

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. CONTRACT ID CODE R	PAGE OF PAGES 1 11
2. AMENDMENT/MODIFICATION NO. P00020	3. EFFECTIVE DATE 09-May-2007	4. REQUISITION/PURCHASE REQ. NO. N0002406FR51061		5. PROJECT NO.(If applicable)
6. ISSUED BY NAVAL SEA SYSTEMS COMMAND STOP 2020 1333 ISAAC HULL AVE SE WASHINGTON NAVY YARD DC 20376-2020		CODE N00024	7. ADMINISTERED BY (If other than item 6) DCMC SAN DIEGO 7675 DAGGET STREET SUITE 200 SAN DIEGO CA 92111-2241	
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) [REDACTED] ANY ENSE SYSTEMS 8680 BALBOA AVENUE SAN DIEGO CA 92123-1502			9A. AMENDMENT OF SOLICITATION NO.	
			9B. DATED (SEE ITEM 11)	
			X 10A. MOD. OF CONTRACT/ORDER NO. N00024-06-C-2207	
			X 10B. DATED (SEE ITEM 13) 01-Nov-2005	
CODE 3J458	FACILITY CODE			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS				
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer <input type="checkbox"/> is extended, <input type="checkbox"/> 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) See Schedule				
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.				
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.				
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:				
X D. OTHER (Specify type of modification and authority) In accordance with Section H clause entitled "Allotment of Funds"				
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>2</u> copies to the issuing office.				
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) Modification Control Number: vsmithmj074872 PR Number is: N00024-07-FR-51048 See Page 2.				
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.				
15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) ROLLINS A TODD / SEA 022- CONTRACTING OFFICER TEL: 202-781-3923 EMAIL: Todd.Rollins@navy.mil		
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA BY <i>Todd A Rollins</i>	16C. DATE SIGNED 10-May-2007	
(Signature of person authorized to sign)		(Signature of Contracting Officer)		

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

The purposes of this modification are to 1) increase the ceiling on CLIN 0102, 2) decrease the ceiling on CLIN 0007, 3) create SLIN 010208, 4) provide additional funding to SLINs 010102, 010205, 010208, and 010402, and to 5) make administrative changes to Section B and Section G. Accordingly, contract N00024-06-C-2207 is modified as follows:

SUMMARY OF CHANGES

The t [redacted] ding unexercised options) has been decreased from [redacted]

1. SECTION B - SUPPLIES OR SERVICES AND PRICES

A. CLIN 0007 is hereby decreased as follows:

CLIN 0007

The estimated/max cost has de [redacted]
The base fee has decreased by [redacted]
The award fee has decreased by [redacted]
The total cost of this line item has decreased by [redacted]

B. CLIN 0102 is hereby increased as follows:

CLIN 0102

The estimated/max cost has increased by [redacted]
The base fee has increased by [redacted]
The award fee has increased by [redacted]
The total cost of this line item has increased by [redacted]

C. SUBCLIN 010208 is added as follows:

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
010208	FOR USE WITH FY 06 POST DELIVERY FUNDING				[redacted]
	FFP				
	FOB: Destination			NET AMT	[redacted]

D. Under Section B-1, paragraph 2 entitled "Performance -Based Award Fee" is hereby revised to incorporate an additional member to the Award Fee Evaluation Board (AFEB) as follows:

“2. Performance-Based Award Fee

- (a) The Contractor may earn an award fee as determined by the Award Fee Determining Official (AFDO).
- (b) It is recognized that the standards by which the Contractor’s performance will be gauged cannot always be precisely defined; however, the general areas on which particular emphasis will be placed in evaluating the Contractor’s performance are set forth in Paragraph (d) and (e)(1) below with details in technical instructions. In general, cost performance will be the most important factor in consideration of the contractor’s performance.
- (c) The Government’s purpose in granting an award fee is to encourage and reward superior contractor effort over and above acceptable performance of this contract. Award fees shall be based on successfully achieving quality of overall performance and cost performance.
- (d) Performance-Based Award Fee Evaluation Board. The Contractor shall be paid such award as may be determined to be appropriate by an AFDO, hereby designated as the LPD 17 Program Manager. For performance-based award fees, the AFDO shall make the determination based on recommendations of an Award Fee Evaluation Board (AFEB) consisting of the Chairperson (or a designated representative) and no fewer than three of the following members (or designated alternates):

