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|--|--|---|---|-------------------------|
| AWARD/CONTRACT | | 1. THIS CONTRACT IS A RATED ORDER UNDER DFAS (A5 CFR 350) | RATING DOA7 | PAGE OF PAGES 1 40 |
| 2. CONTRACT (Proc. Inst. Ident.) NO. N00024-03-C-5136 | | 3. EFFECTIVE DATE SEE BLOCK 20C. | 4. REQUISITION/PURCHASE REQUEST/PROJECT NO. N00024-03-NR-72084 | |
| 5. ISSUED BY NAVAL SEA SYSTEMS COMMAND BUYER/SYMBOL: Michael Harris, SEA 02513H 1333 Isaac Hull Ave., SE STOP 2040 WASHINGTON NAVY YARD DC 20376-2040 PHONE: (Area Code)(202)781-2885 | | CODE N00024 | 6. ADMINISTERED BY (If other than Item 5) CRITICALITY DESIGNATOR: C DCMAO BALTIMORE 200 TOWSONTOWN BLVD., WEST TOWSON, MD 21204 | |

| | | |
|--|--|---|
| 7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code) CEC NO. 15425595E DIGITAL SYSTEM RESOURCES, INC. 12450 FAIRLAKES CIRCLE, SUITE 500 FAIRFAX, VA 22033 | | 8. DELIVERY <input checked="" type="checkbox"/> FOB ORIGIN [] OTHER (See below) |
| TIN NO: 54-13473980 | | 9. DISCOUNT FOR PROMPT PAYMENT NONE |
| CODE 2Y865 | | 10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN: |
| FACILITY CODE | | ITEM |

| | | | |
|--|------|--|----------------|
| 11. SHIP TO/MARK FOR (SEE SECTION F) | CODE | 12. PAYMENT WILL BE MADE BY DFAS - COLUMBUS CENTER ATTN: CHESAPEAKE DIVISION P.O. Box 182264 Columbus, OH 43218-2264 | CODE HQ0338 |
|--|------|--|----------------|

| | |
|--|--|
| 13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION <input checked="" type="checkbox"/> 10 u.s.c. 2304(c)(5) [] 41 U.S.C. 253(c)() | 14. ACCOUNTING AND APPROPRIATION DATA SEE ATTACHMENT (2). |
|--|--|

| | | | | | |
|-------------------------------|------------------------|---------------|-----------|-----------------|-------------|
| 15A. ITEM NO. | 15B. SUPPLIES/SERVICES | 15C. QUANTITY | 15D. UNIT | 15E. UNIT PRICE | 15F. AMOUNT |
| SEE SECTION B, PAGE 2. | | | | | |

15G. TOTAL AMOUNT OF CONTRACT*) \$1,700,000

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

| | |
|--|--|
| 17. <input checked="" type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 2 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, as are attached or incorporated by reference herein. (Attachments are listed hereto.) | 18. [] AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by you with additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary. |
|--|--|

| | |
|---|---|
| 19A. NAME AND TITLE OF SIGNER (Type or Print) Julie Charbonneau Contract Specialist | 20A. NAME OF CONTRACTING OFFICER CHARLES J. CIRINO CONTRACTING OFFICER NAVAL SEA SYSTEMS COMMAND |
| 19B. NAME OF CONTRACTOR BY: <i>Julie Charbonneau</i> (Signature of person authorized to sign) | 20B. UNITED STATES OF AMERICA BY: <i>Charles J. Cirino</i> (Signature of Contracting Officer) |
| 19C. DATE SIGNED 24 July 03 | 20C. DATE SIGNED 25 July 03 |

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

| <u>CLIN</u> | <u>SUPPLIES OR SERVICES</u> | | <u>TOTAL EST. COST</u> |
|-------------|--|--|--|
| 0001 | Systems Engineering of PEO(IWS) Combat Systems | | \$1,700,000 |
| 0001AA | FY03 CNI RDT&E funds | | |
| 0002 | Data for Item 0001 and (if Option(s) are exercised) Option Items 0003, 0004, 0005, and 0006 (See DD 1423, Exhibit A hereto) | | NSP (Cost included in cost of Item 0001 and (if options are exercised Items(s) 0003, 0004, 0005 and 0006) |
| 0003 | Systems Engineering of PEO(IWS) Combat Systems (SEE NOTE A) | | \$21,337,925 (OPTION) |
| 0004 | Systems Engineering of PEO(IWS) Combat Systems (SEE NOTE A) | | \$12,941,931 (OPTION) |
| 0005 | Systems Engineering of PEO(IWS) Combat Systems (SEE NOTE A) | | \$ 8,379,966 (OPTION) |
| 0006 | Systems Engineering of PEO(IWS) Combat Systems (SEE NOTE A) | | \$ 5,418,621 (OPTION) |

NOTE A – Option Item to which the option clause in Section I-2 applies and which is to supplied only if and to the extent said option is exercised.

COST SUMMARY

BASE PERIOD

| ITEM | ESTIMATED COST | AWARD FEE | TOTAL | FUNDED TO DATE | MAN-HOURS |
|--------------|----------------|-----------|-------------|----------------|-----------|
| 0001 | | | | | |
| TOTAL | | | \$1,700,000 | | |
| | | | \$1,700,000 | | |

OPTION PERIOD-1

| ITEM | ESTIMATED COST | AWARD FEE | TOTAL | FUNDED TO DATE | MAN-HOURS |
|--------------|----------------|-----------|--------------|----------------|-----------|
| 0003 | | | | | |
| TOTAL | | | \$21,337,925 | | |
| | | | \$21,337,925 | | |

OPTION PERIOD-2

| ITEM | ESTIMATED COST | AWARD FEE | TOTAL* | FUNDED TO DATE | MAN-HOURS |
|--------------|----------------|-----------|--------------|----------------|-----------|
| 0004 | | | | | |
| TOTAL | | | \$12,941,931 | | |
| | | | \$12,941,931 | | |

OPTION PERIOD-3

| ITEM | ESTIMATED COST | AWARD FEE | TOTAL | FUNDED TO DATE | MAN-HOURS |
|--------------|----------------|-----------|-------------|----------------|-----------|
| 0005 | | | | | |
| TOTAL | | | \$8,379,966 | | |
| | | | \$8,379,966 | | |

OPTION PERIOD-4

| ITEM | ESTIMATED COST | AWARD FEE | TOTAL | FUNDED TO DATE | MAN-HOURS |
|--------------|----------------|-----------|-------------|----------------|-----------|
| 0006 | | | | | |
| TOTAL | | | \$5,418,621 | | |
| | | | \$5,418,621 | | |

| | | | | | |
|--------------------|--|--|--------------|--|--|
| GRAND TOTAL | | | \$49,778,443 | | |
|--------------------|--|--|--------------|--|--|

**CONTRACT TYPE SUMMARY FOR PAYMENT OFFICE (COST TYPE)
(NAVSEA) (FEB 1997)**

This entire contract is cost type.

The clause entitled "LIMITATION OF COST" (FAR 52.232-20) or "LIMITATION OF FUNDS" (FAR 52.232-22), as appropriate, shall apply separately and independently to each separately identified estimated cost.

DETERMINATION OF FEE

a. Minimum Fee

There is no minimum fee to be paid for the performance of the applicable items under this contract. All fee will be earned as an award fee.

b. Award Fee

The Contractor may earn award fee as determined by the Fee Determining Official (FDO). The Government's purpose in granting an award fee is to encourage and reward superior Contractor effort directed toward performance of the applicable items under this contract. The guidelines for evaluation are set forth in the paragraphs that follow.

c. Award Fee Board

The Award Fee Board consisting of the following members will conduct the Contractor's performance evaluation for each period.

- (1) **PEO IWS Multi Platform System Engineer (MPSE) - Chairperson**
- (2) **PEO IWS MPSE Technical Director or designee**
- (3) **NAVSEA 0251 (PCO)**
- (4) **IWS 1.0 Representative**
- (5) **IWS 6.0 Representative**
- (6) **NSWC/DD Representative**
- (7) **NSWC/PHD Representative**
- (8) **DCMA Software Representative**

d. Fee Determining Official (FDO)

The FDO, **PEO(IWS) or designated representative**, shall make determinations of the award fee due to the Contractor based upon the performance evaluation conducted by the Board established pursuant to paragraph (c) above.

e. Award Fee Determination and Reclama Procedures

- (1) On the last working day of each evaluation period, the Contractor shall furnish to the Board such information as may be reasonably required to assist the Board in evaluating the Contractor's performance during that evaluation period.

(2) The Award Fee Board evaluation will be scheduled within ten (10) working days of the end of each evaluation period. The Board may consider reports, both oral and written, from all interested parties. The Board, in closed session, shall arrive at a consensus on the performance rating and advise the FDO of its recommendation including the reasons, rationale, and justifications therefore. The Board findings shall be presented to the Contractor who will then be provided an opportunity to provide written comments on the evaluation findings to the FDO within five (5) working days. In such case, these comments shall be considered by the FDO in establishing the fee.

(3) The FDO shall provide the Procuring Contracting Officer (PCO) a final performance evaluation and determination of the award fee for that period within five (5) working days after receipt of the Board's findings. The FDO may consider any comments received from the Contractor.

(4) Within ten (10) working days after receipt of the FDO's final determination and the Procurement Request (PR), the PCO shall issue a unilateral modification to the contract to provide for the award fee determined for that period.

f. Finality of FDO's Determination

The Parties agree that the FDO determination(s) of the amount(s) of the award fee, if any, to be paid to the contractor are unilateral decisions made solely at the discretion of the Government.

g. Evaluation Categories and Factors

At the conclusion of each evaluation period, specifically identified in paragraph (h), the Board will consider the Contractor's performance with respect to each of the categories listed in subparagraphs (1) and (2) below. The percentage shown indicates the relative weight to be assigned to each category. However, the Government reserves the right to adjust the following evaluation plan by unilateral contract modification, which shall be issued, if at all, within thirty (30) calendar days after the start of the affected evaluation period.

(1) Management of Cost and Schedule Performance (50%)

The Contractor's management of cost and schedule performance will be evaluated for each active TI in terms of:

- a. Contractor's compliance with established schedules;
- b. Contractor's efforts to control established costs, including the ability to make cost effective decisions with respect to technical requirements, schedule and product quality;
- c. Contractor's management efforts in assuring proper supervision and staffing of the work, efficient use of resources, subcontractor control, and use of risk assessment information; and
- d. Contractor's efforts to identify and communicate problems quickly to the Government and actively engage to resolve problems.

(2) Technical Performance and Product Quality (50%)

The Contractor's technical performance will be evaluated in terms of its effectiveness in achieving the requirements of each active TI within the period. Those aspects of technical performance and product quality, which may be considered, are:

- a. Compliance with specified requirements in each TI;
- b. Timeliness, accuracy, and quality of required data submissions;
- c. Quality of progress towards delivery of products that meet or exceed the specified requirements;
- d. Timeliness and quality of delivered products; and
- e. Timeliness and quality of recommended solutions to technical problems identified during performance.

(h) Evaluation Periods/Award Fee Pool

The following award fee evaluation periods and associated fee pools are hereby established. There will be no rollover of award fee permitted between periods. However, the Government reserves the right to adjust the following periods and award fee pools by unilateral contract modification, which shall be issued, if at all, prior to the start of the affected evaluation period(s).

| <u>EVALUATION PERIODS</u> | <u>AWARD FEE POOL AVAILABLE</u> | <u>AWARD FEE EARNED</u> |
|---|---------------------------------|-------------------------|
| 1 st : Contract Award to 30 Sep 2003 | | \$ TBD |
| 2 nd : 01 Oct 2003 to 31 Mar 2004 | \$ | \$ TBD |
| 3 rd : 01 Apr 2004 to 30 Sep 2004 | \$ | \$ TBD |
| 4 th : 01 Oct 2004 to 31 Mar 2005 | \$ | \$ TBD |
| 5 th : 01 Apr 2005 to 30 Sep 2005 | \$ | \$ TBD |
| 6 th : 01 Oct 2005 to 30 Mar 2006 | \$ | \$ TBD |
| Total | | \$ TBD |

(i) Performance Ratings

(1) In evaluating Contractor performance, the following adjective and numerical ratings will be used:

| <u>ADJECTIVE RATING</u> | <u>NUMERICAL RATING</u> | <u>CRITERIA</u> |
|-------------------------|-------------------------|---|
| OUTSTANDING | 90-100 | The Contractor's performance exceeds the requirements by a substantial margin. There may be a few areas for improvement, but all are minor. |
| EXCELLENT | 80-89 | The Contractor's performance exceeds the requirements in some areas. There may be several areas for improvement, but these areas are offset by better performance in other areas. |
| GOOD | 70-79 | The Contractor's performance meets and, in a few cases, exceeds the requirements. Areas for improvement are approximately offset by better performance in other areas. |
| SATISFACTORY | 60-69 | The Contractor's performance is adequate. Areas for improvement exist and are not offset by better performance in other areas. |

UNSATISFACTORY 0-59

The content and quality of Contractor performance in more than one area are deemed by the evaluator to need substantial improvement. Contractor performance in the area being evaluated is considered to be such that a potentially adverse program impact is foreseen. The need for improvement is such that Government action may be required.

(2) The relationship of the numerical performance rating to the award fee earned is described below. However, a performance rating of 59 or below is deemed unsatisfactory and the Contractor is not entitled to any award fee for that period.

$$\text{Award Fee Earned} = [(\text{Rating}/100) \times \text{Award Fee Pool}]$$

(j) Maximum Fee

In no event shall the total award fee under this contract exceed of total cost (excluding Facilities Capital Cost of Money).

(k) Payment of Award Fee

The Contractor shall be paid award fee, if any, upon submittal of a proper invoice or voucher to the cognizant Payment Office, together with a copy of the unilateral modification to the contract authorizing payment of award fee for the applicable Evaluation Period. The Contractor's invoice must cite the appropriate accounting data in order for payment to be effected.

EXPEDITING CONTRACT CLOSEOUT (NAVSEA) (DEC 1995)

(a) As part of the negotiated fixed price or total estimated amount of this contract, both the Government and the Contractor have agreed to waive any entitlement that otherwise might accrue to either party in any residual dollar amount of \$500 or less at the time of final contract closeout. The term "residual dollar amount" shall include all money that would otherwise be owed to either party at the end of the contract, except that, amounts connected in any way with taxation, allegations of fraud and/or antitrust violations shall be excluded. For purposes of determining residual dollar amounts, offsets of money owed by one party against money that would otherwise be paid by that party may be considered to the extent permitted by law.

(b) This agreement to waive entitlement to residual dollar amounts has been considered by both parties. It is agreed that the administrative costs for either party associated with collecting such small dollar amounts could exceed the amount to be recovered.

TRAVEL COSTS - ALTERNATE I (NAVSEA) (MAY 2000)

(a)(1) Except as otherwise provided herein, the Contractor shall be reimbursed for its reasonable actual travel costs in accordance with FAR 31.205-46. The costs to be reimbursed shall be those costs accepted by the cognizant DCAA.

(a)(2) In accordance with Class Deviation 2000-00005, DOD Contractors may choose to use either the FTR rates and definitions for travel, lodging and incidental expenses effective 31 December 1998 or the current FTR rates and definitions. The Contractor must choose either the 1998 definitions and rates or the current FTR definitions and rates and apply them consistently to all travel while this class deviation, or its successor, is in effect.

(b) Reimbursable travel costs include only that travel performed from the Contractor's facility to the worksite, in and around the worksite, and from the worksite to the Contractor's facility.

(c) Relocation costs and travel costs incident to relocation are allowable to the extent provided in FAR 31.205-35; however, Contracting Officer approval shall be required prior to incurring relocation expenses and travel costs incident to relocation.

(d) The Contractor shall not be reimbursed for the following daily local travel costs:

(i) travel at U.S. Military Installations where Government transportation is available,

(ii) travel performed for personal convenience/errands, including commuting to and from work, and

(iii) travel costs incurred in the replacement of personnel when such replacement is accomplished for the Contractor's or employee's convenience.

5252.232-9001 SUBMISSION OF INVOICES (COST-REIMBURSEMENT, TIME-AND-MATERIALS, LABOR-HOUR, OR FIXED PRICE INCENTIVE) (JUL 1992)

(a) "Invoice" as used in this clause includes contractor requests for interim payments using public vouchers (SF-1034) but does not include contractor requests for progress payments under fixed price incentive contracts.

(b) The Contractor shall submit invoices and any necessary supporting documentation, in an original and 4 copies, to the contract auditor at the following address:

DCAA Mid-Atlantic Region
Fairfax Branch Office
Bldg. 2 Third Floor Suite 315
171 Elden Street
Herndon, VA 22070-4810

unless delivery orders are applicable, in which case invoices will be segregated by individual order and submitted to the address specified in the order. In addition, an information copy shall be submitted to the Contracting Officer Representative (COR) identified in Section G.

Following verification, the contract auditor will forward the invoice to the designated payment office for payment in the amount determined to be owing, in accordance with the applicable payment (and fee) clause(s) of this contract.

(c) Invoices requesting interim payments shall be submitted no more than once every two weeks, unless another time period is specified in the Payments clause of this contract. For indefinite delivery type contracts, interim payment invoices shall be submitted no more than once every two weeks for each delivery order. There shall be a lapse of no more than calendar days between performance and submission of an interim payment invoice.

(d) In addition to the information identified in the Prompt Payment clause herein, each invoice shall contain the following information, as applicable:

- (1) Contract line item number (CLIN)
- (2) Subline item number (SLIN)
- (3) Accounting Classification Reference Number (ACRN)
- (4) Payment terms
- (5) Procuring activity
- (6) Date supplies provided or services performed
- (7) Costs incurred and allowable under the contract
- (8) Vessel (e.g., ship, submarine or other craft) or system for which supply/services is provided

(e) A DD Form 250, "Material Inspection and Receiving Report",

- is required with each invoice submittal.
- is required only with the final invoice.
- is not required.

(f) A Certificate of Performance

- () shall be provided with each invoice submittal.
- (x) is not required.

(g) The Contractor's final invoice shall be identified as such, and shall list all other invoices (if any) previously tendered under this contract.

(h) Costs of performance shall be segregated, accumulated and invoiced to the appropriate ACRN categories to the extent possible. When such segregation of costs by ACRN is not possible for invoices submitted with CLINS/SLINS with more than one ACRN, an allocation ratio shall be established in the same ratio as the obligations cited in the accounting data so that costs are allocated on a proportional basis.

SECTION C - DESCRIPTION/SPECIFICATION/WORK STATEMENT

PART 1 - CONTRACT LINE ITEM DESCRIPTION

All work accomplished under this contract shall be done in accordance with Technical Instructions (TIs) issued by the Procuring Contracting Officer or the Contracting Officers Representative (COR).

ITEM(S) 0001 and OPTION ITEM(S) 0003, 0004, 0005, and 0006 - System Engineering of PEO(IWS) Combat Systems. The Contractor shall provide system engineering services as defined in Attachment (1), Statement of Work (SOW) for Combat Systems Engineering for PEO (IWS) and as directed by individual Technical Instructions that may be issued.

ITEM 0002 - The data to be furnished hereunder shall be prepared in accordance with the Contract Data Requirements List, DD Form 1423, Exhibit(s) A, attached hereto. Classified data should be handled in accordance with National Industrial Security Program Operating Manual (NISPOM), DOD 5220.22-M dated January 1995.

PART 2 - GENERAL REQUIREMENTS**ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE (NAVSEA) (JUN 1994)**

- (a) Performance under this contract may require that the Contractor have access to technical data, computer software, or other sensitive data of another party who asserts that such data or software is proprietary. If access to such data or software is required or to be provided, the Contractor shall enter into a written agreement with such party prior to gaining access to such data or software. The agreement shall address, at a minimum, (1) access to, and use of, the proprietary data or software exclusively for the purposes of performance of the work required by this contract, and (2) safeguards to protect such data or software from unauthorized use or disclosure for so long as the data or software remains proprietary. In addition, the agreement shall not impose any limitation upon the Government or its employees with respect to such data or software. A copy of the executed agreement shall be provided to the Contracting Officer. The Government may unilaterally modify the contract to list those third parties with which the Contractor has agreement(s).
- (b) The Contractor agrees to: (1) indoctrinate its personnel who will have access to the data or software as to the restrictions under which access is granted; (2) not disclose the data or software to another party or other Contractor personnel except as authorized by the Contracting Officer; (3) not engage in any other action, venture, or employment wherein this information will be used, other than under this contract, in any manner inconsistent with the spirit and intent of this requirement; (4) not disclose the data or software to any other party, including, but not limited to, joint venturer, affiliate, successor, or assign of the Contractor; and (5) reproduce the restrictive stamp, marking, or legend on each use of the data or software whether in whole or in part.
- (c) The restrictions on use and disclosure of the data and software described above also apply to such information received from the Government through any means to which the Contractor has access in the performance of this contract that contains proprietary or other restrictive markings.
- (d) The Contractor agrees that it will promptly notify the Contracting Officer of any attempt by an individual, company, or Government representative not directly involved in the effort to be performed under this contract to gain access to such proprietary information. Such notification shall include the name and organization of the individual, company, or Government representative seeking access to such information.
- (e) The Contractor shall include this requirement in subcontracts of any tier which involve access to information covered by paragraph (a), substituting "subcontractor" for "Contractor" where appropriate.
- (f) Compliance with this requirement is a material requirement of this contract.

EXTENSION OF COMMERCIAL WARRANTY (NAVSEA) (NOV 1996)

The Contractor shall extend to the Government the full coverage of any standard commercial warranty normally offered in a similar commercial sale, provided that such warranty is available at no additional cost to the Government. The Contractor shall provide a copy of the standard commercial warranty with the item. The standard commercial warranty period shall begin upon the final acceptance of the applicable material or software. Acceptance of the standard commercial warranty does not waive the Government's rights under the "Inspection" clause, nor does it limit the Government's rights with regard to other terms and conditions of the contract. In the event of a conflict, the terms and conditions of the contract shall take precedence over the standard commercial warranty.

UPDATING SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)

If, during the performance of this or any other contract, the contractor believes that any contract contains outdated or different versions of any specifications or standards, the contractor may request that all of its contracts be updated to include the current version of the applicable specification or standard. Updating shall not affect the form, fit or function of any deliverable item or increase the cost/price of the item to the Government. The contractor should submit update requests to the Procuring Contracting Officer with copies to the Administrative Contracting Officer and cognizant program office representative for approval. The contractor shall perform the contract in accordance with the existing specifications and standards until notified of approval/disapproval by the Procuring Contracting Officer. Any approved alternate specifications or standards will be incorporated into the contract.

SECTION D - PACKAGING AND MARKING

ITEM(S) 0001 and (if and to the extent options are exercised) OPTION ITEM(S) 0003, 0004, 0005 and 0006 - The supplies to be furnished by the Contractor shall be preserved, packaged, and packed in accordance with the best commercial practice.

ITEM 0002 - All unclassified data shall be prepared for shipment in accordance with best commercial practice.

Classified reports, data, and documentation shall be prepared for shipment in accordance with National Industrial Security Program Operating Manual (NISPOM), DOD 5220.22-M dated January 1995.

MARKING OF REPORTS (NAVSEA) (SEP 1990)

All reports delivered by the Contractor to the Government under this contract shall prominently show on the cover of the report:

- (1) name and business address of the Contractor
- (2) contract number
- (3) sponsor:

(Name of Individual Sponsor)

(Name of Requiring Activity)

(City and State)

SECTION E - INSPECTION AND ACCEPTANCE

ITEM(S) 0001 and to the extent options are exercised) OPTION ITEM(S) 0003, 0004, 0005 and 0006 – Inspection and acceptance of any supplies, prototypes, or engineering models shall be made by the Contractor’s Officer’s Representative (COR) or a designated representative of the Government.

