

approval of a schedule immediately. The immediate effective date will serve EPA interests in allowing the Agency to enforce immediately the substantive terms of these regulations.

(42 U.S.C. 1857c-5)

Dated: August 16, 1974.

JOHN QUARLES,
Acting Administrator.

Part 52 of Chapter I, Title 40 of the Code of Federal Regulations is amended as follows:

Subpart BBB—Puerto Rico

1. Section 52.2720 is amended by adding a new paragraph (c) as follows:

PUERTO RICO

Source	Location	Regulations involved	Date of adoption	Effective date	Final compliance date
Hormigonera Oriental, Inc.	Fajardo	5.2, 5.5	Apr. 4, 1973	Immediately	Apr. 30, 1973
Hormigonera Metropolitana, Inc.	Caguas	5.2, 5.5	do	do	Do.
Hormigonera, Inc.	Caguas	5.1, 5.2, 5.5	Apr. 5, 1973	do	Do.
Industria Alimenticia	Barceloneta	5.5, 8	do	do	Nov. 30, 1973
Jocarrick	Vega Baja	5.2, 5.5	do	do	Apr. 28, 1973
Inabon Aggregates, Inc.	Coto Laurel	5.2	do	do	Mar. 31, 1973
Ponce Asphalt, Inc.—Santa Isabela Plant	Ponce	5.2, 5.5	do	do	Apr. 15, 1973
Cantera Diaz, Inc.	Trujillo Alto	5.2	do	do	June 15, 1973
Inabon Asphalt, Inc.	Coto Laurel	5.1, 5.2	do	do	June 1, 1973
Bettersoads Asphalt Corp., plant 2	Aguada	5.1, 5.2	do	do	May 31, 1973
Hormigonera, Inc., plant 6	Bayamon	5.2	Apr. 4, 1973	do	Mar. 30, 1973
Hormigonera, Inc., plant 15	Canovanas	5.2	Apr. 5, 1973	do	Apr. 30, 1973
Hormigonera, Inc., plant 7	Fajardo	5.2	do	do	Mar. 30, 1973
Hormigonera, Inc., plant 5 (temporary)	Dorado	5.2	do	do	Mar. 31, 1973
Hormigonera Oriental, Inc.	Humacao	5.2	Apr. 4, 1973	do	Apr. 30, 1973
Bettersoads Asphalt Corp., plant 6	Arecibo	5.2, 5.4	Apr. 5, 1973	do	Dec. 31, 1973
Empress O'Neill	Mnnati	5.2, 5.4	do	do	July 15, 1973
General Electric Switchgear	Vieques	5.2, 4.1	Apr. 4, 1973	do	Mar. 16, 1973
Torresos Pico, Inc.	Ponce	5.1, 5.2	Apr. 5, 1973	do	June 30, 1973
South Caribe Aggregates, Inc.	Ponce	5.1, 5.2	do	do	June 20, 1973
Rexach Block—Santurce	Santurce	5.1, 5.5	Apr. 9, 1973	do	Aug. 15, 1973
Integrated Industries	Mayaguez	5.5	Apr. 8, 1973	do	Dec. 22, 1972
Amrex Construction Co., Inc.	Cayey	5.2	Apr. 9, 1973	do	Mar. 15, 1974
Bloques La Plata	Toa Baja	5.2, 5.5	do	do	Apr. 30, 1973
Rodfall Muebles	Saint Just	5.2, 5.5	do	do	Aug. 31, 1973
South Caribe Aggregates, Inc.	Juana Diaz	5.2, 5.5	do	do	June 30, 1973
Rexach Asphalt Corp.	Aguadilla	5.2	do	do	May 15, 1973
Bettersoads Asphalt Corp.	Sabana Grande	5.2	do	do	Dec. 31, 1973
Ponce Asphalt	Ponce	5.2	Apr. 8, 1973	do	Apr. 15, 1973
Puerto Rico Aggregates	Carolina	5.2	Apr. 5, 1973	do	July 31, 1973
Ibec Packing Co.	Mayaguez	5.5, 8	Apr. 8, 1973	do	Aug. 15, 1973
Rexach Concrete Corp.	Gurabo	5.2	Apr. 9, 1973	do	May 1, 1973
Omark Caribbean, Inc.	Bayamon	5.1, 5.5	Apr. 8, 1973	do	Nov. 30, 1973
Best Contracting Corp.	Rio Piedras	5.2	Apr. 5, 1973	do	Mar. 22, 1973
Bettersoads Asphalt Corp.	Rio Piedras	5.2	do	do	Nov. 30, 1973
Hormigonera, Inc.	Rio Piedras	5.1, 5.2, 5.5	do	do	Dec. 31, 1973
Aggregados Gurabo, Inc.	Gurabo	5.1, 5.2, 5.5	Apr. 8, 1973	do	Mar. 12, 1973
Rexach Aggregates Corp.	Caguas	5.1, 5.2, 5.5	Apr. 9, 1973	do	Feb. 28, 1973
Quality Concrete-Mix, Inc. (Sabana Seca)	Bayamon	5.1, 5.2, 5.5	do	do	June 15, 1973
Rexach Concrete Corp.	Aguirre	5.1, 5.2, 5.5	do	do	Apr. 1, 1973
Eli Lilly	Mayaguez	7.3	Apr. 8, 1973	do	Dec. 31, 1974
Tito Castro Ready Mix	Ponce	5.1, 5.2, 5.5	July 23, 1973	do	Aug. 22, 1973
Puerto Rico Concrete Products	Rio Piedras	5.2	July 5, 1973	do	Aug. 30, 1973
Ponce Concrete Products	Ponce	5.2	do	do	Aug. 31, 1973
Motors and Parts Distributors	Hato Rey	5.5	do	do	July 29, 1973
Hormigonera, Inc.	Rio Piedras	5.1, 5.2, 5.5	June 28, 1973	do	Dec. 31, 1973
Inabon Ready Mix	Coto Laurel	5.1, 5.2	do	do	Apr. 27, 1973

