

**IDS Terms and Conditions Guide**  
**Section M**

**Clause Number: M413V**  
**Effective: 11/11/2004**  
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**CONTRACT PERFORMANCE (Variable)**

1. In performing the work called for in the statement of work, the seller shall provide not less than the number of direct labor hours (including overtime) set forth in Paragraph G. By the completion date set forth elsewhere in this contract.
2. If the seller has not provided the specified minimum quantity of direct labor hours by the end of the period set forth, an equitable downward adjustment will be made in the fixed price. This downward adjustment in price will be computed on the basis of the difference between the minimum direct labor hours specified under this provision and the number of direct labor hours actually provided by the seller multiplied by the rate(s) set forth in paragraph G. Below.
3. Direct labor hours are hereby defined as those productive hours expended by seller personnel in accomplishing the work prescribed in the Statement of Work. The term "direct labor hours," as defined, does not include sick leave, vacation leave, holiday leave, or any other kind of administrative leave.
4. It is understood that the price of this contract may be increased only as the result of actions under the Changes Clause.
5. Seller shall, as soon as practicable following completion of contract work, but in no event later than Six (6) months after work has completed, submit its final invoice which will include seller's certification as to the total number of direct labor hours used by the seller in performing contract work.
6. The seller shall maintain financial records sufficient to properly identify all direct labor hours actually used by the seller in performing the contract. Such records shall be subject to audit by the buyer only for the purpose of verifying the number of direct labor hours used in performing the contract.
7. The number of direct labor hours and the rate(s) Contemplated by paragraphs A. and B. above, are as follows: