

## PRICE REDETERMINATION

The price or prices stated in this order shall be subject to redetermination in accordance with the provisions of this article. In no event shall the total order price, revised as provided in this article, exceed (Blank 1) dollars. (See Notes 1 and 2).

(A) Time For Redetermination. (See Note 3)

- (1) Upon delivery of (Blank 2) percent of the total number of articles specified to be furnished under this order, or at such earlier time as the Buyer may direct in the event of any termination by the Buyer of work under this order, the Seller shall submit to the Buyer the data specified in paragraph (C) of this article. On the basis of such information, and of any other relevant information which may be available to the Buyer, the price or prices set forth in this order shall be redetermined by agreement of the Buyer and the Seller. Any redetermined price or prices established under this subparagraph shall be effective as of the date of this order and shall apply to all articles covered by the order, whether already delivered or yet to be delivered. (See Notes 4 and 5).
- (2) Prior to expiration or termination of this order, but no sooner than ninety (90) days after the effective date of any price redetermination under subparagraph (1) either party to the order may at its option by written notice addressed to the other require that the parties negotiate a further redetermination of such redetermined price or prices to become effective as of the date of the notice or some later date specified therein and thereafter from time to time by similar notices may require that the parties again negotiate further price redeterminations to become effective as of dates not earlier than ninety (90) days after the effective date of the redetermined price or prices then in effect. The data specified in paragraph (C) shall accompany any notice by the Seller under this subparagraph, and shall be submitted by the Seller to the Buyer within thirty (30) days after receipt of any notice hereunder from the Buyer. Any redetermined price or prices established under this subparagraph shall apply only to articles to be delivered, after the effective date for such redetermination as proposed in the notice.

(B) Principles Governing Negotiation, Additional General Limitations And Procedures Relating To Redetermined Prices.

Any redetermined price or prices under this article shall be fair and reasonable under all the circumstances to the Seller and to the Buyer. In the negotiation of such fair and reasonable redetermined price or prices, the Buyer may take into account, as a factor in determining a reasonable profit allowance, any unwarranted failure on the part of the Seller to submit the data specified in paragraph (C) at a time required by this article. Any redetermined price or prices under this article shall not exceed any applicable ceiling price or prices established pursuant to applicable law and regulations. Any redetermined price or prices and the manner of making necessary adjustments with respect to payments previously made by the Buyer shall be set forth in an amendment or amendments which shall be signed by the Buyer and the Seller. Where negotiation is required under this article, failure to agree upon any redetermined price or prices shall be deemed a dispute within the meaning of the article of this order entitled "Disputes." Any redetermination of prices under this article shall be without prejudice to the rights of the Government or the Buyer under any statute or order now in effect, or under any other article of this purchase order. In connection with any price redetermination hereunder, the Buyer may make such examination of the Seller's accounts, records and books as the Buyer may require and may make such audit thereof as the Buyer may deem necessary.

(C) Data To Be Submitted By The Seller.

The data to be submitted by the Seller under this article, itemized in such detail as the Buyer may prescribe, shall consist of . . . .

- (1) A new estimate and breakdown of the unit cost and the proposed prices of the items remaining to be delivered under this order after the effective date of the price redetermination.
- (2) An explanation of any differences between the last preceding estimate and the current estimate of costs.
- (3) Such relevant shop and engineering data, cost records, overhead experience, reports and accounting statements as may be of assistance in determining the accuracy and reliability of the current estimate of costs.
- (4) A statement of experienced costs of production hereunder at the time or times of the negotiation of the revision of prices hereunder, and
- (5) Any other relevant data usually furnished in the case of negotiation of prices under a new order.

Seller shall be required to submit a Certificate of Current Cost or Pricing Data for data utilized in the negotiation of any redetermined price or prices resulting in a final order amount in excess of \$100,000.

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Information furnished by Buyer:

Blank 1 - - Maximum order price.

Blank 2 - - Percentage.

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## NOTES:

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1. Whenever changes are made in the contract pursuant to the Changes article, the total contract price shall be adjusted, where necessary, in accordance with such changes.
  2. If redetermination downward only is to be provided for, the following sentence should be substituted for this sentence: "The total of such redetermined prices as established pursuant to any redetermination shall in no event exceed the total contract price as set forth in this contract prior to redetermination, less any part thereof applicable to any terminated portion of the work."
  3. Where multiple redeterminations, upward or downward, are to be provided for, subparagraphs (1) and (2) should both be included in paragraph (A). Where a single redetermination only, whether upward or downward only, is to be provided for, subparagraph (2) should be entirely omitted.
  4. In lieu of "Upon delivery of \_\_\_\_\_ percent of the articles specified to be furnished," any one of the following substitutes may be used:
    - "Upon delivery of \_\_\_\_\_ units of the articles to be furnished."
    - "Upon performance of ( a specified portion of the work)."
    - "Upon delivery of articles representing \_\_\_\_\_ percent of the total contract price."
  5. In the event wholly retroactive redetermination is to be provided for, the first four lines of subparagraph (1) should be deleted and replaced with the following:
    - "Within \_\_\_\_\_ days after completion or termination of this contract,"