[FR Doc. 74-19509 Filed 8-23-74; 8:45 am]

[FRL 225-1]

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

Iowa and Missouri; Approval and Disapproval of Compliance Schedules

On May 31, 1972 (37 FR 10842), pursuant to section 110 of the Clean Air Act and 40 CFR Part 51, the Administrator approved portions of State plans for implementation of the national ambient air quality standards.

§ 52.2720 Identification of plan.

(c) Supplemental information was submitted by the Commonwealth of Puerto Rico Environmental Quality Board on April 5, April 9, April 17, May 30, June 18 and September 10, 1973, and on February 1 and February 12, 1974.

2. A new § 52.2724 is added as follows:

§ 52.2724 Compliance schedules.

(a) The compliance schedules for the sources identified below are approved as meeting the requirements of § 51.15 of this chapter. All regulations cited are air pollution control regulations of the Commonwealth, unless otherwise noted.

the approved control strategies of Iowa and Missouri.

Accordingly, the Administrator proposed approval of these schedules on November 27, 1973, in the FEDERAL REGISTER (38 FR 32583). The proposed approval and disapproval of these schedules published in the November 27, 1973, FEDERAL REGISTER provided for a 30-day comment period. No comments concerning these schedules were received. Set forth below are specific compliance schedules which the Administrator finds approvable. Pursuant to 40 CFR 51.8, the Administrator approves the schedules listed below.

Certain schedules published as proposed disapproval notices for Missouri were sent back to Missouri for correction of deficiencies. Subsequently, the state notified the Environmental Protection Agency that some sources were now in compliance and the schedules would not be formally resubmitted for approval. The withdrawn schedules are for the following sources in Missouri: Harbinson Walker Refractories Company, Vandalia; Gooch Mill and Elevator Company, North Kansas City; St. Joe Minerals Corporation, Herculaneum; City of Joplin, Joplin; Homer Galbraith, Savannah; Kansas City Power and Light Company, Montrose. If the deficiencies in the remaining seven disapproved schedules are corrected they will be repropose at a later date.

Each approved revision establishes a new date by which the individual source must comply with the applicable emission limitation in the Federally approved State implementation plan. This date is indicated in the table below, under the heading "Final Compliance Date." In all cases, the schedules include incremental steps toward compliance with the applicable emission limitations. While the tables below do not include these interim dates, the actual compliance schedules do.

Under Iowa law, the compliance schedule is not enforceable after the date on which the associated variance expires and variances cannot extend for more than one year. Therefore, to the extent that the Iowa schedules extend past the variance expiration date, they are not legally enforceable at this time. For this reason, the Environmental Protection Agency's approval of each compliance schedule is unconditional only as to that part of the schedule covered by the initial variance. Approval of the remainder of the schedule will be conditioned upon the State's renewal of the variance in identical form and substance to that included in the schedule submitted to the Environmental Protection Agency and approved herein. If the variance is renewed in this manner, the condition precedent will be satisfied and the approval of the next segment of the schedule will not require further action by the State or this Agency. If the variance is not renewed, or is modified from the version that is Federally approved herein, the condition will not be fulfilled, the approval of the remainder of the schedule would not be effective, and the State's

Immediately-effective regulation will again become Federally enforceable. The schedules were immediately effective on the date of adoption. An effective date is not indicated on the table. The variance expiration date is included instead.

Provisional approval of final compliance dates and extensions of variances is justifiable only because of the one-year variance limitation in the law of Iowa. Since there will be no substantive changes in the schedules set forth below and public hearings were held on the complete schedules, there is no reason to require compliance with 40 CFR 51.6 procedures at the time Iowa renews each variance.

Two schedules, Iowa Limestone Company, Alden, and Iowa Power and Light Company, Council Bluffs Boiler Units 1 and 2, published as a proposed approval have been withdrawn by Iowa as in compliance and no further official action will be taken. Several schedules will be re-proposed at a later date due to changes in Variance Expiration Date or Final Compliance Date. These are: The Celotex Corporation, Dubuque; Interstate Power Company, Boiler No. 3, Lansing; Charlton Valley Foundry, Centerville; Martin-Marietta, Davenport; John Deere Waterloo Tractor Works, Waterloo; Bloomfield Foundry, Bloomfield; Iowa Southern Utilities Company, Boiler No. 2, Eddyville.

The compliance schedules that appeared in the November 27, 1973, FEDERAL REGISTER (38 FR 32586) were incorrectly proposed under § 52.828. These schedules are now promulgated under the correct section, § 52.825.

One Missouri schedule, Columbia Water and Light Department, is disapproved due to failure to meet the requirements of 40 CFR 51.15. In the November 27, 1973, FEDERAL REGISTER, under Subpart AA—Missouri, it was proposed to add a new § 52.1333. This was an error in numbering and has been corrected in this publication and properly appears as § 52.1335.

