutually extended or terminated by the parties. The services under this contract shall be for a period of **one (1) year** with a renewal option for a period of **one (1) year**. No alterations or variations of the terms of the proposal shall be valid or binding upon the Government unless made in writing and approved by the Government.


Initial _____

SECTION 4. This Contract will remain in force for the full period specified and services of termination shall be satisfactorily delivered and accepted and/or until all terms and conditions have been met, unless:

- (a) terminated prior to expiration by satisfactory delivery against orders of entire quantities contracted for; or
- (b) extended upon written authorization of the Government and accepted by the Contractor, to permit ordering of unordered balances or additional quantities at contract price or prices and in accordance with the contract terms.

SECTION 5. Failure of the Contractor to deliver within the time specified, or within a reasonable time as interpreted by the Government, or failure to make replacement of rejected commodities when so requested, immediately or as directed by the Government, will constitute authority for the Government to purchase in the open market to replace the commodities rejected or not delivered. The Government reserves the right to authorize immediate purchases in the open market against rejections on this contract when necessary. On all such purchases, the Contractor agrees promptly to reimburse the Government for excess costs occasioned by such purchases. Such purchases will be deducted from contract quantities. However, should public necessity demand it, the Government reserves the right to use or consume commodities delivered which are substandard in quality, subject to an adjustment in price to be determined by the Government.

SECTION 6. By execution of this contract, the Contractor certifies that it is eligible to receive contracts awarded using federally appropriated funds and that it has not been suspended or debarred from entering into contracts with any federal agency. The Contractor shall include this provision in each of its subcontracts hereunder and shall furnish its subcontractors with the current "LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT OR NON-PROCUREMENT." In the event the Contractor or any subcontractor misrepresents its eligibility to receive contract awards using federal funds, the Contractor or subcontractor agrees that it shall not be entitled to payment for any work performed under this contract or any subcontract and that the Contractor or subcontractor shall promptly reimburse the Government of the Virgin Islands for any progress payments heretofore made.

SECTION 7. Contractor warrants that it shall not, with respect to this Contract, make or present any claim upon or against the Government of the Virgin Islands, or any officer, department, board, commission, or other agency thereof, knowing such claim to be false, fictitious, or fraudulent. Contractor acknowledges that making such a false, fictitious, or fraudulent claim is an offense under Virgin Islands law.

SECTION 8. Contractor acknowledges that this Contract is funded, in whole or in part, by federal funds. Contractor warrants that it shall not, with respect to this Contract, make or present any claim knowing such claim to be false, fictitious, or fraudulent. Contractor acknowledges that making such a false, fictitious, or fraudulent claim is a federal offense.

SECTION 9. All quantities listed in this Contract are estimates only. The Government will purchase items based on its actual needs, which may or may not amount to the total estimated quantities. The Contractor shall only fulfill orders in accordance with approved purchase orders issued by the Government.



Initial —

SECTION 10. This Contract is subject to the appropriation and availability of funds and to the approval of the Commissioner of the Department of Property and Procurement.

SECTION 11. The following insurance coverages are required by Contract and Contractor shall maintain these insurance coverages during the term of this Contract.

(a) **COMMERCIAL GENERAL LIABILITY:** Commercial general liability insurance, in a form acceptable to the Government, on a "per occurrence" basis with a minimum limit of not less than one hundred thousand dollars (\$100,000.00) for any one person per occurrence for death or personal injury and one hundred thousand dollars (\$100,000.00) for any one occurrence for property damage. Insurance policy(ies) shall name the Government of the Virgin Islands as the certificate holder and additional insured via an endorsement.

(b) **WORKERS' COMPENSATION:** Contractor shall supply current coverage under the Government Insurance Fund or other form of coverage

SECTION 12. A facsimile, electronic or digital signature on this Contract shall be deemed an original and binding upon the Parties hereto.

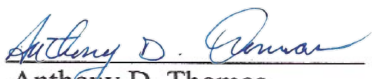
This Contract shall become effective immediately upon and as of the day of signature by the Commissioner of the Department of Property and Procurement.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands on the day and year first above written.

