SUTA, and Workmen’s Compensation Insurance; and equipment hours and rates.

(b) The overhead percentage cited below shall be considered to include all indirect costs including, but not limited to, field and office supervisors and assistants, incidental job burdens, small tools, and general overhead allocations. “Commission” is defined as profit on work performed by others. The percentages for overhead, profit, and commission are negotiable according to the nature, extent, and complexity of the work involved, but in no case shall they exceed the following ceilings:

<table>
<thead>
<tr>
<th></th>
<th>Overhead (percent)</th>
<th>Profit (percent)</th>
<th>Commission</th>
</tr>
</thead>
<tbody>
<tr>
<td>To Contractor on work performed by other than its own forces</td>
<td>—</td>
<td>—</td>
<td>10</td>
</tr>
<tr>
<td>To first tier subcontractor on work performed by its subcontractors</td>
<td>—</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>To Contractor and/or subcontractors on work performed with their own forces</td>
<td>10</td>
<td>10</td>
<td>—</td>
</tr>
</tbody>
</table>

(c) Not more than four percentages for overhead, profit, and commission shall be allowed regardless of the number of subcontractor tiers.

(d) The Contractor or subcontractor shall not be allowed overhead or commission on the overhead, profit, and/or commission received by its subcontractors.

(e) Equitable adjustments for deleted work shall include credits, limited to the same percentages for overhead, profit, and commission in paragraph (b) of this clause.

(f) On proposals covering both increases and decreases in the amount of the contract, the application of the overhead, profit, and commission shall be on the net change in direct costs for the Contractor or the subcontractor performing the work.

(g) After receipt of the Contractor’s proposal, the contracting officer shall act within a reasonable period, provided that when the necessity to proceed with a change does not permit time to properly check the proposal, or in the event of a failure to reach an agreement on a proposal, the contracting officer may order the Contractor to proceed on the basis of the price being determined at the earliest practicable date. In such a case, the price shall not be more than the increase or less than the decrease proposed.

(End of clause)

1852.245–70 Contractor requests for Government-owned equipment.

As prescribed in 1845.106–70(a), insert the following clause:

CONTRACTOR REQUESTS FOR GOVERNMENT-OWNED EQUIPMENT (JUL 1997)

(a) “Equipment,” as used in this clause, means commercially available items capable of stand-alone use, including those to be acquired for incorporation into special test equipment or special tooling.

(b)(1) Upon determination of need for any Government-owned equipment item for performance of this contract, the contractor shall provide to the contracting officer a written request justifying the need for the equipment and the reasons why contractor-owned property cannot be used, citing the applicable FAR or contract authority for use of Government-owned equipment. Equipment being acquired as a deliverable end item listed in the contract is exempt from this requirement.

(b)(2) Upon determination of need for any Government-owned equipment item for performance of this contract, the contractor shall provide to the contracting officer a written request justifying the need for the equipment and the reasons why contractor-owned property cannot be used, citing the applicable FAR or contract authority for use of special test equipment or special tooling.

(End of clause)