In the indication of approval of individual compliance schedules, the individual schedules are included by reference only. In addition, since the large number of compliance schedules preclude setting forth detailed reasons for approval of each individual schedule in the FEDERAL REGISTER, an evaluation report has been prepared for each individual compliance schedule. These evaluation reports, the compliance schedules, and the State Implementation Plans are available for public inspection at the Environmental Protection Agency, 1735 Baltimore Avenue, Kansas City, Missouri 64108.

This approval action is effective August 26, 1974. The Agency finds that good cause exists for not deferring the effective date because the compliance schedules are already in effect under State law and Federal approval imposes no new burdens.

Dated: August 16, 1974.

JOHN QUARLES,
Acting Administrator.

Part 52 of Chapter I, Subpart O is amended by adding paragraph (c) to § 52.825 as follows:

Subpart O—Iowa

1. A new § 52.825(c) is added as follows:

§ 52.825 Compliance schedules.

Source	Location	Regulation involved	Date adopted	Variance expiration date	Final compliance date
Clinton Engines Corp.: Cupola.....	Maquoketa.....	4.4(4)	July 12, 1973	Jan. 1, 1975	Jan. 1, 1975
Interstate Power Co.:					
(a) Boiler No. 5.....	Dubuque.....	4.3(2)b	do	July 13, 1974	June 1, 1975
(b) Boiler No. 6.....	do.....	4.3(2)b	do	do	Do.
Eastern Iowa Light & Power Co.:					
(a) Boiler No. 1.....	Wilton Junction.....	4.3(2)b	do	Mar. 31, 1975	Mar. 31, 1975
(b) Boiler No. 2.....	do.....	4.3(2)b	do	do	Do.
Muscatine Power & Water:					
(a) Boilers Nos. 5 and 6.....	Muscatine.....	4.3(2)b	do	May 1, 1975	May 1, 1975
(b) Boiler No. 7.....	do.....	4.3(2)b	do	Mar. 1, 1975	Mar. 1, 1975
Interstate Power Co.: Boiler No. 1.....	Clinton.....	4.3(2)b	Mar. 8, 1973	May 9, 1975	June 1, 1975
Interstate Power Co.:					
(a) Boiler No. 1.....	Lansing.....	4.3(2)b	May 11, 1972	do	Do.
(b) Boiler No. 2.....	do.....	4.3(2)b	do	do	Do.
Iowa Light and Power Co.:					
(a) Boilers Nos. 7, 8, and 9.....	Des Moines.....	4.3(2)b	July 12, 1973	July 13, 1974	Dec. 1, 1974
(b) Boiler No. 10.....	do.....	4.3(2)b	do	do	July 13, 1974
(c) Boiler No. 11.....	do.....	4.3(2)b	do	do	June 1, 1974
Gra-Iron Foundry Corp.: Cupola.....	Marshalltown.....	4.4(4)	Jan. 19, 1973	Nov. 15, 1974	Nov. 15, 1974
Clow Corp.: Cupola.....	Oskaloosa.....	4.4(4)	do	Oct. 15, 1974	Oct. 15, 1974
Iowa Southern Utilities Co.:					
(a) Boiler Unit No. 1.....	Eddyville.....	4.3(2)b	Apr. 13, 1972	Sept. 1, 1973	Sept. 1, 1973
(b) Boiler Unit No. 2.....	do.....	4.3(2)b	do	do	Dec. 1, 1974
Hawkeye Steel Products, Inc.: Cupola.....	Waterloo.....	4.4(4)a	July 12, 1973	Jan. 4, 1974	Jan. 4, 1974
Central Iowa Power Co-op:					
(a) Boiler No. 1.....	Creston.....	4.3(2)b	do	Nov. 1, 1973	Nov. 1, 1973
(b) Boiler No. 2.....	do.....	4.3(2)b	do	do	Do.

Subpart AA—Missouri

Part 52 of Chapter I, Subpart AA is amended by adding § 52.1335 as follows:

§ 52.1335 Compliance schedules.

(a) The compliance schedule for the

(c) The compliance schedules for the sources identified below are approved as revisions to the plan pursuant to § 51.6 and § 51.15 of this chapter. All regulations cited are air pollution control regulations of the State, unless otherwise noted.

MISSOURI					
Source	Location	Regulation involved	Date adopted	Effective date	Final compliance date
Reycos Industries: Cupolas 7 and 8.....	Springfield.....	1	May 27, 1973	Immediately..	Aug. 1, 1973

1 Ch. 2A, Article VI, Sec. 2A-24(a) of Springfield City Code.

(b) The compliance schedule submitted for the source identified below is disapproved as not meeting the re-

quirements of § 51.15 of this chapter. All regulations cited are air pollution control regulations of the State, unless otherwise noted.

Source	Location	Regulation involved	Date adopted
Columbia Water & Light Department.....	Columbia.....	8-VI	Apr. 25, 1973

[FR Doc.74-19508 Filed 8-23-74;8:45 am]

Title 41—Public Contracts and Property Management

CHAPTER 15—ENVIRONMENTAL PROTECTION AGENCY

[FRL 233-3]

PART 15-1—GENERAL

Subpart 15-1.57—Options

On May 7, 1974, a notice of proposed rulemaking was published in the FEDERAL REGISTER (39 FR 16142-16145) which states that the Environmental Protection Agency was considering an amendment

to 41 CFR Chapter 15 to add a new subpart 15-1.57, Options.

