

INSPECTION OF RESEARCH AND DEVELOPMENT – FIXED PRICE (AUG 1996)

- (a) The Contractor shall provide and maintain an inspection system acceptable to the Laboratory covering the work under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Laboratory during contract performance and for as long afterwards as the contract requires.
- (b) The Laboratory 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 Laboratory may also inspect the premises of the Contractor or any subcontractor engaged in contract performance. The Laboratory shall perform inspections and tests in a manner that will not unduly delay the work.
- (c) If the Laboratory performs any inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these duties. Except as otherwise provided in the contract, the Laboratory shall bear the expense of Laboratory inspections or tests made at other than the Contractor's or subcontractor's premises.
- (d) The Laboratory shall accept or reject the work as promptly as practicable after delivery, unless otherwise specified in the contract. Laboratory failure to inspect and accept or reject the work shall not relieve the Contractor from responsibility, nor impose liability on the Laboratory, for nonconforming work. Work is nonconforming when it is defective in material or workmanship or is otherwise not in conformity with contract requirements.
- (e) The Laboratory has the right to reject nonconforming work. If the Contractor fails or is unable to correct or to replace nonconforming work within the delivery schedule (or such later time as the Laboratory Procurement Official may authorize), the Laboratory Procurement Official may accept the work and make an equitable price reduction. Failure to agree on a price reduction shall be a dispute.
- (f) Inspection and test by the Laboratory does not relieve the Contractor from responsibility for defects or other failures to meet the contract requirements that may be discovered before acceptance. Acceptance shall be conclusive, except for latent defects, fraud, gross mistakes amounting to fraud, or as otherwise specified in the contract. If acceptance is not conclusive of any of these causes, the Laboratory, in addition to any other rights and remedies provided by law, or under other provisions of this contract, shall have the right to require the Contractor (1) at no increase in contract price, to correct or replace the defective or nonconforming supplies (work) at the original point of delivery or at the Contractor's plant at the Laboratory Procurement Official's election, and in accordance with a reasonable delivery schedule as may be agreed upon between

the Contractor and the Laboratory Procurement Official, *provided* the Laboratory Procurement Official may require a reduction in contract price if the Contractor fails to meet such delivery schedule; or (2) within a reasonable time after the Contractor's receipt of notice of defects or nonconformance, to repayment of such portion of the contract price as is equitable under the circumstances if the Laboratory elects not to require correction or replacement. When supplies (work) are (is) returned to the Contractor, the Contractor shall bear transportation costs from the original point of delivery to the Contractor's plant and return to the original point of delivery when that point is not the Contractor's plant.