

KAPL  
ADMINISTRATIVE SPECIFICATION S-2

Revision No. 8

Issued:                      February 2, 2009

1. Scope: This Specification establishes the administrative requirements of the Order placed by the Knolls Atomic Power Laboratory (KAPL) hereafter referred to as “Buyer”.
2. Order of Precedence: In the event of an inconsistency between any parts of this Order, Seller shall immediately notify Buyer. Seller shall obtain written clarification from Buyer before proceeding with any work affected, unless the inconsistency is resolved by the Article, “Order of Precedence” of the Instructions to the Purchase Order.
3. Applicable Documents

Seller shall procure all referenced specifications, standards, and other documents applicable to the Order (See Attachment “A”). Categories of Specifications shall be described in the Technical Ordering Requirements/Workscope.

MIL-PRF-5480 – Data, Engineering and Technical Reproduction, Performance Specification.

List of Attachments:

- A - Availability of Specifications.
- B - Request for Approval of Degradation of Specification Requirements and Request for Approval of Repair (RAR), Form KAP 416B.
- B-1 - Procedure for Preparation of DSR or RAR.
- C - Resubmittal of DSR/RAR, Form 416C.
- D - Request for Engineering Change, Form KAP 690.
- D-1 - Instruction for Preparation of REC.
- E - Submittal of Documents.
- E-1 - Legend/Notes for documents to be submitted.
- F - Progress and Liquidation Payment Invoice Form (P0-01-032).
- F-1 - Detailed Instructions for Completion of Invoicing Forms.
- F-2 - Invoices and Payment, Definitions and Additional Information.

4. Definitions: Terms used in the Order, including any referenced document are defined as follows:
  - 4.1. Amendment – A supplemental procurement action, that, by written mutual agreement, formally alters the terms of the Order.
  - 4.2. Change Order – A unilateral Order by KAPL, issued pursuant to the Changes Article of the “General Provisions” which requires the Seller to proceed with the work as changed and to report the effects on the Order in accordance with the provisions of the “Changes” Article.
  - 4.3. Seller - A supplier, vendor, contractor, subcontractor, manufacturer or any person, firm or corporation with which the Order is placed.
  - 4.4. Subcontract - The contractual relationship between Seller and a subcontractor.
  - 4.5. Subcontractor – Any person, firm, or corporation with which the Seller contracts for the performance of any of the work described in the Order.
5. Subcontracts: Upon written request from Buyer, the Seller shall, within ten (10) days of placement of subcontracts, furnish unpriced copies containing complete ordering data for materials and parts.
6. Buyer Authorized Signatures: Except for those matters involving Buyer Security (See Section 13), authorized signatures shall be as set forth in the Order.
7. Seller to Buyer Communication: All written communications from the Seller to the Buyer shall be addressed and submitted to the Buyer as provided in Attachment “E.”
8. Approvals:
  - 8.1. General -
    - 8.1.1. All Seller prepared documents requiring Buyer approval shall be promptly forwarded to Buyer to avoid any undue accumulation or schedule delay of documents requiring approval.
    - 8.1.2. All required approvals shall be obtained in writing from Buyer prior to any subsequent action. Oral approvals shall not be binding. Buyer requires 15 calendar days for all approvals including manufacturing, inspection, and test specifications and procedures. The Buyer approval period will start upon receipt of complete data by Buyer and shall end on the date of mailing of the approval or disapproval from the Buyer, and the Seller should plan their work schedule accordingly.
    - 8.1.3. Any work done by the Seller in advance of any required approval shall be at the Seller’s risk, and any costs associated with partial or total disapproval shall be at the Seller’s expense.

- 8.1.4. Buyer approval of any document describing a process, or a procedure does not relieve the Seller of his responsibility to meet all the requirements of the Order, nor does it waive or supersede any requirements of the Order.
- 8.2. Previously Approved Processes or Procedures - Seller is encouraged to use previously approved processes and procedures when applicable to the requirements of this Order. If such processes and procedures are valid and current, Seller shall submit for Buyer approval with the following information:
- (a) Reference to the original approval document.
  - (b) Name of the component and name of the Government department or agency thereof for which the process or procedure has been approved.
  - (c) List of departures, if any, from the Order Technical Requirements and the justification for such departures.
- 8.3. Classes of Approval – Approvals will be granted only by the Order, an Amendment thereto, or an “Information to Vendor”. Approvals may be limited as follows:
- 8.3.1. Approval with Comments - Approval may be granted subject to modifications or comments. The Seller shall proceed with the work in accordance with those modifications or comments or immediately communicate to Buyer its objections to those modifications or comments. Documents shall be revised and resubmitted to Buyer for confirmation and record. Seller shall identify the approval document which necessitates the resubmittal.
- 8.3.2. Disapproval – In the event of disapproval, the specific areas that are not acceptable will be identified, and the reasons for nonacceptance will be given. Any resubmittal shall be as a new submittal but shall reference the disapproval.
9. The IV System: The IV System uses two documents: Inquiry to Vendor, and Information to Vendor.
- 9.1. The Inquiry to Vendor is used for requests for quotations covering additional work.
- 9.2. The Information to Vendor is used for drawing and process approval, transmittal of minutes of meetings, confirmation of phone conversations, and other general subjects of communication within the scope of the Order.
10. Change Control
- 10.1. General
- 10.1.1. A quotation or proposal concerning any change to the Order, when it is submitted by the Seller, shall remain valid for a period of ninety (90) days, unless specified otherwise, and the proposal shall include a detailed cost breakdown.
- 10.1.2. Buyer will not be responsible for any costs or expenses arising out of any change to the Order unless it is as a result of a written authorized communication from Buyer. (See Section 6).

## 11. Nonconforming Supplies and Specification Change Requests

- 11.1. Nonconforming supplies are supplies which do not meet Order Technical Requirements.
- 11.2. Order Technical Requirements include specifications standards and ordering data invoked by the Order, and Buyer approved drawings and procedures, with the following exceptions:
  - 11.2.1. Dimensions which are measured at an intermediate stage of manufacture, and will be changed by the Seller during subsequent operations, and will not result in a violation of final product requirements.
  - 11.2.2. Requirements of procedures which are within the Seller's right to change and submit for information.
- 11.3. Seller shall maintain a record of each nonconforming condition pertaining to the Order which shall include the disposition decision and actions taken thereon. Seller's disposition decision may be to scrap the nonconforming item, to submit a Repair Approval Request (RAR) or to request approval of Degradation of Specification Requirements (DSR). Seller's management shall regularly review the status of nonconforming supplies and the adequacy of its program for prompt disposition action.
  - 11.3.1. If Seller's disposition action jeopardizes fulfillment of Order obligations and acceptance of the condition would be of benefit to the Buyer and the Government, Seller may request Buyer acceptance of the nonconforming supplies by submitting a Degradation of Specification Requirement (DSR) or a Repair Approval Request (RAR).
- 11.4. Request for Approval of Degradation of Specification Requirements (DSR) and Request for Approval of Repair Approval (RAR).
  - 11.4.1. The definition of a DSR or RAR; the class and type of DSR; and Instructions for completing such forms are contained in Attachments B and B-1.
  - 11.4.2. Seller shall use Form KAP 416B for submittal of a DSR and RAR.
  - 11.4.3. When the justification which is provided by the Seller is incomplete due to the lack of access to design information, a statement covering this fact, should be included in the DSR/RAR.
  - 11.4.4. Benefit to Buyer and the Government for Acceptance (DSR's Only) – Clearly describe the overriding benefit which would accrue to Buyer and the Government for accepting the nonconforming item rather than requiring repair or replacement to be in full conformance with Order requirements. This shall set forth in detail the effect on delivery and quality of the supplies of the proposed and alternate courses of action, with sufficient information to justify the conclusions.

11.4.5. Re-Identification of Material

- 11.4.5.1. It is required that materials incorporated into equipment be in complete compliance with Order technical documents. When the Seller determines that it is to the benefit of the Government (i.e. a decrease in cost or improved delivery) to re-identify the material produced to a specification which is not identified by Order technical documents, the Seller may request approval via a "Repair Approval Request (RAR)" from the Buyer to re-identify the material. Approval will not be granted where materials listed in the Order technical document are available.
- 11.4.5.2. Re-identification of material is accomplished by performing such additional tests and presenting such technical justification as to assure that material originally produced to a non-Order technical document may be considered to meet the requirements of an Order technical document.

11.4.6. Buyer Action - DSR/RAR

- 11.4.6.1 If the DSR or RAR has not been properly prepared or does not contain thoroughly responsive content, Buyer will not act on the submittal and the DSR or RAR will be returned to the Seller.
- 11.4.6.2. If the DSR/RAR is complete and responsive in content, Buyer will evaluate. Seller will be advised of Buyer's disposition in writing.
- 11.4.6.3. Buyer will disapprove any Class II DSR if the nonconforming condition is indicative of especially poor workmanship.

11.4.7. Contractual Status of the DSR and RAR

Buyer approval of the DSR and RAR applies only to the specific condition(s) described and to the specific supplies identified. Disposition of DSR's and RAR's is the prerogative of the Buyer, to be exercised at Buyer's discretion. Seller shall not assume that approval will be granted because similar conditions were previously approved.

- 11.4.7.1. Responsibility for schedule delay resulting from repair or replacement of nonconforming supplies, or from delay in obtaining approval or rejection of a DSR/RAR rests solely with the Seller. Such lost time shall be made up by the Seller at his own expense, if necessary, to meet contract dates. Approval of a DSR/RAR shall not limit or reduce the Seller's obligations under warranty provisions of the Order. Work started on or utilizing nonconforming supplies, in

advance of Buyer approval of a DSR or RAR is done at Seller's risk.

