



**TERMS AND CONDITIONS – GOVERNMENT  
SPECIAL TERMS AND CONDITIONS –  
TIME & MATERIALS (T&M) / LABOR HOURS (LH)  
ATTACHMENT FOR T&M / LH SUBCONTRACTS**

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**ALLOWABLE LABOR/HOURLY RATES**

Buyer shall pay Seller the hourly rates set forth in the Subcontract for all labor performed that meets the labor qualifications specified in this Subcontract. Labor hours incurred to perform tasks for which labor qualifications were specified will not be paid to the extent the work is performed by employees that do not meet the qualifications, unless specifically authorized by Buyer's Supply Management Representative ("SMR"). Amounts due shall be computed by multiplying the hourly rates prescribed in the Subcontract by the number of direct labor hours performed.

Seller's hourly rates shall include and shall be the sole compensation provided for wages, indirect costs, general and administrative expense, and profit. Fractional parts of an hour shall be payable on a prorated basis.

Unless the Subcontract specifically states otherwise, the hourly rates shall not be varied by virtue of Seller having performed work on an overtime basis. If rates for overtime are provided, the premium portion of those rates will be reimbursable only to the extent the overtime is approved by the SMR.

**ALLOWABLE COSTS FOR MATERIALS**

Buyer shall reimburse Seller the allowable cost of materials under any time and materials type Work placed under this Subcontract, to include the following:

- (a) Direct materials that enter directly into the Work or that are used or consumed directly in connection with the furnishing of the Work, including supplies transferred between divisions, subsidiaries, or affiliates of Seller under a common control;
- (b) Subcontracts for supplies and incidental services for which there is not a labor category specified in the Subcontract;
- (c) Other direct costs (e.g., incidental services for which there is not a labor category specified in the contract, travel, computer usage charges, etc.); and
- (d) Applicable indirect costs.

Seller's material costs may include allocable indirect costs and other direct costs to the extent they are: (i) comprised only of costs that are clearly excluded from the hourly rate; and (ii) allocated in accordance with Seller's written or established accounting practices. Indirect costs are not applied to subcontracts that are paid at the hourly rates. Buyer will not pay profit or fee to Seller on materials.

Buyer's reimbursement obligation becomes effective when the Seller either: (i) has made payments for the materials in accordance with the terms and conditions of the agreement or invoice; or (ii) ordinarily makes these payments within 30 days of the submission of Seller's payment request and such payment is in accordance with the terms and conditions of the agreement or invoice.

Buyer will not pay for materials costs that are not allowable in accordance with Subpart 31.2 of the FAR in effect on the date of this Subcontract. Seller shall obtain materials at the most advantageous prices available with due regard to securing prompt delivery of satisfactory materials. If Seller furnishes its own materials that meet the definition of a commercial item at FAR 2.101, the price to be paid for such materials shall not exceed Seller's established catalog or market price, adjusted to reflect: (i) the quantities being acquired; and (ii) the actual cost of any modifications necessary because of the requirements of this Subcontract.

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Seller shall take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and other benefits available with respect to materials purchased. When unable to take advantage of such benefits, Seller shall promptly notify the SMR and give the reasons. Seller shall give credit to Buyer for cash and trade discounts, rebates, scrap, commissions, and other amounts that have accrued to the benefit of Seller or would have accrued except for the fault or neglect of Seller.

**AUDIT**

In addition to any audit rights set forth in the General Terms of this Agreement, Buyer, Buyer's Customer, and/or the Government may audit Seller's invoices and statements of cost at any time. Any payment may be reduced by amounts found not to constitute allowable costs or adjusted for prior overpayments or underpayments. Additionally, in the event that Seller is audited by Buyer's Customer or the Government, Buyer shall have the right to review the audit results as they pertain to this Subcontract.

**CLOSEOUT ACTIONS AND REPORTS**

(a) Quick Closeout. Seller agrees that, if requested by Buyer, the Quick Closeout procedure authorized by FAR 42.708, modified as appropriate for any deadline stated in the Prime Contract, shall be the basis for closing this Subcontract. Seller shall return the Quick Closeout Questionnaire, as provided to Seller by Buyer, within thirty (30) days after the date of Buyer's request.