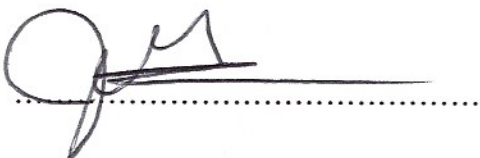
Witnesses:



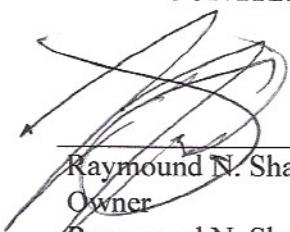
GOVERNMENT OF THE VIRGIN ISLANDS

By:  11/20/2020
Anthony D. Thomas Date
Commissioner
Department of Property and Procurement

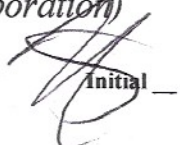
Witnesses:



CONTRACTOR

By:  11/19/20
Raymound N. Sharmouj Date
Owner
Raymound N. Sharmouj d/b/a Cruzan

(Corporate seal, if Contractor is a corporation)



ADDENDUM I
SCOPE of WORK

The Contractor will provide Oils and Lubricants to Various Departments in the Virgin Islands Government, St. Croix, USVI as described in the invitation for bid package. Which is attached hereto and made part of this contract.

 Initial _

CONTINUATION SHEET
(Supply Contract)

Contract, Order, or Invitation No.
(As Applicable)

Page No.

IFB052DPPC20 (S)

ITEM NO.	SUPPLIES OR SERVICES				AMOUNT
	OILS and LUBRICANTS	QUANTITY	UNIT	UNIT PRICE	
<u>1</u>	Coolant, Concentrate, Anti-freeze, Anti-Boil 35%-35% in 1 gallon containers, 6 per case MFR: _____ NO: _____	20	Cs.	N/A	N/A
<u>2</u>	Coolant, extended life in 1 gallon containers, 6 per case Brand Name: DEX-COOL Only MFR: _____ NO: _____	75	Cs.	N/A	N/A
<u>3</u>	Coolant, Anti-freeze 50/50, 55 gal drum, concentrated MFR: _____ NO: _____	10	Drum	N/A	N/A
<u>4</u>	Fluid, Automatic transmission, Dextron II or III, 12 quarts per case. MFR: _____ NO: _____	10	Cs.	N/A	N/A
<u>5</u>	Fluid, Automatic transmission, Dextron VI, 12 quarts per case. Brand Name: AC Delco Only MFR: _____ NO: _____	75	Cs.	N/A	N/A
<u>6</u>	Fluid, Automatic transmission fluid, synthetic, 55 Gal. Drum Brand Name: Texaco Only MFR: _____ NO: _____	10	Drum	\$642.00	6,420.00
<u>7</u>	Fluid, brake, Dot 3/HD in pints, 24 per case. MFR: _____ NO: _____	50	Cs.	N/A	N/A
<u>8</u>	Oil, hydraulic, Grade 46 in 5 gal. Bucket or Pail MFR: _____ NO: _____	50	Bucket	N/A	N/A
<u>9</u>	Oil, KD3 Heavy duty super Oil, SAE40 (diesel engine), 12 quarts per case. MFR: _____ NO: _____	25	Cs.	N/A	N/A
<u>10</u>	Oil, SAE 10-30, 12 quarts per case. Brand Name: AC Delco Only MFR: _____ NO: _____	100	Cs.	N/A	N/A
<u>11</u>	Oil, SAE 5W-30, Synthetic Blend, 12 quarts per case. Brand Name: AC Delco Only MFR: _____ NO: _____	250	Cs.	N/A	N/A
<u>12</u>	Oil, SAE 5W-20, Full Synthetic, 12 quarts per case. Brand Name: Motorcraft Only MFR: _____ NO: _____	250	Cs.	N/A	N/A
Name of Bidder:					

CONTINUATION SHEET
(Supply Contract)

Contract, Order, or Invitation No.
(As Applicable)

Page No.