- 11.4.8. The following meanings apply to terms used by the Buyer in taking action on DSR's and RAR's.
- 11.4.8.1. Approved as requested – Seller's Recommended Disposition or Seller's Recommended Method of Repair is approved, and the DSR or RAR becomes an Order document without further action by the Seller.
  - 11.4.8.2 Disapproved – Seller's Recommended Disposition or Seller's method of Repair is not acceptable to the Buyer for reason(s) provided and is not approved.
  - 11.4.8.3 Approved Conditionally – Seller's Recommended Disposition or Seller's Recommended Method of Repair is acceptable provided that the conditions specified by the Buyer are met by the Seller.
    - 11.4.8.3.1. Resubmittal Required – The DSR/RAR shall be resubmitted to the Buyer for information or approval, as indicated, within 10 days after the conditions of approval have been met. The resubmittal (Attachment C) shall identify whether it is for information or approval, and shall state that all conditions of approval have been met. In addition, it shall include appropriate inspection results. The resubmittal shall be signed by a person authorized to sign the original DSR/RAR. A copy of the original DSR/RAR signed by the Buyer shall be attached. If the resubmittal is for information, the DSR/RAR as resubmitted becomes an Order document without further action by the Buyer. If the resubmittal is for approval, the DSR/RAR as resubmitted becomes an Order document upon approval signature by the Buyer on the form.
    - 11.4.8.3.2. Seller action when conditions of approval are not met shall be as follows:

For Repair of Provisional DSR's – If the conditions after repair are outside any of the defined limits or if any specified provisions are not complied with the revised and resubmitted DSR shall be for approval, if use of the supplies is desired by the Seller.
- 11.4.9. Request for Engineering Change (REC)

The Request for Engineering Change (REC) is a form (Form KAP 690) initiated by the Seller, which proposes a change to an Order requirement for the purpose of correcting an error in the requirement or improving the supplies or the methods of their manufacture.

11.4.9.1. Content - The REC (see Attachments D & D-1) must contain a description of the proposed and present technical requirement, the proposed change or improvement, the engineering basis for change, the benefit to Buyer, and the effect on the work in process.

The benefit to the Buyer shall clearly set forth the effect on price, delivery quality, producibility, etc. and supportive information.

11.4.9.2. Submission – Seller shall submit both offset masters of the REC form to Buyer. The REC and any subsequent supplemental information shall be signed by Seller’s Manager of Engineering or his superior.

11.4.9.3. (a) Buyer will evaluate the REC to decide whether it is of sufficient benefit to Buyer and the Government to offset all Buyer and Government effort involved in accomplishing the change.

(b) If the benefit to Buyer and the Government is insufficient, KAPL will disapprove the REC and return it to the Seller without further engineering evaluation.

(c) If the benefit to Buyer and the Government is sufficient and if the REC is approved, a copy of the required changes to the technical Order requirements, and the contractual document incorporating the change will be forwarded to the Seller by the Buyer.

11.4.10. Nonconforming Supplies at Destination –

When the Order provides for delivery of supplies to a destination other than Buyers’ plants the following shall apply:

11.4.10.1. Supplies returned to the Seller because of noncompliance, shall be shipped to and from the point of rejection (or entry into continental United States) at the Seller’s expense in accordance with the “Warranty” Article of the General Provisions.

11.4.10.2. When requested by Buyer, the Seller shall negotiate directly with the Receiver to reimburse the Receiver for the following:

Note: The word “Receiver shall mean any person, firm, or corporation, other than Buyer to whom delivery of supplies is made under this Order including but not limited to any Seller, Subcontractor, or the Government.

- (a) Costs associated with packing, packaging, and shipment of supplies not complying with the Order requirements.
- (b) Costs incurred in correction or repair of nonconforming supplies.

11.4.10.3. If repair under the “Warranty” Article or any other Article of the General Provisions is to be accomplished at a shipyard or other destination, the Seller shall:

- (a) Obtain Buyer approval of the proposed repair procedure.
- (b) Make all necessary security visit authorization, schedule, and financial arrangements direct with the Receiver.
- (c) Advise Buyer in advance of scheduled visits to the Receiver.
- (d) Perform or supervise the performance of the repair.
- (e) Provide Buyer with a record of the work performed.

## 12. Deliverable Documents

- 12.1. File Code Number – The Seller, when requested by Buyer shall include a File Code Number on submitted engineering documents.

The File Code Number, supplied by Buyer, shall be added by the Seller in the upper right-hand area of the top page of each document except that for drawings, the number shall be added in the lower right-hand margin below the title block. The File Code Number is not applicable to administrative type documents; i.e., critical items reports, schedules, status reports, etc.

## 12.2. Submission

12.2.1. The type, quantity, time of submission, and addressee for all documents specified in the Order requirements or referenced in other paragraphs of this specification shall be submitted in accordance with Attachment “E”. Each reproducible and print, shall be furnished as a separate sheet, cut to size, and not part of a continuous roll.

12.2.2. Documents originally submitted to Buyer as “Preliminary” or “Tentative” shall be resubmitted in the form and quantity specified for that document whenever the document ceases to be “Preliminary”, whether or not the document was revised from “Preliminary” issue.

12.2.3. The documents submitted shall be arranged in numerical Order. Separate sheets of multi-sheet documents shall be collated into proper sheet Order.

13. Security – Communications on Security matters shall be conducted directly between the Seller and the Buyer’s Manager of Security. Seller’s attention is directed to the Article of the General Provisions entitled “Security”.

13.1. Classified Data/Documents – Classified documents shall be packaged separately from unclassified documents and shall be shipped in accordance with the Security requirements of the Order.

14. Packaging, Packing, Marking and Shipments

14.1. Packaging and Responsibilities – The Seller shall prepare all materials and articles for shipment in such a manner as to protect them from damage in transit, and shall be liable for any and all damage due to improper preparation or loading for shipment. If delivery is FOB destination, the Seller shall be responsible for all damage or loss in transit.

14.1.1. Shipping requirements shall be in accordance with the requirements of the Order.

14.1.2. Unless otherwise specified, the maximum acceptable information for external use on shipping containers or equipment shipped on an unclassified basis without a container is as follows;

- (a) Consignee(s) name and address.
- (b) Item descriptions, including National Stock Numbers, when assigned, which in no way reveal technical characteristics of the item being shipped. Descriptions should not reference any project, core type, applicable equipment specifications, nor reveal the number of installed components.
- (c) Gross weight and cube.
- (d) Shipping instructions and information required by regulations, laws, or ordinances.
- (e) Special handling instructions required by the nature of the material such as “this side up”, “delicate equipment”, “imperative consignee note special handling instructions on packing list”, etc.
- (f) Identification Code and Serial Number as provided by Buyer.
- (g) Purchase Order Number.
- (h) Commercial Bill of Lading Number/TCN Number/Registered Number/Way Bill Number.

14.1.3. All containers requiring cautions or unusual handling shall be conspicuously marked to indicate handling requirements, such as: Fragile, This End Up, Center of Gravity, Position Forks Here, Sling Here, Do Not Sling, etc. The Seller shall be responsible if the failure to so mark containers results in damage during receiving operations.

14.2. Documents Required with the Shipment

14.2.1. Documents required with shipment of goods shall be as specified in the Order or documents referenced therein.

14.3 Routing and Shipping Instructions – When routing or shipping instructions are not specified in the Order, the Seller shall obtain instructions from the Buyer. For shipments involving classified material, documents, etc., refer to the Security requirements of the Order. For shipments of Special Nuclear Material, the Seller shall obtain Buyer approval, prior to each shipment.

15. Insurance Requirements

15.1. Instructions – Seller’s attention is directed to the Article of the “General Provisions” entitled Insurance.

15.1.1 When this Order requires work to be performed on Buyer, Government or other premises, the Seller shall furnish insurance policies or certificates evidencing applicable coverages in amounts not less than that prescribed in the Order.

16. Reports and Schedules

16.1 Seller shall submit a contract schedule and status reports as specified in the Order and documents invoked therein.

16.1.1. Seller shall provide a contract schedule of events which is a detailed bar chart type schedule superimposed on a calendar scale for the items required by the Order.

16.1.2. Status reports shall describe the progress of the work and shall be in sufficient detail to demonstrate control of the work in the areas of design, engineering, material procurement, manufacturing, and test. Specific details shall identify problems in any of these areas that are jeopardizing Order completion dates.

16.2. Minutes of Meeting/Trip Reports – Minutes of Meeting will be issued by Buyer to document each meeting held between representatives of Buyer and Seller.

16.2.1. If the Order includes “Field Engineering”, Seller’s field engineer, at work at the site, shall complete a Trip Report covering their work activity, and obtain the signature of the Buyer site representative.

The above Seller’s Trip Report must be received by Buyer prior to payment for field engineering services.

16.2.1.1. Seller’s Trip Report shall contain:

- (a) The Order Number
- (b) The name, date, and time of arrival of the Seller personnel who performed the work at the site.

- (c) The name of the Buyer representative to whom the Seller personnel reported.
- (d) Log of time actually spent in the performance of the work.
- (e) A detailed description of the work performed.
- (f) A statement on completeness of work – i.e., will a future trip be necessary and, if so, the reason why.
- (g) Signature of both the Seller representative(s) performing the work and the responsible Buyer representative.

17. Progress Payments – applicable when Progress Payments are provided for in the Order.

- 17.1. Progress billings shall be submitted in the format prescribed in Attachment F. Instructions for completing Invoice Forms are set forth in Attachment F-1.