CHAIRPERSON

PMS 317 Deputy Program Manager

MEMBERS

- (1) PMS 317 Life Cycle Director (Deputy Chairman)
- (2) PMS 317 Acquisition Manager
- (3) PMS 317 Systems Integration & Test Manager
- (4) Naval Sea Systems Command (NAVSEA) 02 Procuring Contracting Officer
- (5) DCMA San Diego
- (6) PMS 317 Business Financial Manager
- (7) PMS 317 Logistics Director
- (8) TBD Fleet Representative

(e) Evaluation Categories for Performance-based Award Fees

- (1) The amount of Award Fee earned will be based on a subjective evaluation by the Evaluation Board of the Contractor’s efforts towards significantly improving the long-term success of the LPD 17 program. The Board shall evaluate efforts in the following categories, including but not limited to, Cost Performance, Schedule, Technical, Performance Based Support and Program Management for the areas of LPD 17 Class IPY, PSA Planning, ISE SAS, Engineering Services, and LCE&S Core Services efforts. Evaluation of program management under this contract will include

- all program management efforts under the contract including liaison, integration and interaction with the LPD 17 Class Shipbuilder. It is anticipated that the categories critical to program success may shift over the course of the contract and therefore, the weighting of the evaluation categories could change as the contract proceeds. The contractor will be notified in writing of the weighting for each contract line item for each category ten (10) days prior to the start of an Award Fee period, as necessary, to modify the weighting given in paragraph (g)(3) below.
- (2) Prior to the start of an evaluation period, the Government may establish more detailed criteria within the categories specified above upon which the Contractor will be evaluated. It is anticipated, if more specific criteria (performance measures) for any given category are to be issued, that the parties will work to establish mutually agreeable criteria. However, the Government shall have the unilateral right, prior to the start of an evaluation period, to establish more specific criteria as it sees fit. Furthermore, in the event that additional criteria are added and/or a particular category is not evaluated in any given period, the weighting of the categories will be adjusted accordingly to reflect a total weighted average that equals 100%.
 - (3) If an initiative pursued by the Contractor does not fit within the general scope of the aforementioned categories, the Contractor shall propose an alternative weighting scenario to account for the additional categories/criteria. The Government will consider the Contractor's proposal but shall not be under any obligation to change the category weights. The Contractor may propose additional or alternative criteria for evaluation. The Government will consider such proposals but shall be under no obligation to modify factors or weighting.
- (f) Performance-Based Award Fee Determination and Reclama Procedures

- (1) The Contractor shall submit a self-assessment (by line item) of its performance for each period where performance is evaluated, within fifteen (15) calendar days after the end of the period. After the end of each evaluation period, the Contractor shall furnish to the AFEB a self-assessment (by line item) and other such information as may be reasonably required, including a statement of cost incurred, to assist the Board in evaluating performance during the evaluation period. An exception is the financial performance data for the last month, which will be provided no later than thirty (30) calendar days after the end of the period. The contractor's self-assessment shall include, for each category by criteria:
 - (i) A list of significant events scheduled for accomplishment prior to the start of the period, and events added to the schedule during the period.
 - (ii) A list of significant events actually accomplished.
 - (iii) A list of significant events scheduled, but not accomplished.
 - (iv) A list of significant events scheduled for the next evaluation period.
 - (v) A summary self-assessment.
 - (vi) any adjustments to cost data provided to the previous AFEB.

- (2) Within forty-five (45) calendar days after the end of the evaluation period, the AFEB shall meet to consider the contractors submission. Within fifteen (15) calendar days after the AFEB deliberations, the Chairman of the AFEB shall advise the AFDO of the AFEB's recommended grades and award fee amounts and summary rationale.
- (3) Within five (5) working days following receipt of the AFEB recommendation, the AFDO will submit to the PCO the determination of award fee earned.
- (4) Within five (5) working days from receipt of that determination, the PCO shall notify the Contractor in writing of the AFDO's determination.
- (5) Within ten (10) working days from receipt of the PCO's notification, the Contractor may submit to the PCO any exception with respect thereto. In support of the reclama, the Contractor shall clearly identify specific evaluation categories, the Contractor's own rating thereof, and the basis for the exception.
- (6) Within five (5) working days from receipt of the Contractor's exception, the PCO shall submit it to the AFDO.
- (7) Within ten (10) working days from receipt thereof, the AFDO shall provide to the PCO a final performance evaluation and determination of the fee earned.
- (8) Within five (5) working days from receipt of that final determination, the PCO shall notify the contractor in writing of the final determination.
- (9) Within five (5) working days from the date of this notification, the PCO shall issue a unilateral modification to the contract to provide for any fee earned.
- (10) In the event that the Contractor does not submit any exception, the PCO shall issue a unilateral modification to the contract to provide for the fee earned within ten (10) working days of issuance of the letter notification of final performance evaluation and determination of the fee earned.