ITEM 0002 - Inspection and acceptance of all data shall be as specified on the attached Contract Data Requirements List(s), DD Form 1423.

CLAUSES INCORPORATED BY REFERENCE

| <u>FAR</u> <u>SOURCE</u> | <u>TITLE AND DATE</u> |
|-----------------------------|---|
| 52.246-3 | INSPECTION OF SUPPLIES--COST-REIMBURSEMENT (APR 1984) |
| 52.246-5 | INSPECTION OF SERVICES--COST-REIMBURSEMENT (APR 1984) |
| 52.246-9 | INSPECTION OF RESEARCH AND DEVELOPMENT (SHORT FORM) (APR 1984) |

SECTION F - DELIVERIES OR PERFORMANCE

The Contractor shall perform the work described in SECTION C, at the level of effort specified in SECTION B, as follows:

ITEM(S) 0001 - For a period of **approximately twelve (12) months** beginning from the effective date of this contract, the Contractor shall perform the work described in SECTION C at the level of effort specified herein.

ITEM 0002 - All data to be furnished under this contract shall be delivered prepaid to the destination(s) and at the time(s) specified on the Contract Data Requirements List(s), DD Form 1423.

OPTION ITEM(S) – 0003, 0004, 0005 and 0006 (if exercised) – For a period of approximately one year beginning from the effective date of the option exercise, the Contractor shall perform the work described in SECTION C at the level of effort specified herein.

CLAUSES INCORPORATED BY REFERENCE

FAR

| <u>SOURCE</u> | <u>TITLE AND DATE</u> |
|---------------|--|
| 52.242-15 | STOP-WORK ORDER (AUG 1989) |
| 52.242-17 | GOVERNMENT DELAY OF WORK (APR 1984) |
| 52.247-29 | F.O.B. ORIGIN (JUN 1988) |
| 52.247-52 | CLEARANCE AND DOCUMENTATION REQUIREMENTS--SHIPMENTS TO DOD AIR OR WATER TERMINAL TRANSSHIPMENT POINTS (APR 1984) |
| 52.247-55 | F.O.B. POINT FOR DELIVERY OF GOVERNMENT-FURNISHED PROPERTY (APR 1984) |
| 52.247-58 | LOADING, BLOCKING AND BRACING OF FREIGHT CAR SHIPMENTS (APR 1984) |
| 52.247-65 | F.O.B. ORIGIN, PREPAID FREIGHT--SMALL PACKAGE SHIPMENTS (JAN 1991) |

SECTION G - CONTRACT ADMINISTRATION DATA

**CONTRACTING OFFICER'S
REPRESENTATIVE:**

PROGRAM EXECUTIVE OFFICE
INTEGRATED WEAPONS SYSTEMS
ATTN: Ms. Cheryl Treires
CODE - IWS CC
1333 Issac Hull Avenue, SE
Washington Navy Yard DC 20376
Telephone No. 202-781-2257

The Contractor shall forward a copy of all invoices to the Contracting Officer's Representative.

PURCHASING OFFICE REPRESENTATIVE: COMMANDER

ATTN: Michael A. Harris,
CODE - SEA 02513H
NAVAL SEA SYSTEMS COMMAND
1333 Isaac Hull Ave. SE STOP 2040
Washington Navy Yard, DC 20376-2885
Telephone No. 202-781-2885

SECTION H - SPECIAL CONTRACT REQUIREMENTS

| <u>NUMBER</u> | <u>TITLE</u> | <u>PAGE</u> |
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| NAVSEA 5252.202-9101 | ADDITIONAL DEFINITIONS (MAY 1993) | 18 |
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NAVSEA 5252.202-9101 ADDITIONAL DEFINITIONS (MAY 1993)

As used throughout this contract, the following terms shall have the meanings set forth below:

(a) DEPARTMENT - means the Department of the Navy.

(b) REFERENCES TO THE FEDERAL ACQUISITION REGULATION (FAR) - All references to the FAR in this contract shall be deemed to also reference the appropriate sections of the Defense FAR Supplement (DFARS), unless clearly indicated otherwise.

(c) REFERENCES TO ARMED SERVICES PROCUREMENT REGULATION OR DEFENSE ACQUISITION REGULATION - All references in this document to either the Armed Services Procurement Regulation (ASPR) or the Defense Acquisition Regulation (DAR) shall be deemed to be references to the appropriate sections of the FAR/DFARS.

(d) NATIONAL STOCK NUMBERS - Whenever the term Federal Item Identification Number and its acronym FIIN or the term Federal Stock Number and its acronym FSN appear in the contract, order or their cited specifications and standards, the terms and acronyms shall be interpreted as National Item Identification Number (NIIN) and National Stock Number (NSN) respectively which shall be defined as follows:

(1) National Item Identification Number (NIIN). The number assigned to each approved Item Identification under the Federal Cataloging Program. It consists of nine numeric characters, the first two of which are the National Codification Bureau (NCB) Code. The remaining positions consist of a seven digit non-significant number.

(2) National Stock Number (NSN). The National Stock Number (NSN) for an item of supply consists of the applicable four position Federal Supply Class (FSC) plus the applicable nine position NIIN assigned to the item of supply.

NAVSEA 5252.232-9104 ALLOTMENT OF FUNDS - ALTERNATE I (MAY 1993)

(a) This contract is incrementally funded with respect to both cost and fee. The amounts presently available and allotted to this contract for payment of base fee, if any, and award fee are set forth below. Base fee amount is subject to the clause entitled "FIXED FEE" (FAR 52.216-8). Award fee amount is subject to the requirements delineated in SECTION B, DETERMINATION OF FEE. The amount(s) presently available and allotted to this contract for payment of cost for incrementally funded CLINs/SLINs is set forth below. As provided in the clause of this contract entitled "LIMITATION OF FUNDS" (FAR 52.232-22), the CLINs/SLINs covered thereby, and the period of performance for which it is estimated the allotted amount(s) will cover are as follows:

| <u>ITEM(S)</u> | <u>EST COST</u> | <u>AWD FEE</u> | <u>TOTAL</u> | <u>ESTIMATED PERIOD OF PERFORMANCE</u> |
|----------------|-----------------|----------------|--------------|--|
| 0001AA | | | | 30 September 2003 |

(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 _____ 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.

**NAVSEA 5252.227-9113 GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM
(AUG 1997)**

(a) The Contractor shall participate in the appropriate interchange of the Government-Industry Data Exchange Program (GIDEP) in accordance with NAVSEA S0300-BU-GYD-010 dated November 1994. Data entered is retained by the program and provided to qualified participants. Compliance with this requirement shall not relieve the Contractor from complying with any other requirement of the contract.

(b) The Contractor agrees to insert paragraph (a) of this requirement in any subcontract hereunder exceeding \$500,000.00. When so inserted, the word "Contractor" shall be changed to "Subcontractor".

(c) GIDEP materials, software and information are available without charge from:

GIDEP Operations Center
P.O. Box 8000
Corona, CA 91718-8000

Phone: (909) 273-4677 or DSN 933-4677
FAX: (909) 273-5200
Internet: <http://www.gidep.corona.navy.mil>

NAVSEA 5252.216-9122 LEVEL OF EFFORT (DEC 2000)

(a) The Contractor agrees to provide the total level of effort specified in the next sentence in performance of the work described in Sections B and C of this contract. The total level of effort for the performance of this contract shall be [REDACTED] total man-hours of direct labor, including subcontractor direct labor for those subcontractors specifically identified in the Contractor's proposal as having hours included in the proposed level of effort.

(b) Of the total man-hours of direct labor set forth above, it is estimated that [REDACTED] Offeror to fill-in) man-hours are uncompensated effort.

Uncompensated effort is defined as hours provided by personnel in excess of 40 hours per week without additional compensation for such excess work. All other effort is defined as compensated effort. If no effort is indicated in the first sentence of this paragraph, uncompensated effort performed by the Contractor shall not be counted in fulfillment of the level of effort obligations under this contract.

(c) Effort performed in fulfilling the total level of effort obligations specified above shall only include effort performed in direct support of this contract and shall not include time and effort expended on such things as (local travel to and from an employee's usual work location), uncompensated effort while on travel status, truncated lunch periods, work (actual or inferred) at an employee's residence or other non-work locations (except as provided in paragraph (j) below), or other time and effort which does not have a specific and direct contribution to the tasks described in Sections B and C.

(d) The level of effort for this contract shall be expended at an average rate of approximately [REDACTED] hours per week. It is understood and agreed that the rate of man-hours per month may fluctuate in pursuit of the technical objective, provided such fluctuation does not result in the use of the total man-hours of effort prior to the expiration of the term hereof, except as provided in the following paragraph.

(e) If, during the term hereof, the Contractor finds it necessary to accelerate the expenditure of direct labor to such an extent that the total man-hours of effort specified above would be used prior to the expiration of the term, the Contractor shall notify the Contracting Officer in writing setting forth the acceleration required, the probable benefits which would result, and an offer to undertake the acceleration at no increase in the estimated cost or fee together with an offer, setting forth a proposed level of effort, cost breakdown, and proposed fee, for continuation of the work until expiration of the term hereof. The offer shall provide that the work proposed will be subject to the terms and conditions of this contract and any additions or changes required by then current law, regulations, or directives, and that the offer, with a written notice of acceptance by the Contracting Officer, shall constitute a binding contract. The Contractor shall not accelerate any effort until receipt of such written approval by the Contracting Officer. Any agreement to accelerate will be formalized by contract modification.

(f) The Contracting Officer may, by written order, direct the Contractor to accelerate the expenditure of direct labor such that the total man-hours of effort specified in paragraph (a) above would be used prior to the expiration of the term. This order shall specify the acceleration required and the resulting revised term. The Contractor shall acknowledge this order within five days of receipt.

(g) If the total level of effort specified in paragraph (a) above is not provided by the Contractor during the period of this contract, the Contracting Officer, at its sole discretion, shall either (i) reduce the fee of this contract as follows:

$$\text{Fee Reduction} = \text{Fee} \frac{(\text{Required LOE} - \text{Expended LOE})}{\text{Required LOE}}$$

or (ii) subject to the provisions of the clause of this contract entitled "LIMITATION OF COST" (FAR 52.232-20) or "LIMITATION OF COST (FACILITIES)" (FAR 52.232-21), as applicable, require the Contractor to continue to perform the work until the total number of man-hours of direct labor specified in paragraph (a) above shall have been expended, at no increase in the fee of this contract.

(h) The Contractor shall provide and maintain an accounting system, acceptable to the Administrative Contracting Officer and the Defense Contract Audit Agency (DCAA), which collects costs incurred and effort (compensated and uncompensated, if any) provided in fulfillment of the level of effort obligations of this contract. The Contractor shall indicate on each invoice the total level of effort claimed during the period covered by the invoice, separately identifying compensated effort and uncompensated effort, if any.

(i) Within 45 days after completion of the work under each separately identified period of performance hereunder, the Contractor shall submit the following information in writing to the Contracting Officer with copies to the cognizant Contract Administration Office and to the DCAA office to which vouchers are submitted: (1) the total number of man-hours of direct labor expended during the applicable period; (2) a breakdown of this total showing the number of man-hours expended in each direct labor classification and associated direct and indirect costs; (3) a breakdown of other costs incurred; and (4) the Contractor's estimate of the total allowable cost incurred under the contract for the period. Within 45 days after completion of the work under the contract, the Contractor shall submit, in addition, in the case of a cost underrun; (5) the amount by which the estimated cost of this contract may be reduced to recover excess funds and, in the case of an underrun in hours specified as the total level of effort; and (6) a calculation of the appropriate fee reduction in accordance with this clause. All submissions shall include subcontractor information.

(j) Unless the Contracting Officer determines that alternative worksite arrangements are detrimental to contract performance, the Contractor may perform up to 10% of the hours at an alternative worksite, provided the Contractor has a company-approved alternative worksite plan. The primary worksite is the traditional "main office" worksite. An alternative worksite means an employee's residence or a telecommuting center. A telecommuting center is a geographically convenient office setting as an alternative to an employee's main office. The Government reserves the right to review the Contractor's alternative worksite plan. In the event performance becomes unacceptable, the Contractor will be prohibited from counting the hours performed at the alternative worksite in fulfilling the total level of effort obligations of the contract. Regardless of work location, all contract terms and conditions, including security requirements and labor laws, remain in effect. The Government shall not incur any additional cost nor provide additional equipment for contract performance as a result of the Contractor's election to implement an alternative worksite plan.

(k) Notwithstanding any of the provisions in the above paragraphs, the Contractor may furnish man-hours up to five percent in excess of the total man-hours specified in paragraph (a) above, provided that the additional effort is furnished within the term hereof, and provided further that no increase in the estimated cost or fee is required.

NAVSEA 5252.242-9115 TECHNICAL INSTRUCTIONS (APR 1999)

(a) Performance of the work hereunder may be subject to written technical instructions signed by the Contracting Officer's Representative specified in Section G of this contract. As used herein, technical instructions are defined to include the following:

(1) Directions to the Contractor which suggest pursuit of certain lines of inquiry, shift work emphasis, fill in details or otherwise serve to accomplish the contractual statement of work.

(2) Guidelines to the Contractor which assist in the interpretation of drawings, specifications or technical portions of work description.

(b) Technical instructions must be within the general scope of work stated in the contract. Technical instructions may not be used to: (1) assign additional work under the contract; (2) direct a change as defined in the "CHANGES" clause of this contract; (3) increase or decrease the contract price or estimated contract amount (including fee), as applicable, the level of effort, or the time required for contract performance; or (4) change any of the terms, conditions or specifications of the contract.

(c) If, in the opinion of the Contractor, any technical instruction calls for effort outside the scope of the contract or is inconsistent with this requirement, the Contractor shall notify the Contracting Officer in writing within ten (10) working days after the receipt of any such instruction. The Contractor shall not proceed with the work affected by the technical instruction unless and until the Contractor is notified by the Contracting Officer that the technical instruction is within the scope of this contract.

(d) Nothing in the foregoing paragraph shall be construed to excuse the Contractor from performing that portion of the contractual work statement which is not affected by the disputed technical instruction.

SPECIAL LICENSE AGREEMENT BETWEEN NAVSEA AND DSR UNDER NAVSEA CONTRACT N00024-03-C-5136

I. AUTHORITY and APPLICABILITY

A. Authority

In accordance with paragraph (b) 5 of the clause at Defense Federal Acquisition Regulation Supplement (DFARS) 252.227-7018 *Rights in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program (JUN 1995)* (the 7018 clause), Digital System Resources®, Inc (DSR), located at 12450 Fair Lakes Circle, Fairfax, Virginia 22033 and the United States Government, acting through the Department of the Navy, Naval Sea Systems Command (NAVSEA), hereby enter this Special License Agreement.

B. Applicability

This Special License Agreement is only applicable to the PRODUCTS developed or delivered by DSR under the CONTRACT and marked with the legend specified in Article V below.

II. DEFINITIONS

A. Definitions Incorporated by Reference.

Terms not specifically defined in this Special License Agreement shall have the same meanings as set forth in the 7018 clause and DFARS clause 252.227-7014, *Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (JUN 1995)*(the 7014 clause), as applicable.

B. Additional Definitions.

1. AGREEMENT means this Special License Agreement, including any exhibits and attachments, and all amendments/modifications and supplements thereto.
2. OA means Open Architecture.
3. CONTRACT means NAVSEA contract N00024-03-C-5136.
4. GOVERNMENT means the United States Government.
5. OA PRODUCT(S) means the computer software, annotated and unannotated source code, computer software documentation, and technical data, or any portion thereof, at all build and deliverable levels, developed by DSR under the CONTRACT.