Interested parties were invited to submit written data, views, or objections pertaining to the proposed amendment. No comments were received from the public. Comments received within the Agency suggested a few minor changes which are incorporated in the final regulation.

Effective Date: This amendment shall become effective August 26, 1974.

Dated: August 19, 1974.

ALAN G. KIRK II,
Acting Administrator.

Subpart 15-1.57—Options

- Sec.
 15-1.5700 Scope of subpart.
 15-1.5701 Definition of options.
 15-1.5702 Applicability.
 15-1.5703 Procedures.
 15-1.5704 Exercise of options.
 15-1.5705 Examples of option articles for fixed price type contracts.
 15-1.5706 Examples of option articles for cost reimbursement contracts.

AUTHORITY: 40 U.S.C. 486(c).

Subpart 15-1.57—Options

§ 15-1.5700 Scope of subpart.

This subpart applies to contracts for supplies and services other than for

(a) The construction, alterations, or repair of buildings, bridges, roads, or other kinds of real property,

(b) Research and development, or

(c) Contracts to be awarded on a cost reimbursement basis. However, it does not preclude the use of appropriate option provisions in such contracts. Where options are used in cost reimbursement contracts examples of suggested language is included in § 15-1.5706.

§ 15-1.5701 Definition of options.

As used in this subpart, an option is a provision in a contract under which, for a specified time, the Government may elect to purchase, at an established price or at a price that can be established by reference to some specific method of calculation which will make the price certain, additional quantities of the supplies or services called for by the contract, or may elect to extend the period of performance of the contract.

§ 15-1.5702 Applicability.

(a) Option clauses may be included in contracts where increased requirements within the period of contract performance are foreseeable, or where continuing performance beyond the original period of contract performance may be in the best interest of the Government. Since options require offerors to guarantee prices for definite periods of time with no guarantee that orders will be placed, their improper use could result in prices which are unfair to either the Government or the contractor. Option clauses may require that option quantities be offered at prices no higher than those for the initial quantities or they may allow option quantities to be offered without such limitation as to price. When additional requirements are foreseeable and subsequent competition would be impracticable because of such factors as production lead time and delivery requirements, the use of options which require prices no higher than those for the initial quantities may be preferable to later negotiating a price with the contractor (in lieu of exercising such an option) at a time when he is the only practical source. An option normally should not be used where it can reasonably be foreseen that (1) supplies will have to be procured at some future date in such a quantity that would constitute an economic production run, and (2) startup costs, production lead time, and probable delivery requirements would not preclude adequate future competition.

(b) Option provisions and clauses shall not be included in contracts when—

(1) The supplies or services being purchased are readily available on the open market, except that in the case of services, option clauses may be included for foreseeable requirements if the use of such option is considered to be in the best interest of the Government;

(2) The contractor would be required to incur undue risks; e.g., the price or availability of necessary materials or labor is not reasonably foreseeable;

(3) An indefinite quantity contract or requirements contract is appropriate except that options for continuing performance may be used in such contracts;

(4) Market prices for the supplies or services involved are likely to change substantially; or

(5) The option quantities represent known firm requirements for which procurement funds are available unless (i) the basic quantity is a learning or testing quantity and there is some uncertainty as to contractor or equipment performance and (ii) realistic competition for the option quantity is impracticable once the initial contract is awarded.

(c) When options are to be evaluated pursuant to § 15-1.5703(d), the total of the basic and option periods shall not exceed five years in the case of services, and the total of the basic and option quantities shall not exceed the requirements for five years in the case of supplies. This five year limitation shall not apply to Automatic Data Processing Equipment acquisitions; however, the basic option periods shall not exceed the approved systems life as defined in the Federal Property Management Regulations.

§ 15-1.5703 Procedures.

(a) When a contract is to contain an option clause, the solicitation must contain an appropriate option provision. If the contract is to be negotiated, the determination and findings shall set forth the approximate quantity to be awarded and the extent of the increase to be permitted by the option. The contract shall limit the additional quantities of supplies or services which may be procured, or the duration of the period for which performance of the contract may be extended, under the option and will fix the period within which the option may be exercised. This period shall be set so as to afford the contractor adequate notice of the requirement for performance under the option but with respect to service contracts the period for providing adequate notice may extend beyond the contract completion date when exercise of the option would obligate funds not available in the fiscal year in which the contract would otherwise be completed. In fixing the period within which the option may be exercised consideration shall be given to (1) necessary lead time in order to assure continuous production and (2) the time required for additional funding and other necessary approval action. The period specified for exercising the option shall in

all cases be kept to a minimum. When a solicitation contains an option which requires the offering of additional quantities of supplies at unit prices no higher than those for initial quantities, it shall provide that the option quantities shall not exceed 50 percent of the initial quantity. When unusual circumstances exist, however, the Chief, Contracts Operations Office or his designee may approve a greater percentage or quantity. The quantities and the period under option and the period during which the option may be exercised shall be justified and documented by the contracting officer in the contract file.

(b) Except as provided in paragraphs (c) and (d) of this section, solicitations containing option provisions shall state that evaluation will be on the basis of the quantity to be awarded exclusive of the option quantity.

(c) When it is anticipated that the Government may exercise the option at time of award, the solicitation shall include an Evaluation of Options provision substantially as follows:

EVALUATION OF OPTIONS

If the Government elects to exercise an option simultaneously with award, bids or proposals will be evaluated for purposes of award on the basis of the total price for the basic quantity and the option quantity exercised with award.