IFB052DPCC20 (S)

ITEM NO.	SUPPLIES OR SERVICES				AMOUNT
	OILS and LUBRICANTS	QUANTITY	UNIT	UNIT PRICE	
<u>13</u>	Oil, SAE 0W-20 Dexos 1 Synthetic, 12 quarts per case. Brand Name: AC Delco Only MFR: _____ NO: _____	100	Cs.	N/A	N/A
<u>14</u>	Gear Oil 80W - 140, 55 Gal. Drum Brand Name: Texaco Only MFR: _____ NO: _____	25	Drum	\$908.00	\$22,700
<u>15</u>	Oil, SAE 15W - 40 Diesel, 12 quarts per case. Brand Name: Texaco Only MFR: _____ NO: _____	50	Cs.	N/A	N/A
<u>16</u>	Oil, SAE 15W - 40 Diesel, 55 Gal. Drum Brand Name: Texaco Only MFR: _____ NO: _____	25	Drum	N/A	N/A
<u>17</u>	Power Steering Fluid, 12 quarts per case. MFR: _____ NO: _____	50	Cs.	N/A	N/A
<u>18</u>	Metal and Rubber Lubricant, 12 quarts per case. MFR: _____ NO: _____	75	Cs.	N/A	N/A
<u>19</u>	Gear Oil, 80W-90, 12 quarts per case. MFR: _____ NO: _____	25	Cs.	N/A	N/A
<u>20</u>	Oil, SAE 15W-40 Diesel, 5 Gal. Bucket or Pail Brand Name: Chevron Delo 400 LE Only MFR: _____ NO: _____	25	Bucket	N/A	N/A
<u>21</u>	Oil, Hydraulic, AW 68, 55 Gal. Drum MFR: _____ NO: _____	25	Drum	N/A	N/A
<u>22</u>	Coolant, extended life, Dex-Cool, 55 Gal. Drum Brand Name: DEX-COOL Only MFR: _____ NO: _____	25	Drum	\$694.00	\$17,350.00
<u>23</u>	Coolant, Dex-Cool , 6 per case Brand Name: Prestone Only MFR: _____ NO: _____	50	Cs.	N/A	N/A
<u>24</u>	Coolant, Anti-Freeze, Orange, 6 per case Brand Name: Motorcraft Only MFR: _____ NO: _____	25	Cs.	\$98.00	\$2,450.00

Name of Bidder:

IFB052DPCC20 (S)

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ADDENDUM II

GENERAL PROVISIONS

(SUPPLY CONTRACT)

1. DEFINITIONS

As Used throughout this contract, the following terms shall have the meaning set forth below:

The term "Contracting Officer" means the Commissioner of the Department of Property & Procurement; and the term includes, except as otherwise provided in the contract, the authorized representative of the Contracting Officer acting within the limits of his authority.

2. CHANGES

The Contracting Officer may at any time, by a written order, and without notice to the sureties, make changes, within the general scope of this contract, in anyone or more of the following: (i) Drawings, designs, or specifications where the supplies to be furnished are to be specially manufactured for the Government in accordance therewith; (ii) method of shipment or packing; and (iii) place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this contract, whether changed or not changed by any such order, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly. Any claim by the contractor for adjustment under this clause must be asserted within 30 days from the date of receipt by the Contractor of the notification of change: Provided, however, That the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Where the cost of property made obsolete or excess as a result of a change is included in the Contractor's claim for adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of such property. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

3. EXTRAS

Except as otherwise provided in this contract, no payment for extras shall be made unless such extras and the price thereof have been authorized in writing by the Contracting Officer.

4. VARIATION IN QUALITY

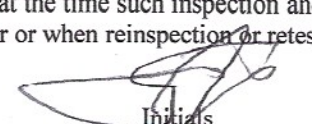
No variation in the quantity of any item called for by this contract will be accepted unless such variation has been caused by conditions of loading, shipping, packing or allowances in manufacturing processes, and then only to the extent, if any, specify elsewhere in this contract.

5. INSPECTION

(a) All supplies (which term throughout this clause includes without limitation raw materials, components, intermediate assemblies, and end products) shall be subject to inspection and test by the Government, to the extent practicable at all times and places including the period of manufacture and in any event prior to acceptance.