ATTACHMENT A

AVAILABILITY OF SPECIFICATIONS

1. Sellers should have available a copy of “Guide to Specifications and Standards of the Federal Government” for their guidance in the procurement of government specifications. This guide can be obtained from:

1. General Services Administration  
Washington, D.C. 20405
2. United States Department of Commerce
3. Field Offices of Small Business Administration, or
4. GSA Business Service Centers

2. Unclassified specifications and standards (military, federal) other than those identified as Category A and B can be ordered by commercial activities from:

Standardization Document Order Desk  
Building 4, Section D  
700 Robbins Avenue  
Philadelphia, PA 19111-5094

3. Seller’s request for standardization documents and specifications identified as Category A and B shall include the need for publication by citing the applicable Request For Proposal (RFP) or Purchase Order Number and shall be sent via the Government Contracting Officer for certification of need.

Category A from: Commander, Naval Sea Systems Command  
Code 09G 55  
Navy Department  
Washington, DC 20360  
Attention: Government Contracting Officer

Category B from: Commanding Officer  
Naval Ships Parts Control Center  
Code 709  
Mechanicsburg, PA 17055  
Attention: Government Contracting Officer

4. Categories shall be as described in the applicable technical ordering requirements.



## PROCEDURE FOR PREPARATION OF DSR OR RAR

KAP 416B (2/09) Rev. form should be used when applying for approval to repair or to use non-conforming products. This form shall not be used as a means for submitting information. Definition and method of requesting Repair approval or Degradation of Specification Requirement approval are shown below.

- Definition: (a) **Repair Approval Request (RAR)** is used to describe a non-conforming condition and to request approval to repair the item. The RAR is used when the item violates an order technical requirement, and can be repaired to be in full conformance with all order technical requirements and the proposed repair is of a different kind or is more extensive than allowed by order technical requirements.
- (b) **Degradation of Specification Requirements (DSR)** is used to describe a non-conforming condition and to request acceptance of an item which does not conform with a contract technical requirement. The DSR is classified into two classes and three types:

Class I – That non-conformance which impairs the performance, life, safety, interchangeability, maintainability or reliability of the equipment.

Class II – That non-conformance which does not impair the performance, life, safety, interchangeability, maintainability or reliability of the equipment.

Type – **Repair DSR's** – Those which identify non-conforming supplies that can be repaired to improve the supplies, but will not result in full reliability of the equipment.

**Provisional DSR's** – Those which identify nonconforming supplies that cannot be practically repaired, but can be improved by special provisions such as alteration of mating part(s) or selective placement of the non-conforming part in an assembly (note that selective placement might affect maintainability by requiring special repair parts, thereby providing the basis for a Class I DSR).

**Regular DSR's** – Those which are not Repair or Provisional DSR's.

The following numbers refer to the blocks on the reverse side of this form. Fill in all applicable blocks (if not applicable, enter N.A.).

- (1) Prominently check the applicable block indicating whether the request is for a RAR or DSR. When DSR is indicated, use best judgment based on available information to determine whether the DSR is Class I or Class II and which type and check applicable blocks.
- (2) Enter consecutive serial number for the request. DSR's and RAR's must have separate serialization each type starting with numeral 1. Prefix the number with proper identification, i.e. DSR-1 or RAR-1.
- (3) Insert KAPL Contract Administrator's name which appears on first page of the order.
- (4), (5), (6), & (7) Self explanatory.
- (8) Enter title or name of component as it appears on the order.
- (9) Enter the name of part wherein in non-conformance exists.
- (10) Enter the part or component serial number or other identifying code as applicable.
- (11) Enter the drawing and revision, and the group or part number which will identify the non-conforming part.
- (12) Identify the specification to which the equipment is built.
- (13) Enter the date the non-conformance was discovered.  
NOTE: This request must be submitted within ten (10) days after discovery of the non-conformance.
- (14) Enter by serial number all previous DSR's and RAR's as applicable which have previously been issued against this part.
- (15) Enter full description of non-conformance using sketches, drawings, as-built dimensions, and/or photographs as aids. Explain how and when it occurred and was discovered. If the request is for DSR acceptance, explain why RAR is not used, if DSR is Class II, explain why it is not considered Class I. Use additional **multilith** master sheets as necessary.
- (16) Enter the document(s) (order, specification, drawing, standard procedure, etc.) and their related specific requirements violated by this non-conformance.
- (17) Enter justification for acceptance and recommendations. Use additional **multilith** master sheets as necessary.

If RAR- State the method of repair and justify, based on a detailed engineer proposal. State the action(s) taken to prevent recurrence of the non-conformity.

If DSR, Class I – State the detailed engineering basis for acceptance of the non-conforming condition and the corrective action(s) taken to prevent recurrence of this condition. Identify the overriding benefit(s) to KAPL and the Government of accepting the non-conforming item.

If DSR, Class II – State the detailed basis for acceptance of the non-conforming condition and the corrective action(s) taken to prevent recurrence of the condition. Identify the benefit(s) to KAPL and the Government of accepting the non-conforming item. Recommend any changes to the order technical requirements that could be made to prevent recurrence of the condition and include a detailed engineering justification for these proposed changes.

- (18) Number each attachment used to describe the non-conformity and to justify its acceptance, and enter in the appropriate block(s).
- (19) Signature and title of person authorized to make this request:

RAR – Your Manager of Engineering or their superior.