(d) In firm fixed price contracts, the option quantity may be considered in the evaluation for award if, before issuance of the solicitation, it has been determined at a level higher than the contracting officer that:

(1) There is a known requirement which exceeds the basic quantity to be awarded, but either (i) the basic quantity is a learning or testing quantity and there is some uncertainty as to contractor or equipment performance, or (ii) due to the unavailability of funds, the option cannot be exercised at the time of award of the basic quantity provided that in this latter case there is reasonable certainty that funds will be available thereafter to permit exercise of the option; and

(2) (i) Realistic competition for the option quantity is impracticable once the initial contract is awarded and hence it is in the best interests of the Government to evaluate options in order to eliminate the possibility of a buy-in. This determination shall be based on factors such as, but not limited to, substantial start-up or phase-in costs, superior technical ability resulting from performance of the initial contract, and long preproduction lead time for a new producer.

(ii) In such cases, the solicitation shall contain an Evaluation of Options provision substantially as follows:

EVALUATION OF OPTIONS

Bids and proposals will be evaluated for purposes of award by adding the total price for all option quantities to the total price for the basic quantity. Evaluation of options will not obligate the Government to exercise the option or options.

Any bid or proposal which is materially unbalanced as to prices for basic and op-

tion quantities may be rejected as non-responsive. An unbalanced bid or proposal is one which is based on prices significantly less than cost for some work and prices which are significantly overstated for other work.

(e) Solicitations which allow the offer of option quantities at unit prices which differ from the unit prices for the basic contract quantities shall also state that varying prices may be offered for the option quantities depending on the quantities actually ordered and the date or dates when ordered. However, if the solicitation contains an Evaluation of Options provision pursuant to paragraphs (c) and (d) of this section, it shall also specify the price at which the options will be evaluated (e.g., highest option price offered or option price for specified quantities or dates).

(f) Where exercise of the option would result in increased quantities of supplies, the option may be expressed in terms of (1) percentage of specific contract line items, (2) a number of additional units of specific contract line items, or (3) additional numbered line items identified as the option quantity with the same nomenclature as line items initially included in the contract. Where exercise of the option would result in an increase in the performance of services by the contractor, the option may similarly be expressed in terms of percentages, increase in specific line items, or additional numbered line items, expressed in terms of the units of work initially used in the contract such as man hours, man years, square feet, pounds or tons handled. Where exercise of the option would result in an extension of duration of the contract, the option may be expressed in terms of an extended terminal date or of an additional time period, such as days, weeks, or months.

§ 15-1.5704 Exercise of options.

(a) The exercise of an option by the Government requires the contracting officer's written notification to the contractor within the time period specified in the contract.

(b) Where the contract provides for price escalation and the contractor requests revision of price pursuant to such provision, or the provision applies only to the option quantity, the effect of escalation on prices under the option must be ascertained before the option is exercised.

(c) Options should be exercised only if it is determined that—

- (1) Funds are available;
- (2) The requirement covered by the option fulfills an existing need of the Government; and
- (3) The exercise of the option is most advantageous to the Government, price and other factors considered.

(d) Insofar as price is concerned, the determination under paragraph (c) (3) of this section shall be made on the basis of one of the following:

- (1) A new solicitation fails to produce a better price than that offered by the option. When the contracting officer an-

ticipates that the option price will be the best price available, he should not use this method of testing the market but should use one of the methods in paragraph (d) (2), (3), or (4) of this section.

(2) An informal investigation of prices, or other examination of the market indicates clearly that a better price than that offered by the option cannot be obtained.

(3) The time between the award of the contract containing the option and the exercise of the option is so short that it indicates the option price is the lowest price obtainable, considering such factors as market stability and a comparison of the time since award with the usual duration of contracts for such supplies and services.

(4) Established prices are readily ascertainable and clearly indicate that formal advertising or informal solicitation can obviously serve no useful purpose.

(e) Insofar as the "other factors" mentioned in paragraph (c) (3) of this section are concerned, the determination should, among other things, take into account the Government's need for continuity of operations and potential costs to the Government of disrupting operations, including the cost of relocating necessary Government furnished equipment (as, for example, in certain repair and overhaul contracts for complex equipment).

(f) When it has been determined that an option may properly be exercised in accordance with the principles set forth herein, such determination shall be set forth in writing and made a part of the contract file. Written notification to the contractor of the exercise of the option and any contract modification resulting therefrom shall cite the option article contained in the original contract as authority for the procurement of the option quantity; and no citation under 41 U.S.C. 252(c) is required.

§ 15-1.5705 Examples of option articles for fixed price type contracts.

(a) An article in the contract schedule substantially as follows may be used when it is desired to express the option quantity as a percentage of the basic contract quantity or as an additional quantity of a specific line item, without separate pricing of the option quantity.

OPTION FOR INCREASED QUANTITY

The Government may increase the quantity of supplies called for herein by any amount of units up to [specify a quantity or a percentage of the basic quantity] at the unit price specified in the contract. The Contracting Officer may exercise this option by giving written notice of the Government's exercise of the option to the Contractor not later than [specify a date certain or a number of days before the last delivery date under the basic contract]. Delivery of the items added by the exercise of this option shall continue immediately after, and at the same rate as, delivery of like items called for under this contract [this sentence may be appropriately modified to reflect agreement of the parties on delivery terms].