(g) Evaluation Process

- (1) In establishing the Fee Determination, the AFDO shall determine an adjective rating and score for each of the performance-based categories/criteria set forth in Paragraph 2(e)(1) above. For the purposes of determining Award Fee earned, the following definitions apply:

Adjective Rating	Numerical Score	Definition
Outstanding	90-100	The Contractor's performance exceeds the minimum in all areas by a substantial margin in all areas.
Excellent	80-89	The Contractor's performance exceeds the minimum

		in all areas; some areas for improvement cited, most of, which are minor.
Good	70-79	The Contractor's performance generally exceeds the minimum; there are several areas for improvement, but these are offset by better performance in other areas.
Unacceptable	00-69	The Contractor's performance is below minimum; areas for significant improvement are not offset by better performance in other areas.

(2) A total score for the period for each area (IPY, PSA, etc.) will be determined based on an assessment of the evaluation categories for the period (inclusive of any separate Contractor initiatives). Based on that score, the percentage of performance award fee earned will equal the total score/100. The Contractor shall earn no performance award fee for a score of 69 or less.

(3) Each area evaluator shall present to the Board their CLIN level evaluation of performance against the category criteria and sub-criteria established for the period. The evaluation shall include a recommended score for each category, as well as an overall area score. The overall area score will reflect the category scores, weighted (generally) as follows: **Cost at 30%, Schedule at 20%, Technical at 20%, Performance Based Support at 15% and Program Management at 15%**. Weighting shall be specified as indicated in Paragraph (e) above, unless otherwise stated in the Technical Instruction. The evaluation process shall utilize the metrics provided in the Technical Instruction.

(4) The Board shall consider the evaluations, the contractor's self-assessment and all relevant information obtained from other pertinent sources and recommend an overall score and an earned award fee amount to the AFDO based on their analysis of the Contractor's performance.

(5) The Performance Based Award Fee Pool for each evaluation period for each CLIN/SUBCLIN shall be calculated as follows:

- (a) Award Fee Pool = $\frac{\% \text{ of hours delivered per CLIN during evaluation period}}{\text{Total Award Fee per CLIN/SUBCLIN from Section B}} \times \text{\% of Award Fee Allocable to Performance Based Award Fee}$
- (b) Where: $\frac{\% \text{ of hours delivered during evaluation period}}{\text{Actual hours delivered during evaluation period for each CLIN/SLIN}} = \frac{\text{Applicable Total Hours stated in Section B for each respective CLIN/SLIN}}{\text{Total Award Fee per CLIN/SUBCLIN from Section B}}$

- (2) The fee earned may be from \$0.00 to the maximum amount for the periods outlined above. The Government shall have the unilateral right to decommit any unearned fee without further notice to the Contractor.

(h) Finality of Award Fee Determination Official’s Determination

The amount of the award fee to be paid is determined by the Government in terms of the criteria stated in the contract. This determination and the methodology for determining the award fee are unilateral decisions made by the AFDO.

(d) Evaluation Periods

- (1) With the exception of the event-based award fees, as designated in specific Technical Instructions, the AFEB shall evaluate concurrently the performance on all effort under contract. To the extent earned, this award fee will be payable on a bi-annual basis in accordance with the periods below. *In the event contract performance extends beyond the dates in this chart, additional periods will be added as required, until performance is complete. Chart will be updated at the end of each performance period when the award fee pool is established.*

	Period	Available Pool	Award Fee Earned
1	CA – 31 MAR 2006*		
2	1 APR 2006 – 30 SEP 2006*		
3	1 OCT 2006 – 31 MAR 2007*		\$TBD
4	1 APR 2007 – 30 SEP 2007*		\$TBD
5	1 OCT 2007 – 31 MAR 2008*		\$TBD
6	1 APR 2008 – 30 SEP 2008*		\$TBD
7	1 OCT 2008 – 31 MAR 2009*		\$TBD
8	1 APR 2009 – Five Years from CA*		\$TBD
	Maximum AF Pool Amount		

* Pool is available if option for performance is exercised.”

2. SECTION G - CONTRACT ADMINISTRATION DATA

Accounting and Appropriation

Summary for the Payment Office

- A. In order to properly administer the type of funds being utilized under the contract, funding is obligated to the appropriate SLINs by this modification. Funding data is provided on the attached Financial Accounting Data Sheets (FADs). The total funding under the following SLINs is increased as follows:

	<u>SLIN</u>	<u>Hours</u>	<u>Est. Cost</u>	<u>Base Fee</u>	<u>Total</u>
P00020	010102				
P00020	010402				
P00020	010205				
P00020	010208				

As a result of this modification, the total funded amount for this document was increased by \$4,439,880 from \$34,832,888.20 to \$39,272,768.20.

- B. **Section G-3** “CONTRACTING OFFICER’S REPRESENTATIVE” has been revised to update the list of Contracting Officer’s Representative as follows:

COMMANDER
 NAVAL SEA SYSTEMS COMMAND
 PEO SHIPS
 ATTN: WADE WEBSTER (PMS 317W)
 1333 ISAAC HULL AVENUE STOP 2401
 WASHINGTON NAVY YARD DC 20376-2401
 Telephone No. (202) 781-3756

COMMANDER
 NAVAL SEA SYSTEMS COMMAND
 PEO SHIPS
 ATTN: FRED THERRIEN (PMS 317A1)
 1333 ISAACC HULL AVENUE STOP 2401
 WASHINGTON NAVY YARD DC 20376-2401
 Telephone No. (202) 781-2888

COMMANDER
 NAVAL SEA SYSTEMS COMMAND
 PEO SHIPS
 ATTN: ERIC QUINTON (PMS 317A3)
 1333 ISAAC HULL AVENUE STOP 2401
 WASHINGTON NAVY YARD DC 20376-2401
 Telephone No. (202) 781-4190

- C. **Section G-4** “ADMINISTRATIVE CONTRACTING OFFICER” has been revised to update the assignment of the Administrative Contracting Officer (ACO) as follows:

DCMA SAN SIEGO
 ATTN: Alice Watson
 7675 DAGGET STREET
 SUITE 200

001103	31-May-07	
001104	31-May-07	
001105	30-Sep-06	
001106	30-Sep-07	
001107	27-Feb-07	
001108	27-Feb-07	
001109	28-Feb-07	
001110		30-Sep-06
001111	9-Nov-07	
001112	30-Sep-07	
001113		30-Sep-07
001114		30-Sep-07
001115	40 Weeks ARO	
001116	40 Weeks ARO	
001117	6 Weeks ARO	
001118	40 Weeks ARO	
001119		10 Weeks ARO
001120		10 Weeks ARO
001121	10 Weeks ARO	
001122	8 Weeks ARO	
001123	31-Dec-07	
010102		31-Jul-07
010203		31-Jul-07
010205		31-Jul-07
010206		31-Jul-07
010207		31-Jul-07
010208		31-Jul-07
010402		31-Jul-07
010404		31-Jul-07
010405		31-Jul-07
010601		31-Jul-07
010602		31-Jul-07
010603		31-Jul-07
010605		31-Jul-07
010701		31-Jul-07
010702		31-Jul-07
010705		31-Jul-07

(b) The parties contemplate that the Government will allot additional amounts to this contract from time to time for the incrementally funded CLINs/SLINs by unilateral contract modification, and any such modification shall state separately the amount(s) allotted for cost, the amount(s) allotted for fee, the CLINs/SLINs covered thereby, and the period of performance which the amount(s) are expected to cover.

(c) CLINs/SLINs 0001, 0004, 0006, 0007, 0101, 0102, 0104, 0106, 0107 and 0010 (estimated hours) are fully funded and performance under these CLINs/SLINs is subject to the clause of this contract entitled "LIMITATION OF COST" (FAR 52.232-20) or "LIMITATION OF COST (FACILITIES)" (FAR 52.232-21), as applicable.

(d) The Contractor shall segregate costs for the performance of incrementally funded CLINs/SLINs from the costs of performance of fully funded CLINs/SLINs.

4. Except as modified herein, all other terms and conditions of contract N00024-06-C-2207 remain unchanged and in full force and effect.

(End of Summary of Changes)