DSR Class I – Person in your organization management who has direct responsibility for manufacturing, engineering and quality control for the non-conforming equipment.

DSR Class II – Your manager of Engineering or Manager of Manufacturing or his superior.

### Distribution

Retain two (2) issue copies of the Form KAP 416B. One of the two issue copies shall be furnished, concurrent with the transmittal of the balance of the request to the KAPL Buyer, to the Government Quality Assurance Representative, if in residence; or to KAPL Quality Control, if in residence and if a Government Quality Assurance Representative is not in residence. (You will receive disposition by KAPL's return of one of the multilith masters contained in the forwarded set.)

**ATTACHMENT B-1**



**ATTACHMENT D**

**REQUEST FOR  
ENGINEERING CHANGE**

|  |  |   |  |                            |
|--|--|---|--|----------------------------|
| BMPPC – Knolls Atomic Power Laboratory<br>P.O. BOX 1072<br>SCHENECTADY, NEW YORK 12301 |  |   |  |                            |
| ATTN:  |  | PAGE 1 OF ____                          |  |                            |
| 2. DATE OF REQUEST   | 3. DATE APPROVAL REQUESTED TO AVOID SCHEDULE DELAY | 4. PURCH.ORD.NO.<br><br>REC -           | SERIAL NO.   |                            |
| 5. SELLERS NAME AND ADDRESS (PLUS SUBTIER IF APPLICABLE)                               |  |   |  |                            |
| 6. COMPONENT TITLE (FROM PURCHASE ORDER)   |  |   | 7. PART NAME   |                            |
| 8. IDENT. CODE/SER. NO.  | 9. DRAWING NO., REV. & GR. OR PT. NO.              | 10. SPECIFICATION NO. AND REV.          | 11. THIS CHANGE WOULD AFFECT.<br>IF YES, INDICATE:<br>INTERCHANGEABILITY<br>SYSTEM REQ.<br>INSTALLATION<br>INSPECTION<br>REPAIR PARTS<br>TECHNICAL MANUALS |                            |
| 12. LIST ASSOCIATED AR, DRS. & REC.  |  |   |  |                            |
| 13. DESCRIPTION, JUSTIFICATION & EFFECT OF CHANGE (LIST ALL ATTACHMENTS)               |  |   |  |                            |
| 14. ORIGINATORS SIGNATURE, TITLE & DEPARTMENT  |  | (USE ADDITIONAL PAGES IF NECESSARY)     |  |                            |
| KAPL RECOMMENDATION OR DISPOSITION   | APPROVED AS REQUESTED                              | APPROVED CONDITIONALLY                  | DISAPPROVED  | DRAWINGS ARE TO BE CHANGED |
| KAPL COMMENTS  |  |   |  |                            |
| SIGNATURE COG. ENGR.   | DATE   | SIGNATURE CONTRACT ADM.<br>(WHEN REQ'D) | DATE   |                            |
| NRLFO DISPOSITION (WHEN REQUIRED)  | APPROVED AS REQUESTED                              | APPROVED CONDITIONALLY                  | DISAPPROVED  |                            |
| NRLFO COMMENTS   |  |   |  |                            |
| SIGNATURE  |  | DATE                                    |  |                            |

THE ISSUANCE AND ACCEPTANCE OF THIS REQUEST IN NO WAY  
LIMITS OR AFFECTS THE WARRANTY PROVISIONS OF THE ORDER

## ATTACHMENT D-1

### INSTRUCTIONS FOR PREPARATION OF REC

The following numbers refer to the blocks on the Form KAP-690. Fill in all blocks; if not applicable, enter N/A.

1. Refer to Attachment "D".
- 2-12. Self-explanatory. (Block 4 "Serial Number". This number shall be sequential starting with the number 1 for each separate order regardless whether the request is originated by the Seller or a Subcontractor).
13. The text describing and justifying the requested change and its effects shall be clear and concise and shall include:
  - (a) Identification of the requirement which is proposed to be changed, and a definition of the problem or error which the REC proposes to correct or of the new capability which the change proposes to provide.
  - (b) Identification of the specific wording or drawing change proposed so that the description may be repeated on the contractual document authorizing the change.
  - (c) Detailed engineering basis of the proposed change.
  - (d) Identification of the benefit to KAPL and the Government of accepting the proposed change including:
    - (i) The Seller's estimate of price reduction, if any.
    - (ii) The Seller's estimated schedule revision.
  - (e) Where more than one unit is to be furnished by Seller, the description of the effect shall include:
    - (i) The identity of the units which are to be changed based on Seller's "Date Approval Requested" (Format Block 13 of Form KAP-690).
    - (ii) Seller's detailed recommendation regarding changes to completed units, including lot and serial number of effected units.
  - (f) A listing of all documents referenced and attached.
14. The signature shall be that of the Seller's Engineering Manager or his superior.

