

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE	PAGE OF PAGES 1 2
2. AMENDMENT/MODIFICATION NO. See Attached List	3. EFFECTIVE DATE See Block 16C	4. REQUISITION/PURCHASE RED. NO.	5. PROJECT NO. (If applicable)	
6. ISSUED BY CODE Defense Contract Management Agency 8725 John J. Kingman Road, Suite 4539 Ft. Belvoir, VA 22060-6221 Mr. Scott E. Clemons (703) 767-8128 Email: sclemons@hq.dcma.mil	7. ADMINISTERED BY (If other than item 6) CODE Various Cognizant DCMA Offices	See Attached List		
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) See Attached List			(X) 9A. AMENDMENT OF SOLICITATION NO.	
			9B. DATED (SEE ITEM 11)	
			1 OA. MODIFICATION OF CONTRACT/ORDER NO See Attached List	
			1 OB. DATED (SEE ITEM 13)	
CODE See Attached List	FACILITY CODE			

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers

is extended.  is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) BY completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) BY acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If required)

No Change

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

(X) A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

X B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc). SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor  is not,  is required to sign this document and return \_\_\_\_\_ copies to the issuing office

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.1

The purpose of this modification is to remove the requirement for large businesses to actually pay a subcontractor before including the payment in its billings to the Government. This requirement is commonly referred to as the "Paid Cost Rule". Federal Acquisition Circular (FAC) 97-16 eliminated the paid cost rule restriction for all contracts awarded on or after May 26, 2000, the applicability date of FAC 97-16. This modification is issued to remove the paid cost rule for all existing contracts issued prior to May 26, 2000 awarded by DoD contracting activities that are being administered by the Defense Contract Management Agency (DCMA).

The paid cost rule provisions contained in the clauses listed below are hereby removed: (Continued on Page 2 of 2)

Except as provided herein, all terms and conditions of the document referenced in Item OA or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER /Type or print/ SCOTT E. CLEMONS DCMA Contracting Officer		16A. NAME AND TITLE OF CONTRACTING OFFICER /Type or print/ SCOTT E. CLEMONS DCMA Contracting Officer	
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	16C. DATE SIGNED 23 Jun 00

<b>CONTINUATION SHEET</b>	REFERENCE NO. OF DOCUMENT BEING CONTINUED  See Attached List	PAGE OF PAGE  2 of 2
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52.2 16-7 Allowable Cost and Payment. (Apr 1998)

Paragraph (b)(1)(i) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the contract;

52.232-7 Payments under Time-and-Materials and Labor-Hour Contracts. (Feb 1997)

Paragraph (b)(2) Reimbursable costs in connection with subcontracts shall be limited to the amounts paid to the subcontractor for items and services purchased directly for the contract only when cash, checks, or other form of payment has been made for such purchased items or services; however, this requirement shall not apply to a Contractor that is a small business concern.

52.232-16 Progress Payments. (Jul 1991)

Paragraph (a)(2)(i) The costs of supplies and services purchased by the Contractor directly for this contract may be included only after payment by cash, check, or other form of actual payment.

52.216-26 Payments of Allowable Costs Before Definitization. (Apr 1984)

Paragraph (d)( 1) Those recorded costs that result, at the time of the request for reimbursement, from payment by cash, check, or other form of actual payment for items or services purchased directly for the contract;

The above list is provided for illustrative purposes-differences may be found in individual contracts due to earlier versions or tailoring of the clauses.

Elimination of the paid cost rule should not result in degradation of subcontractor payment timeframes. Contractors shall continue to pay subcontractors in accordance with the terms and conditions of subcontracts and invoices and ordinarily prior to submission of the contractor's next payment request to the Government.

This modification does not have any affect on the contract prices listed herein,