(b) In case any supplies or lots of supplies are defective in material or workmanship or otherwise not in conformity with the requirements of this contract, the Government shall have the right either to reject them (with or without instructions as to their disposition) or to require their correction. Supplies or lots of supplies which have been rejected or required to be corrected shall be removed or, if permitted or required by the Contracting Officer, corrected in place by and at the expense of the Contractor promptly after notice, shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. If the Contractor fails promptly to remove such supplies or lots of supplies which are required to be removed, or promptly to replace or correct such supplies or lots of supplies, the Government either (i) may by contract or otherwise replace or correct such supplies and charge to the Contractor the cost occasioned the Government thereby, or (ii) may terminate this contract for default as provided in the clause of this contract entitled "Default." Unless the Contractor corrects or replaces such supplies within the delivery schedule, the Contracting Officer may require the delivery of such supplies at a reduction in price which is equitable under the circumstances. Failure to agree to such reduction of price shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(c) If any change inspection or test is made by the Government on the premises of the Contractor or a subcontractor, the Contractor without additional charge shall provide reasonable facilities and assistance for the safety and convenience of the Government inspectors in the performance of their duties. If Government inspection or test is made at a point other than the premises of the Contractor or a subcontractor, it shall be at the expense of the Government except as otherwise provided in this contract: Provided, That in case of rejection the Government shall not be liable for any reduction in value of samples used in connection with such inspection or test. All inspections and tests by the Government shall be performed in such a manner as not to unduly delay the work. The Government reserves the right to charge to the Contractor any additional cost of Government inspection and test when supplies are not ready at the time such inspection and test is requested by the Contractor or when reinspection or retest


Initials

is necessitated by prior rejection. Acceptance or rejection of the supplies shall be made as promptly as practicable after delivery, except as otherwise provided in this contract; but failure to inspect and accept or reject supplies shall neither relieve the Contractor from responsibility for such supplies as are not in accordance with the contract requirements nor impose liability on the Government therefor.

(d) The inspection and test by the Government of any supplies or lots thereof does not relieve the Contractor from any responsibility regarding defects or other failures to meet the contract requirements which may be discovered prior to acceptance. Except as otherwise provided in this contract, acceptance shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud.

(e) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the supplies hereunder. Records of all inspection work by the Contractor shall be kept complete and available to the Government during the performance of this contract and for such longer period as may be specified elsewhere in this contract.

6. RESPONSIBILITY FOR SUPPLIES

Except as otherwise provided in the contract, (i) the Contractor shall be responsible for the supplies covered by this contract until they are delivered at the designated delivery point, regardless of the point of inspection; (ii) after delivery to the Government at the designated point and prior to acceptance by the Government or rejection and giving notice thereof by the Government, the Government shall be responsible for the loss or destruction of or damage to the supplies only if such loss, destruction or damage results from the negligence of officers, agents, or employees of the Government acting within the scope of their employment; and (iii) the Contractor shall bear all risks as to rejected supplies after notice of rejection, except that the Government shall be responsible for the loss, or destruction of, or damage to the supplies only if such loss, destruction or damage results from the gross negligence of officers, agents, or employees of the Government acting within the scope of their employment.

7. PAYMENTS

The Contractor shall be paid, upon the submission of proper invoices or vouchers, the prices stipulated herein for supplies delivered and accepted or services rendered and accepted, less deductions, if any, as herein provided. Unless otherwise specified, payment will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or when requested by the Contractor, payment for accepted partial deliveries shall be made whenever such payment would equal or exceed either \$1,000 or 50 percent of the total amount of this contract.

8. ASSIGNMENT OF CLAIMS

(a) Pursuant to the provisions of the Assignment of Claims Act (5 VIC 1201 et. seq.) if this contract provides for payments aggregating \$1,000 or more, claims for moneys due or to become due to the Contractor from the Government under this

contract may be assigned to a bank, trust company, or other financial institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Unless otherwise provided in this contract, payments to an assignee of any moneys due or to become due under this contract shall not, to the extent provided in said Act, as amended, be subject to reduction or set off.

9. ADDITIONAL BOND SECURITY

If any surety upon any bond furnished in connection with this contract becomes unacceptable to the Government or if any such surety fails to furnish reports as to his financial condition from time to time as requested by the Government, the Contractor shall promptly furnish such additional security as may be required from time to time to protect the interests of the Government and of persons supplying labor or materials in the prosecution of the work contemplated by this contract.

10. EXAMINATION OF RECORDS

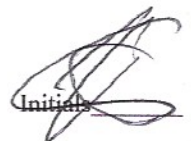
(The following clause is applicable if the amount of this contract exceeds \$1,000.00 and was entered into by means of negotiation, but is not applicable if this contract was entered into by means of formal advertising.)

(a) The Contractor agrees that the Government Comptroller of the U. S. Virgin Islands or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(b) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Government Comptroller of the Virgin Islands or any of his duly authorized representatives shall, until the expiration of three years after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (i) purchase orders not exceeding \$1,000 and (ii) subcontractors or purchase orders for public utility services at rates established for uniform applicability to the general public.

11. DEFAULT

(a) The Government may, subject to the provisions of paragraph (c) below, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances:


Initials

(i) if the Contractor fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or

(ii) if the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.

(b) In the event the Government terminates this contract in whole or in part as provided in paragraph (a) of this clause, the Government may procure, upon such terms and in such manner as the Contracting Officer may deem appropriate, supplies or services similar to those so terminated, and the Contractor shall be liable to the Government for any excess costs for such similar supplies or services: Provided, That the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

(c) Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the supplies or service fees to be furnished by the subcontractor was obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

(d) If this contract is terminated as provided in paragraph

(a) of this clause, the Government, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the Government, in the manner and to the extent directed by the Contracting Officer, (i) any completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as the Contractor has specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which the Government has an interest. Payment for completed supplies delivered to and accepted by the Government shall be at the contract price. Payment for manufacturing materials delivered to and accepted by the Government and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and Contracting Officer; failure to agree to such

amount shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." The Government may withhold from amounts otherwise due the Contractor for such completed supplies or manufacturing materials such sum as the Contracting Officer determines to be necessary to protect the Government against loss because of outstanding liens or claims of former lien holders.

(e) If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the Government, be the same as if the notice of termination had been issued pursuant to such clause. If, after notice of termination of this contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, and if this contract does not contain a clause providing for termination for convenience of the Government, the contract shall be equitably adjusted to compensate for such termination and the contract modified accordingly; failure to agree to any such adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(f) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

12. DISPUTES

(a) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Attorney General. The decision of the Attorney General or his duly authorized representative shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of his appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(b) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (a) above:- Provided, That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

ADDENDUM III

TERMINATION OF CONTRACTS

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CONVENIENCE OF THE GOVERNMENT

- (a) The performance of work under this contract may be terminated by the Government in accordance with this clause in whole, or from time to time in part, whenever the Contracting Officer shall determine that such termination is in the best interest of the Government. Any such termination shall be effected by delivery to the Contractor of a Notice of Termination specifying the extent to which performance by delivery to the Contractor of a Notice of Termination specifying the extent to which performance of work under the contract is terminated, and the date upon which such termination becomes effective.
- (b) After receipt of a Notice of Termination, and except as otherwise directed by the Contracting Officer, the Contractor shall:
 - (i) stop work under the contract on the date and to the extent specified in the Notice of Termination;
 - (ii) place no further orders or subcontracts for materials, services or facilities, except as may be necessary for completion of such portion of the work under the contract as is not terminated;
 - (iii) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination;
 - (iv) assign to the Government, in the manner, at the times, and to the extent directed by the Contracting Officer, all of the right, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the Government shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
 - (v) settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Contracting Officer, to the extent, he may require, which approval or ratification shall be final for all the purposes of this clause;
 - (vi) transfer title and deliver to the Government in the manner, at the times, and to the extent, if any, directed by the Contracting Officer (A) the fabricated or unfabricated parts, work in progress, completed work, supplies, and other material produced as a part of, or acquired in connection with the