(b) A schedule article substantially as follows may be used where the con-

tract identifies the option quantity as a separately priced line item having the same nomenclature as a corresponding basic contract line item.

OPTION TO INCREASE QUANTITY—LINE ITEM

The Government may increase the quantity of supplies called for herein by requiring the delivery of the numbered line item identified in the Schedule as an option item, in the quantity and at the price set forth therein. The Contracting Officer may exercise this option by giving written notice of the Government's exercise of such option to the Contractor not later than [specify a date certain or a number of days before the last delivery date under the basic contract]. Delivery of the items added by the exercise of this option shall continue immediately after, and at the same rate as, delivery of like items called for under this contract [this sentence may be appropriately modified to reflect agreement of the parties on delivery terms].

(c) An article substantially as follows may be used to provide for continuing performance of the contract beyond its original term.

OPTION TO EXTEND THE TERM OF THE CONTRACT

This contract may be extended for a period of ----- [days, months, years] at the option of the Government, by the Contracting Officer giving written notice of the Government's exercise of such option to the Contractor not later than the last day of the term of the contract; provided, that such notice shall have no effect if given less than 60 days prior to the last day of the term of the contract unless the Contracting Officer has given preliminary written notice of an intent to exercise such option at least sixty (60) days prior to the last day of the term of the contract (such preliminary notice shall not be construed as an exercise of the option, and will not bind the Government to exercise the option). If the Government exercises such option, the contract as extended shall be deemed to include this option provision; provided, however, that the total duration of this contract, including the exercise of any options under this clause, shall not exceed ----- months. [State terms for pricing of performance under the option e.g., by inclusion of same price as basic quantity, an escalation provision, definitive option price set forth elsewhere in this contract.]

§ 15-1.5706 Examples of option articles for cost reimbursement contracts.

(a) The following may be used as the article which defines an option, when the contract is a Cost Only Term Form, not involving the use of task orders. The article may be used, with appropriate modification, when the contract involves payment of fee.

OPTION TO EXTEND THE TERM OF THE CONTRACT

1. At the option of the Government, this contract may be extended, by the Contracting Officer giving written notice of extension to the Contractor prior to the expiration date of this contract; provided, that the Contracting Officer shall have given preliminary notice of the Government's intention to extend not later than the last day of the term of this contract; provided, that such notice shall have no effect if given less than sixty (60) days prior to the last day of the term of this contract unless the Contracting Officer has given preliminary written notice of an intent to exercise such option at least sixty (60) days prior to the last day of the

term of the contract (such preliminary notice shall not be construed as an exercise of the option, and will not bind the Government to exercise the option). If the Government exercises such option, the contract as extended shall be deemed to include this option provision; provided, however, that the total duration of this contract, including the exercise of any options under this clause, shall not exceed _____ months. [State terms for pricing of performance under the option, e.g., by inclusion of the same price as for the basic period, definitive option price set forth elsewhere in this contract, escalation provision, etc.]

2. In the event that the contract is extended in accordance with paragraph 1 of this Article, the Contractor shall continue the effort described in ARTICLE I—SCOPE OF WORK, during the _____ () month period immediately following that set forth in ARTICLE _____ PERIOD OF PERFORMANCE. The parties hereto agree that upon issuance of the order exercising this option, the following modifications will be made to the contract schedule, in effect as of the date that such issuance is made:

(i) The period of performance specified in ARTICLE _____ PERIOD OF PERFORMANCE will be increased by _____ months.

(ii) The estimated cost specified in ARTICLE _____ ESTIMATED COST will be increased by \$_____.

(b) The following may be used as the article which defines an option, where the contract is a CPFF Completion Form which contains a separate scope of work for the optional effort.

OPTION FOR INCREASED SCOPE OF WORK

1. At the option of the Government, the Scope of Work of this contract may be increased to include the work set forth in [Exhibit B] attached hereto and hereby made a part hereof. This option shall be exercised by the issuance of an order by the Contracting Officer citing the authority of this article. This option may be exercised at any time within [_____ months, days] from the effective date of this contract.

2. The parties hereto agree that upon issuance of the order exercising this option, the following modifications will be made to the contract schedule in effect as of the date such issuance is made:

(i) ARTICLE I—SCOPE OF WORK will be modified to incorporate [Exhibit B] attached hereto, into this contract.

(ii) The period of performance specified in ARTICLE _____ PERIOD OF PERFORMANCE will be increased by _____ [months, days].

(iii) The Estimated Cost, Fixed Fee, and Total Cost Plus Fixed Fee specified in ARTICLE _____ will be increased by \$_____, \$_____, and \$_____ respectively.

(c) The following may be used as the article which defines an option, when the contract is a Cost Plus Fixed Fee (CPFF) Term Form involving the issuance of task orders.

OPTION TO EXTEND THE TERM OF THE CONTRACT

1. At the option of the Government, this contract may be extended by the Contracting Officer giving written notice of extension to the Contractor prior to the expiration date of this contract; provided, that such notice shall have no effect if given less than sixty (60) days prior to the last day of the term of the contract unless the Contracting Officer has given preliminary notice of the Government's intention to extend at least sixty (60) days before this contract is to expire. (Such a preliminary notice will not

be deemed to commit the Government to renewals.)