III. LICENSE GRANT

DSR hereby grants, or shall obtain for the GOVERNMENT, the following royalty-free (i.e. paid-up), worldwide, nonexclusive, irrevocable license rights:

1. The GOVERNMENT shall have Government Purpose Rights, as defined in the 7014 clause, to all OA PRODUCT(S) developed or delivered under this contract and marked with the legend specified in Article V below provided:

- The releasing GOVERNMENT activity notifies the Contracting Officer of the CONTRACT prior to release of all or part of the PRODUCT.
- The receiving contractor's contract grants the GOVERNMENT rights in OA developed software that allows DSR the same access to the receiving contractor's OA developed software.
- DSR shall have the same access, in accordance with OA Asset Repository procedures, to all DSR software modified by a second contractor.
- DFARS provision 252.227-7018 "Rights In Noncommercial Technical Data And Computer Software-Small Business Innovation Research (SBIR) Program (Jun 1995)", paragraph (b)(4) entitled "SBIR data rights", subparagraph (i), change "...five years after completion of the project from which such data were generated" to read "...four years after the final delivery date of the contract."

2. The GOVERNMENT shall have the rights identified in the 7018 clause for all non OA PRODUCT(S) and for any OA PRODUCT(S) where the GOVERNMENT chooses not to meet the three conditions in paragraph III (1).

IV. TITLE

Title to the PRODUCT is not affected or altered in any way by this AGREEMENT.

V. MARKING REQUIREMENTS

1. DSR shall mark all PRODUCT(S) with the following Special License Rights markings:

SPECIAL LICENSE RIGHTS

The Government's rights to use, modify, reproduce, release, perform, display or disclose this technical data or computer software are restricted by Contract No. N00024-03-C-5136, Special License Agreement. The Government has Government Purpose Rights as defined in DFARS 252.227-7014 to all Open Architecture developed or delivered under this contract provided 1) the releasing Government activity notifies the Contracting Officer prior to the release of all or part of the product, 2) the receiving contractor's contract grants the Government rights in Open Architecture developed software that allows Digital System Resources, Inc the same access to the receiving contractor's Open Architecture developed software and 3) the Government shall provide or cause the receiving contractor to provide DSR any modifications made to the product by the Government or another company. Any reproduction of technical data,

computer software, computer software documentation, or portions thereof marked with this legend must also reproduce the markings.

2. The rights of the parties concerning validation of asserted restrictions for PRODUCTS shall be as set forth in DFARS 252.227-7019 *Validation of Asserted Restrictions – Computer Software* (JUN 1995) and DFARS 252.227-7037 *Validation of Restrictive Markings on Technical Data* (SEP 1999).

VI. REMEDIES

1. The rights of the parties concerning removal of unjustified or nonconforming markings on PRODUCTS under the CONTRACT shall be as set forth in paragraph (h) of DFARS 252.227-7018 *Rights in noncommercial technical data and computer software – Small Business Innovation Research (SBIR) Program*.
2. The GOVERNMENT acknowledges that DSR's PRODUCTS covered by this AGREEMENT are valuable. In the event that DSR becomes aware of a breach of this AGREEMENT by, including, but not limited to, unauthorized disclosure of DSR's PRODUCTS covered by this AGREEMENT, the GOVERNMENT acknowledges that DSR may present a claim under Federal Acquisition Regulation clause 52.233-1, *DISPUTES* (JULY 2002) and *ALTERNATE I* (DEC 1991). Nothing contained herein shall be deemed to waive or to forego the rights or remedies of any party as otherwise established by law.

VII. NOTIFICATION REQUIREMENTS

1. In accordance with Article III of this license, the GOVERNMENT may not provide any or all parts of the PRODUCT to other parties outside the GOVERNMENT unless the releasing activity has first notified the Contracting Officer of the CONTRACT and has ensured the receiving contractor's contract grants DSR access to their OA developed software.

SECTION I – CONTRACT CLAUSES

SECTION I-1 – CLAUSES INCORPORATED BY REFERENCE

I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES:

| <u>SOURCE</u> | <u>TITLE AND DATE</u> |
|---------------|--|
| 52.202-1 | Definitions (Dec 2001) |
| 52.203-3 | Gratuities (Apr 1984) |
| 52.203-5 | Covenant Against Contingent Fees (Apr 1984) |
| 52.203-6 | Restrictions on Subcontractor Sales to the Government (Jul 1995) |
| 52.203-7 | Anti-Kickback Procedures (Jul 1995) |
| 52.203-8 | Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity (Jan 1997) |
| 52.203-10 | Price or Fee Adjustment for Illegal or Improper Activity (Jan 1997) |
| 52.203-12 | Limitation on Payments to Influence Certain Federal Transactions (Jun 1997) |
| 52.204-2 | Security Requirements (Aug 1996) |
| 52.204-4 | Printed/Copied Double-Sided on Recycled Paper (Aug 2000) |
| 52.209-6 | Protecting the Governments Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Jul 1995) |
| 52.211-5 | Material Requirements (Aug 2000) |
| 52.211-15 | Defense Priority and Allocation Requirement (Sep 1990) |
| 52.215-2 | Audit and Records—Negotiation (Jun 1999) |
| 52.215-8 | Order of Precedence—Uniform Contract Format (Oct 1997) |

Cost-Reimbursement Supply – April 17, 2003
 Updated through FAC 2001-13 and DFARS Change Notice 20030301

| SOURCE | <u>TITLE AND DATE</u> |
|------------------------|---|
| 52.215-10 | Price Reduction for Defective Cost or Pricing Data (Oct 1997) |
| 52.215-11 | Price Reduction for Defective Cost or Pricing Data—Modifications (Oct 1997) |
| 52.215-12 | Subcontractor Cost or Pricing Data (Oct 1997) |
| 52.215-13 | Subcontractor Cost or Pricing Data—Modifications (Oct 1997) |
| 52.215-15 | Pension Adjustments and Asset Reversions (Dec 1998) |
| 52.215-18 | Reversion or Adjustment of Plans for Post-Retirement Benefits (PRB) other than Pensions (Oct 1997) |
| 52.216-7 | Allowable Cost and Payment (Dec 2002) (The date by which the payment office will make interim payments for contract financing is the <u>30th</u> day after the billing office receives a proper payment request.) |
| 52.219-4 | Notice of Price Evaluation Preference for HubZone Small Business Concerns (Jan 1999) |
| 52.219-8 | Utilization of Small Business Concerns (Oct 2000) |
| 52.219-9 and Alt II | Small Business Subcontracting Plan (Jan 2002) and Alternate II (Oct 2001) |
| 52.219-16 | Liquidated Damages—Subcontracting Plan (Jan 1999) |
| 52.222-1 | Notice to the Government of Labor Disputes (Feb 1997) |
| 52.222-3 | Convict Labor (Aug 1996) |
| 52.222-4 | Contract Work Hours and Safety Standards Act—Overtime Compensation (Sep 2000) |
| 52.222-20 | Walsh-Healey Public Contracts Act (Dec 1996) |
| 52.222-26 | Equal Opportunity (Apr 2002) |
| 52.222-35 | Equal Opportunity for Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) |

| <u>SOURCE</u> | <u>TITLE AND DATE</u> |
|-----------------------|--|
| 52.222-36 | Affirmative Action for Workers with Disabilities (Jun 1998) |
| 52.222-37 | Employment Reports on Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001) |
| 52.222-38 | Compliance with Veterans' Employment Reporting Requirements (Dec 2001) |
| 52.223-6 | Drug-Free Workplace (May 2001) |
| 52.223-11 | Ozone-Depleting Substances (May 2001) |
| 52.223-12 | Refrigeration Equipment and Air Conditioners (May 1995) |
| 52.223-14 | Toxic Chemical Release Reporting (Oct 2000) |
| 52.225-8 | Duty-Free Entry (Feb 2000) |
| 52.225-13 | Restrictions on Certain Foreign Purchases (Jul 2000) |
| 52.227-1 and Alt I | Authorization and Consent (Jul 1995) and Alternate I (Apr 1984) |
| 52.227-2 | Notice and Assistance Regarding Patent and Copyright Infringement (Aug 1996) |
| 52.227-10 | Filing of Patent Applications—Classified Subject Matter (Apr 1984) |
| 52.227-13 | Patent Rights—Acquisition by the Government (Jan 1997) |
| 52.228-7 | Insurance—Liability to Third Persons (Mar 1996) |
| 52.232-9 | Limitation on Withholding of Payments (Apr 1984) |
| 52.232-17 | Interest (Jun 1996) |
| 52.232-20 | Limitation of Cost (Apr 1984) (Applies if this contract contains fully funded line items.) |