(b) Unilateral Closeout. Pursuant to and consistent with the provisions of FAR Clauses 42.705 and 52.216-7, unilateral closeout will occur in the event Seller fails to submit the closeout information required by Buyer within sixty (60) days of the expiration date of this Subcontract unless such failure is due to:

(i) the Government's pending settlement of Seller's final indirect rates and Buyer has not requested Quick Closeout as per paragraph (a) above; or

(ii) an extenuating circumstance as agreed upon in writing by Buyer and Seller. Such failure shall constitute Seller's express agreement that: (1) the amounts paid pursuant to this Subcontract, as applicable up to the date Seller's submissions are due as set forth herein and as determined by Buyer, constitute the full, complete, and final extent of Buyer's financial obligation to Seller; and (2) Seller does forever fully and finally remise, release, and discharge Buyer, its officers, agents, and employees, of and from any and all liabilities, obligations, claims, and demands whatsoever arising under or relating to this Subcontract, and Seller expressly authorizes Buyer to rely on the foregoing representations and release in connection with Buyer's closeout of or other actions taken with respect to the Buyer's Prime Contract.

(c) Refunds, Rebates, and Credits. Seller shall assign and pay to Buyer any refunds, rebates, credits, or other amounts (including interest, if any) accruing to or received by Seller or any assignee under this Subcontract to the extent that those amounts are properly allocable to costs for which Seller has been reimbursed by Buyer. Reasonable expenses incurred by Seller for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by Buyer.

**FINAL INVOICE**

Within sixty (60) days of completion of all Work specified in the Subcontract, Seller shall submit a final invoice, designated as such. This is the FINAL invoice. This final invoice also must contain the same certification required for routine invoices.

Before payment of a final invoice, Seller shall:

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(a) Release Buyer, its directors, officers, agents, and employees from all liabilities, obligations, and claims arising from or related to this Agreement, except for specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known.

Upon approval of Seller’s final invoice, and Seller’s compliance with all terms of this Subcontract, Buyer shall promptly pay the balance of allowable costs and that part of the fee (if any) not previously paid. In no event will payment be made until an acceptable final invoice and all required closeout information has been received.

**ROUTINE INVOICES**

Seller's invoices for time and materials and/or labor hour Subcontracts shall comply with the following rules in addition to the provisions of the General Terms and Conditions.

The Seller’s invoice shall include a breakdown of labor provided during the invoice period. The labor breakdown shall include the number of hours worked by each labor category/personnel, the applicable hourly rate, and the total labor charge for each category/personnel. These invoices shall include the following signed certification:

By submission of this invoice, Seller certifies that all labor charges identified in this invoice were performed by named individual(s) or personnel that met all requirements, including but not limited to, the education and experience requirements of specified labor classifications applicable to the Subcontract.

All invoices also shall be accompanied by satisfactory supporting documentation, which may include, but is not necessarily limited to, detailed expense reports for travel, materials, and other direct costs, and receipts for expenses. Travel expenses incurred must be accompanied by receipts. Additionally, all lodging expenses must be accompanied by receipts and itemized by the date and destination of each trip. Invoice shall include only allowable costs consistent with these Terms and Conditions and FAR 52.216-17.

Invoices that do not contain the requisite information, including, if applicable, the above certification, will be returned unpaid to Seller for revision.

All interim payments made prior to the final payment under the Subcontract are contract financing payments.

**SETOFF**

Each payment made shall be subject to reduction to the extent of amounts which are found by Buyer or Buyer’s Customer not to be properly payable. Seller shall promptly notify Buyer of any overpayments and remit the overpayment amount to Buyer along with a description of the overpayment, including the circumstances of the overpayment and the affected Subcontract line item or subline item if applicable. Buyer may withhold, deduct, and/or setoff all money due, or which may become due, from Buyer arising out of Seller’s performance under this Subcontract or any other transaction between Buyer and Seller.

**TRAVEL EXPENSES**

If travel is authorized as a part of this Subcontract, reimbursement of travel-related costs shall be subject to U.S. General Service Administration (“GSA”) Federal Travel Regulation (“FTR”) Chapter 301 for any authorized travel relating to the business purposes of this Subcontract.

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**BALL AEROSPACE & TECHNOLOGIES CORP.**

FRM0000909

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Revision: A

Effective: 07/16/2020

All claims for travel expenses must be accompanied by a detailed summary report indicating the purpose for which the expense was incurred, where it was incurred, and when it was incurred. Meals and Incidental Expenses (“M&IE”) and Lodging Per Diem Expenses, if approved, shall be reimbursed in accordance with FAR 31.205-46 at the applicable United States government rate found at [www.gsa.gov/portal/content/104877](http://www.gsa.gov/portal/content/104877) in effect at the time the expenses were incurred. Meals that are provided by Buyer must be deducted at the appropriate GSA amount for that meal. Amounts incurred for lodging and meals that exceed the applicable federal per diem will not be reimbursed.

Only coach-class air travel will be allowable and reimbursable, unless another category of air travel has been approved in writing in accordance with this section. Travel expenses related to personal use, entertainment, or that ultimately benefit the individual are not reimbursed. Seller shall not be reimbursed for normal commuting time to and from work locations.

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