2. If this option is exercised, the Contractor shall provide approximately _____ manhours of additional direct labor in pursuit of the effort described in ARTICLE I—SCOPE OF WORK, during the _____ () month period immediately following that set forth in ARTICLE _____ PERIOD OF PERFORMANCE. The parties hereto agree that upon issuance of the order exercising this option, the following modifications will be made to the contract schedule, in effect as of the date that such issuance is made:

(i) The period of performance specified in ARTICLE _____ PERIOD OF PERFORMANCE, will be increased by _____ () months.

(ii) ARTICLE _____ LEVEL OF EFFORT, will be increased from "approximately _____ manhours" to "approximately _____ manhours" and the last sentence of Paragraph A will be changed to read "not less than _____ nor more than _____ manhours."

(iii) The Estimated Cost, Fixed Fee, and Total Cost Plus Fixed Fee specified in ARTICLE _____ will be increased by \$_____, \$_____, and \$_____ respectively.

(d) The period of performance for the option shown in Paragraph 2 of the suggested articles may be adjusted to conform to the requirement. Additional optional periods may be included beyond the first option period provided: However, that consideration is given to the prohibitions contained in § 15-1.5702(b) and, the restrictions concerning renewal of Basic Ordering Agreements and Level of Effort Task Order Type Contracts contained in EPA Order of that title.

[FR Doc.74-19641 Filed 8-23-74; 8:45 am]

Title 46—Shipping

CHAPTER I—COAST GUARD, DEPARTMENT OF TRANSPORTATION SUBCHAPTER F—MARINE ENGINEERING

[CGD 73-248]

MARINE ENGINEERING

Clarification Amendments

The purpose of the amendments in this document is to make grammatical correction to and to clarify the intent of certain marine engineering regulations.

A notice of proposed rulemaking appeared in the December 11, 1973 issue of the FEDERAL REGISTER (38 FR 34122) that proposed the following corrections to Subchapter F of Title 46, Code of Federal Regulations:

1. Change in § 50.15-20(a)(11) the address for the Marine Department of Underwriter's Laboratories, Inc. which has moved to Florida.

2. Complete the first sentence in § 50.25-35(a).

3. Add to the heading of § 56.60-1 the words "and modifies Table 126.1 in ANSI-B 31.1" to agree with the reference in Table 56.01-5(a).

4. In Table 56.60-1, add the footnote designator "4" to the ASTM specifications A 53 and A 72, and change the reference in footnote 4 to read "§ 56.60-2(b)".

5. In Table 56.60-1(a), add verbs to

the second and fourth sentences of footnote 14.

6. In Table 56.60-1(a), substitute the word "limitations" for the word "rating" in the third sentence of footnote 14 to agree with the text in UCN 3 in section VIII of the ASME Code.

7. In Table 56.60-2(a), strike the reference to § 105.2.1 of ANSI-B 31.1 in footnote 1 because it has not been adopted by the Coast Guard.

8. In Table 56.60-2(a), revoke footnote 6 because the alloy to which it refers was eliminated in the June 17, 1970 issue of the FEDERAL REGISTER (35 FR 9979).

9. Amend § 61.15-5(b) to expunge the unintended requirement that a pipe with a nominal size of 3 inches or less be subject to a hydrostatic test.

The following amendments for clarification of the regulations in Subchapter F were also proposed:

1. Indicate that the requirements in § 54.05-20 apply only to the materials described in § 54.25-10(b)(1).

2. Indicate in the introductory note of Table 56.60-1(a) that the materials listed apply to inside heat exchangers.

3. Reflect in the heading of § 56.60-1 that its provisions modify Table 126.1 of ANSI-B 31.

4. Combine and rewrite the first two sentences of § 56.60-2(a).

5. Add in § 56.60-2(b)(2) a cross-reference to § 56.10-5(b) because that section contains material limitations.

6. Indicate in the heading of § 56.60-5 that the requirement is concerned with carbide phase conversion.

In the January 15, 1974 issue of the FEDERAL REGISTER (39 FR 1861) corrections of printing errors in the proposal were published.

No comments were received on the proposed amendments. Accordingly, the proposal is hereby adopted subject to the corrections published on January 15, 1974. As adopted, the regulations are set forth below.

Effective date. These amendments are effective on August 26, 1974.

Dated: August 16, 1974.

O. W. SILER,
Admiral, U.S. Coast Guard,
Commandant.

PART 50—GENERAL PROVISIONS

Title 46 CFR Subchapter F is amended as follows:

1. By revising § 50.15-20(a)(11) to read as follows:

§ 50.15-20 Additional standards.

(a) * * *

(11) Underwriters' Laboratories, Inc., Marine Department, Tampa East Industrial Park, 2602 Tampa East Blvd., Tampa, Florida 33619.

2. By revising § 50.25-35 to read as follows:

§ 50.25-35 Fluid conditioner fitting.
Nonstandard fluid conditioner fittings which due to their size, service, or op-

erating condition, as specified in § 56.15-1 (e) (1) and (f) of this chapter are subject to the requirements of Part 54 of this chapter (except for stamping and shop inspection), shall not be acceptable to the Coast Guard as affidavit products as allowed in this subpart, or listed in CG-190, "Equipment Lists." Other nonwelded fluid conditioner fittings are listed in CG-190.

PART 54—PRESSURE VESSELS

3. By revising the text of § 54.05-20 to read as follows (Table 54.05-20(a) is not affected by this revision):

§ 54.05-20 Impact test properties for service temperature of 0°F to -70°F.