| <u>SOURCE</u> | <u>TITLE AND DATE</u> |
|------------------------|--|
| 52.232-22 | Limitation of Funds (Apr 1984) (Applies if this contract contains incrementally funded line items.) |
| 52.232-23 and Alt I | Assignment of Claims (Jan 1986) and Alternate I (Apr 1984) |
| 52.232-25 and Alt I | Prompt Payment (Feb 2002) and Alternate I (Feb 2002) |
| 52.232-33 | Payments by Electronic Funds Transfer—Central Contractor Registration (May 1999) |
| 52.233-1 and Alt I | Disputes (July 2002) and Alternate I (Dec 1991) |
| 52.233-3 and Alt I | Protest After Award (Aug 1996) and Alternate I (Jun 1985) |
| 52.237-3 | Continuity of Services (Jan 1991) |
| 52.242-1 | Notice of Intent to Disallow Costs (Apr 1984) |
| 52.242-3 | Penalties for Unallowable Costs (May 2001) |
| 52.242-4 | Certification of Final Indirect Costs (Jan 1997) |
| 52.242-10 | F.O.B. Origin—Government Bills of Lading or Prepaid Postage (Apr 1984) |
| 52.242-11 | F.O.B. Origin—Government Bills of Lading or Indicia Mail (Feb 1993) |
| 52.242-12 | Report of Shipment (RESHIP) (Jul 1995) |
| 52.242-13 | Bankruptcy (Jul 1995) |
| 52.243-2 and Alt II | Changes—Cost-Reimbursement (Aug 1987) and Alternate II (Apr 1984) |
| 52.243-6 | Change Order Accounting (Apr 1984) |
| 52.244-5 | Competition in Subcontracting (Dec 1996) |
| 52.246-23 | Limitation of Liability (Feb 1997) |
| 52.246-24 | Limitation of Liability—High Value Items (Feb 1997) |

| <u>SOURCE</u> | <u>TITLE AND DATE</u> |
|---------------|---|
| 52.247-1 | Commercial Bill of Lading Notations (Apr 1984) |
| 52.248-1 | Value Engineering (Feb 2000) (Applies if this contract equals or exceeds \$100,000.) |
| 52.249-6 | Termination (Cost-Reimbursement) (Sep 1996) |
| 52.249-14 | Excusable Delays (Apr 1984) |
| 52.253-1 | Computer Generated Forms (Jan 1991) |

II. DEFENSE FAR SUPPLEMENT (48 CFR CHAPTER 2) CLAUSES:

| <u>SOURCE</u> | <u>TITLE AND DATE</u> |
|---------------|---|
| 252.201-7000 | Contracting Officer's Representative (Dec 1991) |
| 252.203-7001 | Prohibition on Persons Convicted of Fraud or Other Defense-Contract Related Felonies (Mar 1999) |
| 252.203-7002 | Display of DOD Hotline Poster (Dec 1991) (Applies if this contract exceeds \$5,000,000.) |
| 252.204-7000 | Disclosure of Information (Dec 1991) |
| 252.204-7003 | Control of Government Personnel Work Product (Apr 1992) |
| 252.204-7004 | Required Central Contractor Registration (Nov 2001) |
| 252.204-7005 | Oral Attestation of Security Responsibilities (Nov 2001) |
| 252.205-7000 | Provision of Information to Cooperative Agreement Holders (Dec 1991) (Applies if this contract exceeds \$500,000.) |
| 252.209-7004 | Subcontracting with Firms that are Owned or Controlled by the Government of a Terrorist Country (Mar 1998) |
| 252.211-7000 | Acquisition Streamlining (Dec 1991) |
| 252.215-7000 | Pricing Adjustments (Dec 1991) |
| 252.215-7002 | Cost Estimating System Requirements (Oct 1998) |
| 252.219-7003 | Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DOD Contracts) (Apr 1996) |
| 252.222-7001 | Right of First Refusal of Employment—Closure of Military Installations (Apr 1993) |
| 252.223-7004 | Drug-Free Work Force (Sep 1988) |
| 252.225-7001 | Buy American Act and Balance of Payments Program (Mar 1998) |
| 252.225-7002 | Qualifying Country Sources as Subcontractors (Dec 1991) |
| 252.225-7009 | Duty-Free Entry—Additional Country Supplies (End Products and Components) (Aug 2000) |

| <u>SOURCE</u> | <u>TITLE AND DATE</u> |
|---------------------------|--|
| 252.225-7010 | Duty-Free Entry—Additional Provisions (Aug 2000) |
| 252.225-7012 | Preference for Certain Domestic Commodities (Feb 2003) |
| 252.225-7014 and Alt I | Preference for Certain Domestic Specialty Metals (Mar 1998) and Alternate I (Mar 1998) |
| 252.225-7015 | Preference for Domestic Hand or Measuring Tools (Dec 1991) |
| 252.225-7016 | Restriction on Acquisition of Ball or Roller Bearings (DEC 2000) |
| 252.225-7022 | Restriction on Acquisition of Polyacrylonitrile (PAN) Based Carbon Fiber (Jun 1997) |
| 252.225-7025 | Restriction on Acquisition of Forgings (Jun 1997) |
| 252.225-7026 | Reporting on Contract Performance Outside the United States (Jun 2000) |
| 252.225-7031 | Secondary Arab Boycott of Israel (Jun 1992) |
| 252.226-7001 | Utilization of Indian Organizations and Indian-Owned Economic Enterprises—DoD Contracts (Sep 2001) |
| 252.227-7016 | Rights in Bid or Proposal Information (Jun 1995) |
| 252.227-7018 | Rights in Noncommercial Technical Data and Computer Software-Small Business Innovation Research (SBIR Program (Jun 1995) |
| 252.227-7019 | Validation of Asserted Restrictions—Computer Software (Jun 1995) |
| 252.227-7027 | Deferred Ordering of Technical Data or Computer Software (Apr 1988) |
| 252.227-7030 | Technical Data—Withholding of Payment (Mar 2000) |
| 252.227-7034 | Patents—Subcontracts (Dec 1991) |
| 252.227-7036 | Declaration of Technical Data Conformity (Jan 1997) |
| 252.227-7037 | Validation of Restrictive Markings on Technical Data (Sep 1999) |
| 252.227-7039 | Patents—Reporting of Subject Inventions (Apr 1990) |
| 252.231-7000 | Supplemental Cost Principles (Dec 1991) |

| <u>SOURCE</u> | <u>TITLE AND DATE</u> |
|---------------|---|
| 252.232-7003 | Electronic Submission of Payment Requests (Mar 2003) (Applies to competitive solicitations issued on and after 1 March 2003 and sole source contracts issued after 1 March 2003.) |
| 252.242-7000 | Postaward Conference (Dec 1991) |
| 252.242-7003 | Application for U.S. Government Shipping Documentation/Instructions (Dec 1991) |
| 252.242-7004 | Material Management and Accounting System (Dec 2000) (Applies if this contract provides progress payments, unless it is set aside exclusively for a small, small disadvantaged or women-owned small business concern.) |
| 252.243-7001 | Pricing of Contract Modifications (Dec 1991) |
| 252.243-7002 | Requests for Equitable Adjustments (Mar 1998) |
| 252.244-7000 | Subcontracts for Commercial Items and Commercial Components (DOD Contracts) (Mar 2000) |
| 252.245-7001 | Reports of Government Property (May 1994) |
| 252.246-7000 | Material Inspection and Receiving Report (Mar 2003) |
| 252.246-7001 | Warranty of Data (Dec 1991) |
| 252.249-7002 | Notification of Anticipated Contract Termination or Reduction (Dec 1996) |

SECTION I-2 – CLAUSES INCORPORATED IN FULL TEXT

52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

(a) The Contractor shall make the following notifications in writing:

(1) When the Contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify the Administrative Contracting Officer (ACO) within 30 days.

(2) The Contractor shall also notify the ACO within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.

(b) The Contractor shall--

(1) Maintain current, accurate, and complete inventory records of assets and their costs;

(2) Provide the ACO or designated representative ready access to the records upon request;

(3) Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership changes; and

(4) Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership change.

(c) The Contractor shall include the substance of this clause in all subcontracts under this contract that meet the applicability requirement of FAR 15.408(k).

52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA—MODIFICATIONS (OCT 1997)

(a) *Exceptions from cost or pricing data.*

(1) In lieu of submitting cost or pricing data for modifications under this contract, for price adjustments expected to exceed the threshold set forth at FAR 15.403-4 on the date of the agreement on price or the date of the award, whichever is later, the Contractor may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable--

(i) Identification of the law or regulation establishing the price offered. If the price is controlled under law by periodic rulings, reviews, or similar actions of a governmental body, attach a copy of the controlling document, unless it was previously submitted to the contracting office.

(ii) Information on modifications of contracts or subcontracts for commercial items.

(A) If--

(1) The original contract or subcontract was granted an exception from cost or pricing data requirements because the price agreed upon was based on adequate price competition or prices set by law or regulation, or was a contract or subcontract for the acquisition of a commercial item; and

(2) The modification (to the contract or subcontract) is not exempted based on one of these exceptions, then the Contractor may provide information to establish that the modification would not change the contract or subcontract from a contract or subcontract for the acquisition of a commercial item to a contract or subcontract for the acquisition of an item other than a commercial item.

(B) For a commercial item exception, the Contractor shall provide, at a minimum, information on prices at which the same item or similar items have previously been sold that is adequate for evaluating the reasonableness of the price of the modification. Such information may include—

(1) For catalog items, a copy of or identification of the catalog and its date, or the appropriate pages for the offered items, or a statement that the catalog is on file in the buying office to which the proposal is being submitted. Provide a copy or describe current discount policies and price lists (published or unpublished), e.g., wholesale, original equipment manufacturer, or reseller. Also explain the basis of each offered price and its relationship to the established catalog price, including how the proposed price relates to the price of recent sales in quantities similar to the proposed quantities.

(2) For market-price items, the source and date or period of the market quotation or other basis for market price, the base amount, and applicable discounts. In addition, describe the nature of the market.

(3) For items included on an active Federal Supply Service Multiple Award Schedule contract, proof that an exception has been granted for the schedule item.

(2) The Contractor grants the Contracting Officer or an authorized representative the right to examine, at any time before award, books, records, documents, or other directly pertinent records to verify any request for an exception under this clause, and the reasonableness of price. For items priced using catalog or market prices, or law or regulation, access does not extend to cost or profit information or other data relevant solely to the Contractor's determination of the prices to be offered in the catalog or marketplace.

(b) *Requirements for cost or pricing data.* If the Contractor is not granted an exception from the requirement to submit cost or pricing data, the following applies:

(1) The Contractor shall submit cost or pricing data and supporting attachments in accordance with Table 15-2 of FAR 15.408.

(2) As soon as practicable after agreement on price, but before award (except for unpriced actions), the Contractor shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 2000) (NAVSEA VARIATION) (MAR 2000)

(a) The Government may extend the term of this contract by written notice(s) to the Contractor within the periods specified below. If more than one option exists, each option is independent of any other option, and the Government has the right to unilaterally exercise any such option whether or not it has exercised other options.

| <u>ITEM(S)</u> | <u>LATEST OPTION EXERCISE DATE</u> |
|----------------|------------------------------------|
| 0003 | On or before 31 March 2004 |
| 0004 | On or before 31 March 2005 |
| 0005 | On or before 31 March 2006 |
| 0006 | On or before 31 March 2007 |

(b) If the Government exercises this option, the extended contract shall be considered to include this option clause.

(c) The total duration of this contract, including the exercise of any option(s) under this clause, shall not exceed five (5) years, however, in accordance with paragraph (g) of the requirement of this contract entitled "LEVEL OF EFFORT" (NAVSEA 5252.216-9122), if the total manhours delineated in paragraph (a) of the LEVEL OF EFFORT requirement, have not been expended within the period specified above, the Government may require the Contractor to continue to perform the work until the total number of manhours specified in paragraph (a) of the aforementioned requirement have been expended.

52.222-2 PAYMENT FOR OVERTIME PREMIUMS (JUL 1990)

(a) The use of overtime is authorized under this contract if the overtime premium cost does not exceed zero dollars or the Overtime Premium is paid for work that is:

- (1) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;
- (2) By indirect-labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;
- (3) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or
- (4) That will result in lower overall costs to the Government.

(b) Any request for estimated overtime premiums that exceeds the amount specified above shall include all estimated overtime for contract completion and shall--

- (1) Identify the work unit; e.g., department or section in which the requested overtime will be used, together with present workload, staffing, and other data of the affected unit sufficient to permit the Contracting Officer to evaluate the necessity for the overtime;
- (2) Demonstrate the effect that denial of the request will have on the contract delivery or performance schedule;
- (3) Identify the extent to which approval of overtime would affect the performance or payments in connection with other Government contracts, together with identification of each affected contract; and
- (4) Provide reasons why the required work cannot be performed by using multishift operations or by employing additional personnel.

52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (APR 2003)

(a) Definitions. As used in this clause--

"Commercial item," has the meaning contained in the clause at 52.202-1, Definitions.

"Subcontract," includes a transfer of commercial items between divisions, subsidiaries, or affiliates of the Contractor or subcontractor at any tier.

(b) To the maximum extent practicable, the Contractor shall incorporate, and require its subcontractors at all tiers to incorporate, commercial items or nondevelopmental items as components of items to be supplied under this contract.

(c)(1) The Contractor shall insert the following clauses in subcontracts for commercial items:

(i) 52.219-8, Utilization of Small Business Concerns (OCT 2000) (15 U.S.C. 637(d)(2) and (3)), in all subcontracts that offer further subcontracting opportunities. If the subcontract (except subcontracts to small business concerns) exceeds \$500,000 (\$1,000,000 for construction of any public facility), the subcontractor must include 52.219-8 in lower tier subcontracts that offer subcontracting opportunities.

(ii) 52.222-26, Equal Opportunity (APR 2002) (E.O. 11246).

(iii) 52.222-35, Equal Opportunity for Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001) (38 U.S.C. 4212(a)).

(iv) 52.222-36, Affirmative Action for Workers with Disabilities (JUN 1998) (29 U.S.C. 793).

(v) 52.247-64, Preference for Privately Owned U.S.-Flagged Commercial Vessels (APR 2003) (46 U.S.C. Appx 1241 and 10 U.S.C.2631) (flow down required in accordance with paragraph (d) of FAR clause 52.247-64.

(2) While not required, the Contractor may flow down to subcontracts for commercial items a minimal number of additional clauses necessary to satisfy its contractual obligations.

(d) The Contractor shall include the terms of this clause, including this paragraph (d), in subcontracts awarded under this contract.

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es):

FAR clauses & provisions: <http://farsite.hill.af.mil/VFFARA.HTM>

DFARS clauses & provisions: <http://farsite.hill.af.mil/VDFDARA.HTM>

NAPS clauses & provisions: <http://farsite.hill.af.mil/VFNAPSa.htm>

SECTION J - LIST OF ATTACHMENTS

The following document(s), exhibit(s), and other attachment(s) form a part of this contract:

Exhibit A - Contract Data Requirements List(s), DD Form 1423 - 5 page(s);

Exhibit A, Attachment A1 (Glossary and Addressee List) - 9 pages

Attachment (1), Statement of Work ~~12~~ 7 page(s)

Attachment (2), Financial Accounting Data Sheet(s) - 1 page(s); and

Attachment (3), DD 254, Contract Security Classification Specification, 56 pages