**ATTACHMENT E**

**DOCUMENTS TO BE SUBMITTED**

| <b>Document to be Submitted</b>                                 | <b>Defined In</b> | <b>Type Copy</b> | <b>Quantity</b> | <b>Send to</b> | <b>Submission</b>  |
|---|-------------------|------------------|-----------------|----------------|--|
| All Classified Documents  | ----              | ----             | ----            | a              | As required  |
| Request for Engineering Change (REC)                            | 11                | g                | Original        | c              | As required  |
| REC Attachments   | 11                | d                | 6               | b              | As required  |
| Repair Approval Request (RAR)                                   | 11                | g                | Original        | c              | Within 10 days after discovery of Non-conformance          |
| Request for Approval of Degradation of Spec. Requirements (DSR) | 11                | g                | Original        | c              | Within 10 days after discovery of Non-conformance          |
| Resubmittal of DSR/RAR  | 11                | g                | Original        | c              | Within 10 days after conditions of approval have been met. |
| Trip Report   | 16                | d                | 3               | c              | Per Trip   |
| Resubmittal of Documents Approved with Comments                 | 8                 | f                | 6               | b              | Within 30 days after receipt of comments.                  |
| Documents Submitted for Approval                                | 8                 | f                | 6               | b              | 15 days prior to date approval required.                   |
| Security Report   | 13                | f                | 1               | Sec. 13        | As required  |
| Contract Schedule of Events                                     | 16                | e                | 3               | c              | Within 30 days after Purchase Order Award.                 |
| Status Reports  | 16                | e                | 3               | c              | Monthly  |

**ATTACHMENT E-1**

**LEGEND/NOTES FOR DOCUMENTS TO BE SUBMITTED**

- a. All classified documents shall be addressed as follows:  
  
Knolls Atomic Power Laboratory  
P.O. Box 1072  
Schenectady, New York 12301  
Attn: Document Control for (name of intended recipient)
  
- b. Knolls Atomic Power Laboratory  
P.O. Box 1072  
Schenectady, New York 12301  
Attn: Engineering Information Processing and Control
  
- c. Knolls Atomic Power Laboratory  
P.O. Box 1072  
Schenectady, New York 12301  
Attn: (Name of Contract Administrator)
  
- d. Permanent, legible, right reading, full size copy by any commercial process, i.e., diazo, offset, electrostatic.
  
- e. Unscaled reproducible in accordance with Specification MIL-PRF-5480 Class 2.
  
- f. Scaled reproducible in accordance with Specification MIL-PRF-5480 Class 3.
  
- g. Masters (Forms) will be furnished by Buyer upon request by Seller.

**ATTACHMENT F**

**PROGRESS AND LIQUIDATION PAYMENT INVOICE FORM**

**BUYER/ADDRESSEE**

BMPC  
Knolls Atomic Power Laboratory  
P.O. Box 1072  
Schenectady, New York 12301  
Attention: Accounts Payable

**SELLER**

(1) \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ORDER INFORMATION**

Buyer Order No. (2) \_\_\_\_\_  
Seller Job No. (3) \_\_\_\_\_  
Invoice No. (4) \_\_\_\_\_  
Invoice Date (5) \_\_\_\_\_

APPLICATION IS HEREBY MADE FOR (6)  PROGRESS PAYMENT (6)  LIQUIDATION PAYMENT OF (7) \_\_\_\_\_  
DOLLARS FOR (8) \_\_\_\_\_  
The basis for this Progress/Liquidation Payment is  costs incurred,  milestone schedule, whichever is less.

| ORDER PRICE AND PROGRESS  | PROGRESS PAYMENT SECTION  | LIQUIDATION PAYMENT SECTION   |
|---|---|---|
| Original Order: \$(9) _____<br>Amendments thru _____<br>Amd No.(10) _____: \$(11) _____<br>Current order Amt.: \$(12) _____<br>*Estimated Physical Completion Percent: (13) _____<br>As of Date: (14) _____<br><br>*In accordance with current progress payments milestones schedule.<br><br>=====<br>Technical Manuals or Revisions<br>=====<br><br>Preliminary (15) _____ (Date)<br>Interim _____<br>Final _____<br>None <input type="checkbox"/> | Direct Material \$(16) _____<br>Engineering Labor \$(17) _____<br>Engineering Over-head \$(18) _____<br>Mfg. Labor \$(19) _____<br>Mfg. Overhead \$(20) _____<br>Other Costs \$(21) _____<br>Gen. & Admin. \$(22) _____<br><br>TOTAL COSTS<br>INCURRED \$(23) _____<br>LESS (24) % RETAINED \$(25) _____<br><br>Subtotal \$(26) _____<br>*Less Previous Invoices \$(27) _____<br><br>This Invoice \$(28) _____<br>*Do not include liquidation invoices. | Progress Payments Liquidated to Date \$(29) _____<br><br>Previous Liquidation Payments \$(30) _____<br><br>Item No(s) and Order Price of Unit(s)<br>Shipped \$(31) _____<br>Less Liquidation % (32) <input type="checkbox"/> or Unliquidated<br>Progress Payments (32) <input type="checkbox"/> on the Item(s) \$(33) _____<br>This Invoice \$(34) _____<br><br>Estimated Costs Incurred on Item(s) Liquidated* \$(35) _____<br>*This invoice only. |

"I hereby certify as follows:

- 1) that the estimated physical completion percent is as stated above;
- 2) that the elements and amounts of cost incurred are as stated above and are in accordance with the official accounting books and records of (36) \_\_\_\_\_;
- 3) that the work covered by this invoice was performed in compliance with applicable requirements of the Fair Labor Standards Act of 1938, as amended, including Section 12(a) and regulations issued thereunder."

|                                       |           |
|---------------------------------------|-----------|
| Signature of authorized official (37) |           |
| Title (38)                            | Date (39) |

**Attachment F-1**

**INVOICES AND PAYMENT**

Numbers in parentheses refer to numbered spaces on the attached sample form

- (1) Name (including division or department) and address of Seller.
- (2) KAPL Order Number, Ex: KN60XXXX  
(Separate invoices are required for each order.)
- (3) The number under which the KAPL Order costs are accumulated.
- (4) Seller's invoice number.
- (5) Date Invoice.
- (6) Check on box only.
- (7) Enter dollar amount of invoice
- (8) Enter reason for which payment is requested  
  
ex: progress – “costs incurred during the period 1/1/08 – 2/28/08.”  
ex: liquidation – “delivery of 3 each of item 4 of the order.”
- (9) Original order price.
- (10) Current amendment number.
- (11) Dollar value of all amendments.
- (12) Total of (9) and (11).
- (13) Enter estimated physical completion of purchase order scope of work, as a percentage.
- (14) Enter date for which percentage in (13) is applicable.
- (15) Estimated technical manual or insert sheets submittal date; if none required, check box.
- (16) Enter accumulative dollar value of eligible incurred direct material costs.
- (17) Enter accumulative dollar value of eligible incurred engineering labor costs.
- (18) Enter accumulative dollar value of eligible incurred engineering overhead costs.
- (19) Enter accumulative dollar value of eligible incurred manufacturing labor costs.
- (20) Enter accumulative dollar value of eligible incurred manufacturing overhead costs.

ATTACHMENT F-1  
(Continued)

- (21) Enter Accumulative dollar value of eligible incurred other costs.
- (22) Enter accumulative dollar value of eligible incurred general and administrative costs.
- (23) Enter total of (16) through (22). This total should always be shown on progress billings.
- (24) Enter retention percentage.
- (25) Line (23) times line (24).
- (26) Line (23) minus line (25).
- (27) Accumulative dollar value of progress payments invoiced to date.
- (28) Line (26) minus line (27).
- (29) Both from the previous liquidation invoice enter the sum of lines (29) and (33).
- (30) Both from the previous liquidation invoice enter the sum of lines (30) and (34).
- (31) Total price of units shipped subsequent to those billed on the last liquidation invoice.
- (32) Check one box only.
- (33) Enter the lesser of 1) the liquidation percent times line (31), or 2) unliquidated progress payments on the items shipped.
- (34) Line (31) minus line (33).
- (35) Total costs – estimated if not available in Seller’s cost records – of the items covered by the liquidation invoice.
- (36) Seller’s name (including division, department, etc.).
- (37) Signature of authorized Seller official knowledgeable of the facts being certified.
- (38) Title of authorized Seller official.
- (39) Date authorized Seller official signs invoice.

## ATTACHMENT F-2

### DEFINITIONS AND ADDITIONAL INFORMATION

#### DEFINITIONS

1. **Liquidation** – A discharge or pay off of an indebtedness.  
  
Seller incurs indebtedness when the Buyer forwards progress payments to him without receiving any ordered equipment in return. Seller liquidates these progress payments when he ships the equipment.
2. **Liquidation Payment** – That payment made to liquidate Buyer's indebtedness to Seller (usually 20 percent of unit billing price) resulting from Seller's shipment of equipment.
3. **Progress Payment** – That payment (usually 80 percent) made by Buyer to partially compensate Seller for total eligible incurred costs to date, pursuant to the Progress Payment provision of the purchase order.
4. **Unliquidated Progress Payments** – The sum of all progress payments made to the Seller to date less the sum of amounts applied to liquidate progress payments.
5. **Costs** – As defined in FAR 31.2, as applicable, revision in effect at date of purchase order.
6. **Incurred Costs** – As defined in FAR 31.2, as applicable, revision in effect at date of purchase order.

#### ADDITIONAL INFORMATION

When progress payments are made a part of the purchase order, invoices may be submitted:

- a. No more frequently than once a month;
- b. No sooner than one month after purchase order placement; and
- c. Only on the appropriate Prime Contractor's form.

Invoices for liquidation payments for completed deliverable items must also be made on the appropriate Prime Contractor's form, but may be made any time an additional shipment is made. An invoice may not be submitted for both a progress and a liquidation payment on the same form.