The minimum impact energies of each set of longitudinal Charpy specimens of the material described in § 54.25-10(b) (1) of this chapter must be at least the values contained in Table 54.25-10(a).

PART 56—PIPING SYSTEMS AND APPURTENANCES

4. The heading of § 56.60-1 is revised to read as follows:

§ 56.60-1 Acceptable materials and specifications (replaces § 123 and modifies Table 126.1 in ANSI-B31.1).

5. The table in § 56.60-1(a) is amended as follows:

a. By amending the introductory note by striking out the words "within heat exchangers" and inserting the words "inside heat exchangers that insure containment of the material inside a pressure shell" in place thereof.

b. By adding footnote designator "4" in the column headed "Notes" to the ASTM specifications A53 and A72.

c. By amending footnote 4 by striking the words "introduction to Table 56.60-1(a) in paragraph (a) of this section" and inserting "§ 56.60-2(b)" in place thereof.

d. By amending footnote 14 as follows:

1. By amending the second sentence by inserting the word "is" to follow the words "ductile iron".

2. By amending the third sentence by striking out the word "ratings" and inserting the word "limitations" in place thereof.

3. By amending the fourth sentence by inserting the word "are" to follow the words "of cast iron".

e. By amending footnote 16 by striking "105.2.2 of ANSI-B31.1" in the third sentence and inserting "§ 56.10-5(c) of this chapter" in place thereof.

§ 56.60-2 [Amended]

6. Amend § 56.60-2 as follows:

a. By striking the first two sentences of paragraph (a) and inserting the following sentence in place thereof:

"The maximum stress in the materials listed in Table 56.60-1(a) must be 80 percent of the value contained in the designated source of allowable stress values, unless the dynamic effect is accounted for in the design in accordance

with the requirement contained in § 56.07-10(c) of this chapter".

b. By adding the words "or by the requirements contained in § 56.10-5(b) of this chapter" to follow the reference "Table 56.60-1(a)" in paragraph (b) (2).

7. Amend Table 56.60-2(a) as follows:

a. By striking the words "105.21 of ANSI-B31.1 and" in footnote 1.

b. By revoking footnote 6.

§ 56.60-5 [Amended]

8. Adding the words "(High temperature applications)" to the heading of § 56.60-5.

PART 61—PERIODIC TESTS AND INSPECTIONS

9. By amending § 61.15-5 by striking the 4th sentence in paragraph (b) and inserting the following words: "A pipe with a nominal size of 3 inches or less is not required to be hydrostatically tested."

(R.S. 4405, as amended (46 U.S.C. 375), R.S. 4462, as amended (46 U.S.C. 416), Sec. 6(b) (1), 80 Stat. 937 (49 U.S.C. 1655(b) (1)); 49 CFR 1.46(b))

[FR Doc.74-19733 Filed 8-23-74; 8:45 am]

Title 14—Aeronautics and Space

CHAPTER I—FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

[Airspace Docket No. 74-SO-83]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Control Zone

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Selma, Ala., control zone.

The Selma control zone is described in § 71.171 (39 FR 354 and 3551). In the description, reference is made to "Craig TACAN." The Craig TACAN has been replaced with the "Cahaba VORTAC." It is necessary to alter the control zone description to reflect this change. Since this amendment is editorial in nature, notice and public procedure hereon are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth.

In § 71.171 (39 FR 354), the Selma, Ala., control zone (39 FR 3551) is amended as follows:

"* * * Craig TACAN * * *" is deleted and "* * * Cahaba VORTAC * * *" is substituted therefor.

This amendment is made under the authority of Sec. 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(a)) and of Sec. 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in East Point, Ga., on August 16, 1974.

DUANE W. FREER,
Acting Director,
Southern Region.

[FR Doc.74-19644 Filed 8-23-74; 8:45 am]

[Airspace Docket No. 74-SO-84]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Control Zone

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Elizabeth City, N.C., control zone.

The Elizabeth City control zone is described in § 71.171 (39 FR 354). In the description, there is a proviso that excludes the portion within a 1-mile radius of Elizabeth City Municipal Airport. Since this airport has been abandoned, there is no longer any requirement for this exclusion. It is necessary to alter the control zone description to reflect this change. Since this amendment is minor in nature, notice and public procedure hereon are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth.

In § 71.171 (39 FR 354), the Elizabeth City, N.C., control zone is amended as follows:

"* * * north of the VOR; excluding the portion within a 1-mile radius of Elizabeth City Municipal Airport (latitude 36°14'45" N., longitude 76°15'35" W.) * * *" is deleted and "* * * north of the VOR * * *" is substituted therefor.

This amendment is made under the authority of Sec. 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(a)) and of Sec. 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in East Point, Ga., on August 15, 1974.

PHILLIP M. SWATEK,
Director, Southern Region.

[FR Doc.74-19645 Filed 8-23-74; 8:45 am]

[Airspace Docket No. 74-WA-24]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Change of Names for Reporting Points

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to change certain reporting point names to five-letter words and to add geographic coordinates to some of their descriptions.

To simplify the coding system for reporting points, the Federal Aviation Administration (FAA) is assigning five-letter names to those reporting points in Part 71 that are not collocated with navigation facilities. The same five letters serve as the reporting point name, location identifier and computer code. Geographic coordinates are added to amplify the description of some reporting points.

Since the identifying names of reporting points and the descriptions of their locations are minor matters in which the public is not particularly interested, notice and public procedure thereon are unnecessary.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations