

**AWARD/CONTRACT**

1 THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350) **>** RATING **DO-A2** PAGE OF PAGES **1** **64**

2 CONTRACT (PROC. INST. IDENT.) NO. **N00024-98-C-5197**

3 EFFECTIVE DATE **SEE BLOCK 20C.**

4 REQUISITION PURCHASE REQUEST/PROJECT NO. **N00024-98-NR-40015/8-400E-40015**

5 ISSUED BY **N00024**

6 ADMINISTERED BY (If other than Item 5) **S3110A** CO CODE **S3110A**  
 CRITICALITY DESIGNATOR: "C"  
**DCMC LOCKHEED MARTIN**  
**MARNE HIGHWAY & BORTON LANDING ROAD**  
**MOORESTOWN NJ 08057-3095**  
 PRE-AWARD SURVEY: NONE

7 NAME AND ADDRESS OF CONTRACTOR (No. street, city, county, State and ZIP Code)  
**LOCKHEED MARTIN**  
**GOVERNMENT ELECTRONIC SYSTEMS**  
**199 BORTON LANDING ROAD**  
**MOORESTOWN, NJ 08057-3075**

8 DELIVERY  
 FOB ORIGIN  OTHER (See below)

9 DISCOUNT FOR PROMPT PAYMENT

10 SUBMIT INVOICES (4 copies unless otherwise specified) **See Section G**

CAGE CODE: 2769 FACILITY CODE

11 SHIP TO/MARK FOR CODE **See Section D of Schedule**

12 PAYMENT WILL BE MADE BY CODE **SC1032**  
**DFAS-Columbus Center/Minuteman**  
**P.O. Box 182266**  
**Columbus, OH 43218-2266**

13 AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION  
 10 U.S.C. 2304(c)(1)  41 U.S.C. 253(c)

14 ACCOUNTING AND APPROPRIATION DATA  
 See Financial Accounting Data Sheet (Attachment (2) hereto)

15A ITEM NO.	15B SUPPLIES/SERVICES	15C QTY	15D UNIT	15E UNIT PRICE	15F AMOUNT
<b>See Section B of Schedule</b>					

15G. TOTAL AMOUNT OF CONTRACT **\$ 27,735,596**

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**CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE**

17.  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 and specifications as are attached or incorporated by reference herein. (Attachments are listed herein.)

18.  AWARD (Contractor is not required to sign this document.)  
 Your offer on Solicitation Number including the additions or changes made by you which 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. (Contractor is required to sign 2 original copies of this document and return to issuing office listed in Block 5.)

19A. NAME AND TITLE OF SIGNER (Type or print)  
**Joseph M. Janscak, Director**  
**Contracts & Pricing Operations**  
**LOCKHEED MARTIN CORPORATION**

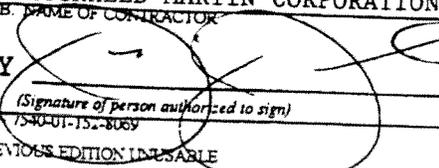
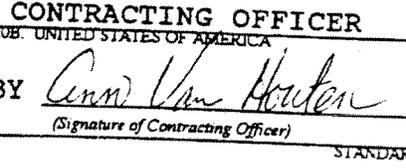
19B. NAME OF CONTRACTOR  
**LOCKHEED MARTIN CORPORATION**

19C. DATE SIGNED  
**4/13/98**

20A. NAME OF CONTRACTING OFFICER  
**ANN VAN HOUTEN**  
**CONTRACTING OFFICER**

20B. UNITED STATES OF AMERICA

20C. DATE SIGNED  
**4/14/98**

BY  BY 

(Signature of person authorized to sign) (Signature of Contracting Officer)

SCHEDULE

**SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS**

ITEM	SUPPLIES/SERVICES	QTY	UNIT	ESTIMATED TOTAL COST
0001	AEGIS Combat System (ACS) Baseline Upgrades and Critical Experiments (RDT&E)			
0001AA	FY 98 RDT&E ACRN: _____			
0001AB	<b>OPTION</b> FY 99 - 05 RDT&E ACRN: _____ (SEE NOTES A and B)			
0002	Data for Items 0001AA and, if the options are exercised, Items 0001AB, 0003, 0005 and 0006	1	LOT	NSP
0003	<b>OPTION</b> AEGIS Technical Manuals ACRN: _____ (SEE NOTES A and B)			
0004	PROVISIONED ITEM ORDERS (PIO)	1	LOT	
0005	<b>OPTION - COMPUTER PROGRAM SHIP INTEGRATION AND VALIDATION</b> FY 99 - 07 SCN ACRN: _____ (SEE NOTES A and B)			
0006	<b>OPTION WATERFRONT COMPUTER PROGRAM REDELIVERY</b> FY01 - 07 SCN (SEE NOTES A and B)			
0007	<b>OPTION - SUPPLEMENTAL MANHOURS</b> (SEE NOTES A and B)	NTE		

**NOTE A** - Option item to which the option clause in SECTION I-2 applies and which is to be supplied only if and to the extent each option is exercised.

**NOTE B** - The Government reserves the right to establish sub line items but shall not increase the level of effort beyond that established at contract execution.

**THIS IS A LEVEL OF EFFORT, COST-PLUS-AWARD-FEE CONTRACT.**

SCHEDULEEstimated Cost and Award Fee Summary

<u>Item</u>	<u>Estimated Cost</u>	<u>Maximum Award Fee</u>	<u>Maximum Item Value</u>
0001AA			
0001AB			
0003			
0004			
0005			
0006			
Total			

Maximum award fee available for each award fee period shall be determined by modification to the contract, but in no event shall the award fee available exceed the values listed above. Determination of award fee, if any, earned by the Contractor and payment thereof shall be made after the end of each award fee period as set forth in this contract.

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.

**B-1 DETERMINATION OF FEE (NAVSEA) (OCT 1990)****(a) Minimum Fee**

The base fee of [REDACTED] shall constitute a minimum fee to be paid for the performance of this contract. The Base Fee shall be paid in accordance with the clause of this contract entitled "FIXED FEE" (FAR 52.216-8).

**(b) Award Fee**

In addition to the minimum (or base) fee to be paid hereunder, the Contractor may earn an 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 Contracting effort directed toward performance of this contract. The specifics for evaluation are set forth in paragraphs that follow.

**(c) Award Fee Board**

The Contractor's performance evaluation for each period will be conducted by an Award Fee Board (AFB) consisting of the following:

- (1) Chairperson (Technical Director, PMS 400B)
- (2) Procuring Contracting Officer (NAVSEA 02511 or designated representative)
- (3) Shipbuilding Program Manager (PMS 400D)
- (4) Fleet Introduction Manager (PMS 400F)

SCHEDULE

- (5) Commanding Officer, AEGIS TECHREP (PMS 400N)
- (6) Deputy Technical Director (400B1)
- (7) Combat System Engineer (PMS 400B3)
- (8) Head Program Management (PMS 400B5)
- (9) Combat System Department Head, NSWC DD (Code N)
- (10) Technical Director, NSWC PHD (Code 02)
- (11) Baseline Manager (PMS 400B3B)
- (12) Recorder (PMS 400NAP, Non-Voting)

(d) Fee Determining Official (FDO)

The FDO, AEGIS Program Manager (PMS 400P), shall make determinations of the award fee due to the Contractor based upon the performance evaluation conducted by the AFB listed in paragraph (c) above.

(e) Award Fee Determination and Reclama Procedures

(1) Within thirty (30) working days after the end of each evaluation period under the contract, the Contractor shall furnish to the AFB such information as may be reasonably required, including: cost incurred, hours expended and cost and schedule variance, synopsis of technical requirements achieved and quality delivered to assist the AFB in evaluating the Contractor's performance during that evaluation period.

(2) The AFB may consider reports, both oral and written, from all interested parties. The AFB, 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 AFB findings shall be presented to the Contractor who will then be provided an opportunity to comment on the evaluation finding. In such a 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.

(4) Within thirty (30) working days after the FDO final determination the PCO should issue a unilateral modification to the contract to provide for the award fee determined for that period.

(f) Finality of Fee Determination Official's Determination

Determinations of the final award fee score, maximum award fee available, and the amount of the award fee to be paid to the Contractor are final and shall not be subject to the clause of this contract entitled "DISPUTES" (FAR 52.233-1).

SCHEDULE(g) Evaluation Categories and Factors

The Contractor's performance during each evaluation period will be judged in categories, 1) Management of Cost and Schedule Performance and (2) Technical Performance and Product Quality. The category weighting factors are [REDACTED] for Management of Cost/Schedule Performance and [REDACTED] for Technical Performance/Product Quality. The Contractor will be notified of changes in the evaluation categories and factors as well as any adjustments to the weighting of categories, if any, prior to commencement of each evaluation period. Unsatisfactory performance under an award fee criterion may result in an increased weighting for that factor in subsequent evaluation periods.

(1) Management of Cost and Schedule Performance [REDACTED]

The Contractor's management of cost and schedule performance will be evaluated in terms of effective cost control, cost and schedule variance for each CLIN and TI. The AFB will consider the Contractor's compliance with contract schedules, the Contractor's early identification of problem areas, and accomplishments in overcoming problems to maintain schedules. The AFB will also consider the Contractor's performance in the implementation, review and applicable modification of the Manpower Loading Plan. Evaluation shall include the Contractor's performance of each technical instruction active during the award fee period.

(2) Technical Performance/Product Quality [REDACTED]

Evaluation of the Contractor's technical performance/product quality will include the following:

- (a) the quality of products delivered,
- (b) the Contractor's performance in meeting contract requirements,
- (c) the Contractor's performance in the development and execution of combat system performance requirements,
- (d) Contractor's performance in the modification, verification and development of computer programs for the combat system,
- (e) Contractor's performance in the conduct of combat system design reviews,
- (f) Contractor's ability to manage and recommend practical Government action in areas of deficiencies on non-contractor furnished equipment and systems,
- (g) Contractor's performance in the effective use of combat system design, implementation, integration and test activities to achieve test objectives,
- (h) Contractor's performance in the installation and integration of equipment required for ACS baseline development.
- (i) Contractor's performance in the preparation and implementation of System Demonstrations.
- (j) Contractor's accomplishments in combat system cost reduction, technical reports, configuration control, quality assurance, and data management.

SCHEDULE

(k) Contractor's performance in the preparation and implementation of all system design efforts.

(l) Contractor's performance in an AAW Event for evaluation of new computer program functionality. The AAW Event will be defined as a part of the Combat System Ship Qualification Trials (CSSQT) scenario development process.

(m) Contractor's performance in an Interoperability Event for evaluation of new computer program functionality. The Interoperability Event will be defined as a part of the CSSQT scenario development process.

(h) Evaluation Periods/Maximum Award Fee Pool

(1) Performance ratings will be conducted in accordance with the schedule below and if fully funded, with the maximum award fees for each period.

EVENT	DATE	0001	0003	0005	0006	TOTAL
AF1	May 98					
AF2	Nov 98					
AF3	May 99					
AF4	Nov 99					
AF5	May 00					
AF6	Nov 00					
AF7	May 01					
AF8	Nov 01					
AF9	May 02					
AF10	Nov 02					
AF11	May 03					
AF12	Nov 03					
AF13	May 04					
AF14	Nov 04					
AF15	May 05					
AF16	Nov 05					
AF17	May 06					
AF18	Nov 06					
AF19	May 07					
AF20	Nov 07					
TOTAL						

(2) Available award fee in each evaluation period, as addressed in individual TIs, should account for major milestone events occurring during that evaluation period. The structure of the award fee process shall be reviewed annually.

(3) New baseline computer programs developed under this contract shall be assessed at an AAW and interoperability event in accordance with the Section H provision entitled DETERMINATION OF LEVEL OF EFFORT UNDER CLIN 0007. For each baseline, after both events, the FDO shall unilaterally determine a performance rating in accordance with the performance rating scale described under item (i) of this clause. The FDO's rating shall reflect the results of the evaluation of computer programs at AAW and interoperability events,

SCHEDULE

commentary on said results by the Contractor and the recommendations of the AFB. The resulting numeric performance rating shall be used to calculate the number of manhours required to be provided by the Contractor at no additional cost to the Government, as described in the Section H provision DETERMINATION OF LEVEL-OF-EFFORT UNDER CLIN 0007 and in accordance with the exercise of Option Item 0007.

(4) The Government will issue contract modifications which establish the award fee available for consideration during each period as funding is added to the contract. The maximum award fee available for each period shall be the amount committed in accordance with the modifications, but in no event may exceed the maximums established in item (h)(1) above.

(5) The schedule below will be an account of award fee available by CLIN in each award fee evaluation period. Actual award fee earned for each evaluation period shall be determined by the FDO. In no event shall the total award fee available for payment under this contract exceed the maximum available award fee specified in SECTION B.

EVENT	DATE	0001	0003	0005	0006	TOTAL
AF1	MAY 98					
AF2	NOV 98					
AF3	MAY 99					
AF4	NOV 99					
AF5	MAY 00					
AF6	NOV 00					
AF7	MAY 01					
AF8	NOV 01					
AF9	MAY 02					
AF10	NOV 02					
AF11	MAY 03					
AF12	NOV 03					
AF13	MAY 04					
AF14	NOV 04					
AF15	MAY 05					
AF16	NOV 05					
AF17	MAY 06					
AF18	NOV 06					
AF19	MAY 07					
AF20	NOV 07					
TOTAL						

(6) The Government reserves the right to adjust the above evaluation periods by unilateral contract modification.

(7) There will be no rollover of fee across periods.

(i) Performance Ratings/Award Fee Scores

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

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<u>ADJECTIVE RATING</u>	<u>NUMERICAL RATING</u>	<u>CRITERIA</u>
OUTSTANDING	85-100	The Contractor's performance exceeds the requirements by a substantial margin. There may be a few areas for improvement, but all are minor.
EXCELLENT	75-84	The Contractor's performance exceeds the requirements in most areas. There may be several areas for improvement, but these areas are offset by better performance in other areas.
GOOD	65-74	The Contractor's performance meets and, in some cases, exceeds the requirements. Areas for improvement are approximately offset by better performance in other areas.
SATISFACTORY	50-64	The Contractor's performance is adequate. There are areas of good or better performance but these are offset by lower rated performance in other areas.
UNSATISFACTORY	49 & BELOW	The Contractor's performance is less than the requirements by substantial margin. There are areas of improvement needed that are not offset by better performance in other areas. 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 FDO may determine an overall rating for the evaluation period or may derive the final rating from scores for individual rating factors. The total award fee determined by the FDO to be paid for each period shall be based on the recommendation of the AFB and any other pertinent information available to the FDO.

(3) A performance rating of 49 or below is deemed unsatisfactory. The Contractor is not entitled to any award fee for a rating of 49 or below.

(j) Maximum Fee

(1) In no event shall the total fee (base fee plus award fee) under this contract for R&D effort exceed [REDACTED] of total estimated cost (including COM) for R&D effort.

(2) In no event shall the total fee (base fee plus award fee) under this contract for SCN effort exceed [REDACTED] % of total estimated cost (including COM) for SCN effort.

(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 made.

SCHEDULE**B-2 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.

**B-3 TRAVEL COSTS - ALTERNATE I (NAVSEA) (NOV 1996)**

(a) 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.

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

(c) The Contractor shall not be reimbursed for:

(i) relocation costs and travel costs incident to relocation as defined in FAR 31.205-35; and/or

(ii) the following daily local travel costs:

- travel at U.S. Military Installations where Government transportation is available,
- travel performed for personal convenience/errands, including commuting to and from work, and
- travel costs incurred in the replacement of personnel when such replacement is accomplished for the Contractor's or employee's convenience.

**NOTE: Waiver of Certified Cost and Pricing Data** - The Government has waived the requirement for certification of cost and pricing data for Lockheed Martin and certain subcontractors. "Lockheed Martin" is deemed to include Lockheed Martin, Government Electronic Systems; Lockheed Martin Services, Inc.; and Lockheed Martin, Information Systems. The Government has waived certified cost and pricing data for the following subcontractors: Computer Sciences Corporation (CSC). This waiver applies to Lockheed Martin and those subcontractors listed for this basic contract only.

SCHEDULE

**SECTION C - DESCRIPTION/SPECIFICATION/WORK STATEMENT**

**PART 1 - CONTRACT LINE ITEM DESCRIPTION**

**ITEM 0001AA, and if the option is exercised, ITEM 0001AB - AEGIS COMBAT SYSTEM (ACS) BASELINE UPGRADE DEVELOPMENTS AND CRITICAL EXPERIMENTS**

**1. SCOPE**

The Contractor shall provide the material, equipment, supplies and technical engineering required to define, design, develop, integrate, test and deliver ACS Baseline upgrades and critical experiments for AEGIS Baselines 7 Phase I, 7 Phase II, Cruiser Conversion, and Navy Area and Theater Wide TBMD Upgrades in accordance with Section C, which may be further clarified by written technical instructions (TIs) from the Contracting Officer's Representative (COR). More specific tasking for each ACS Baseline Upgrade Development or Critical Experiment may be provided as TIs to this contract.

**2. REQUIREMENTS.**



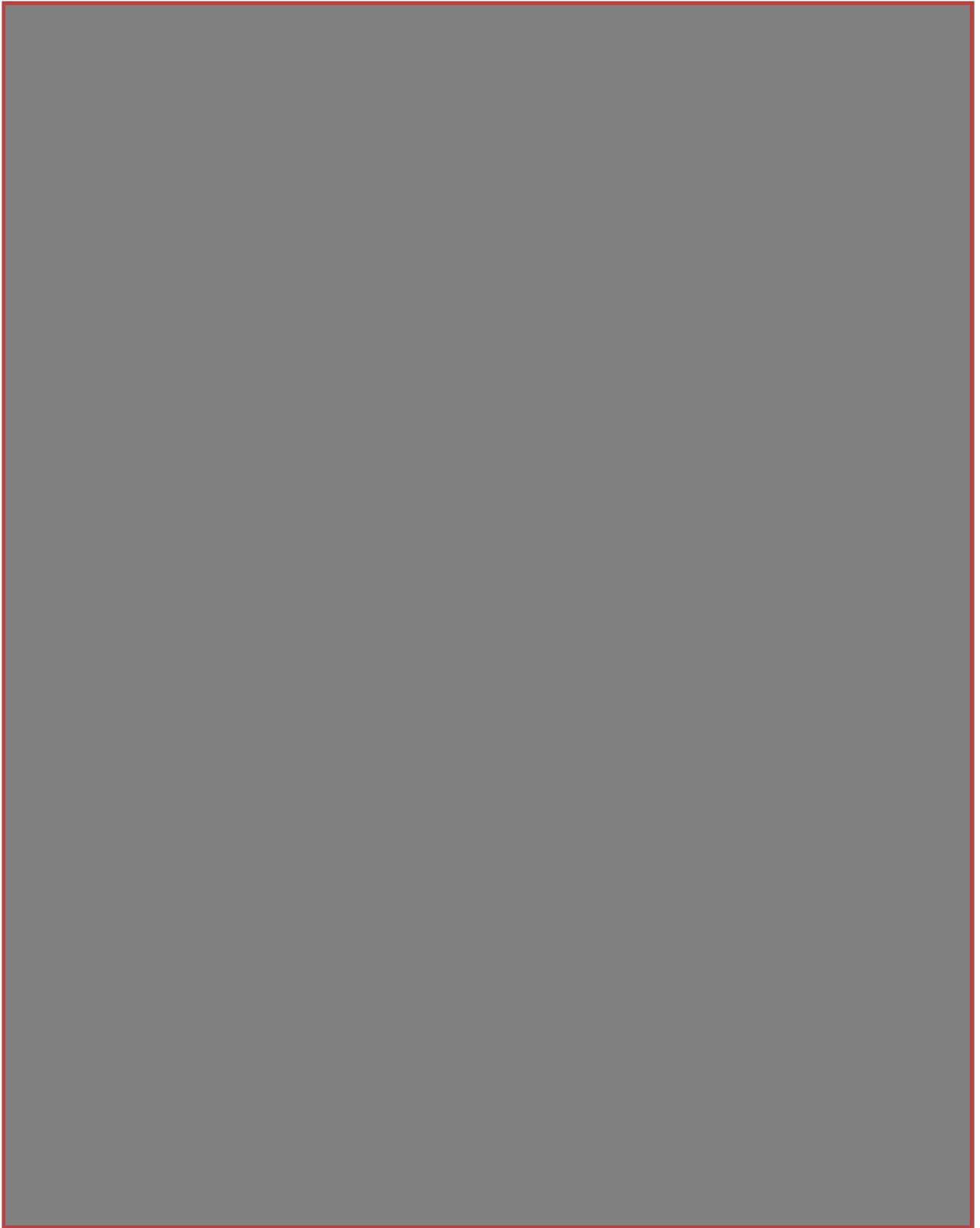
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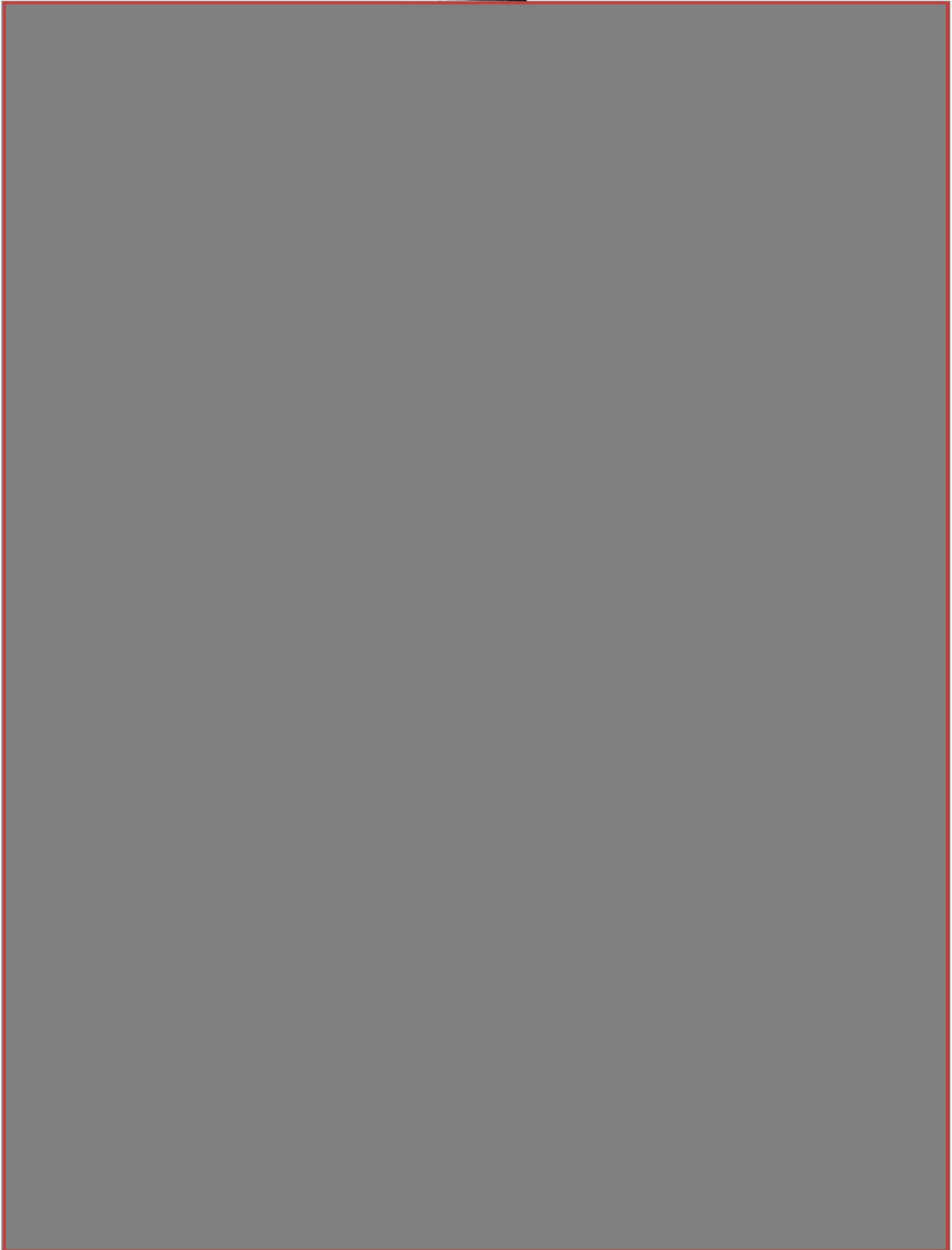


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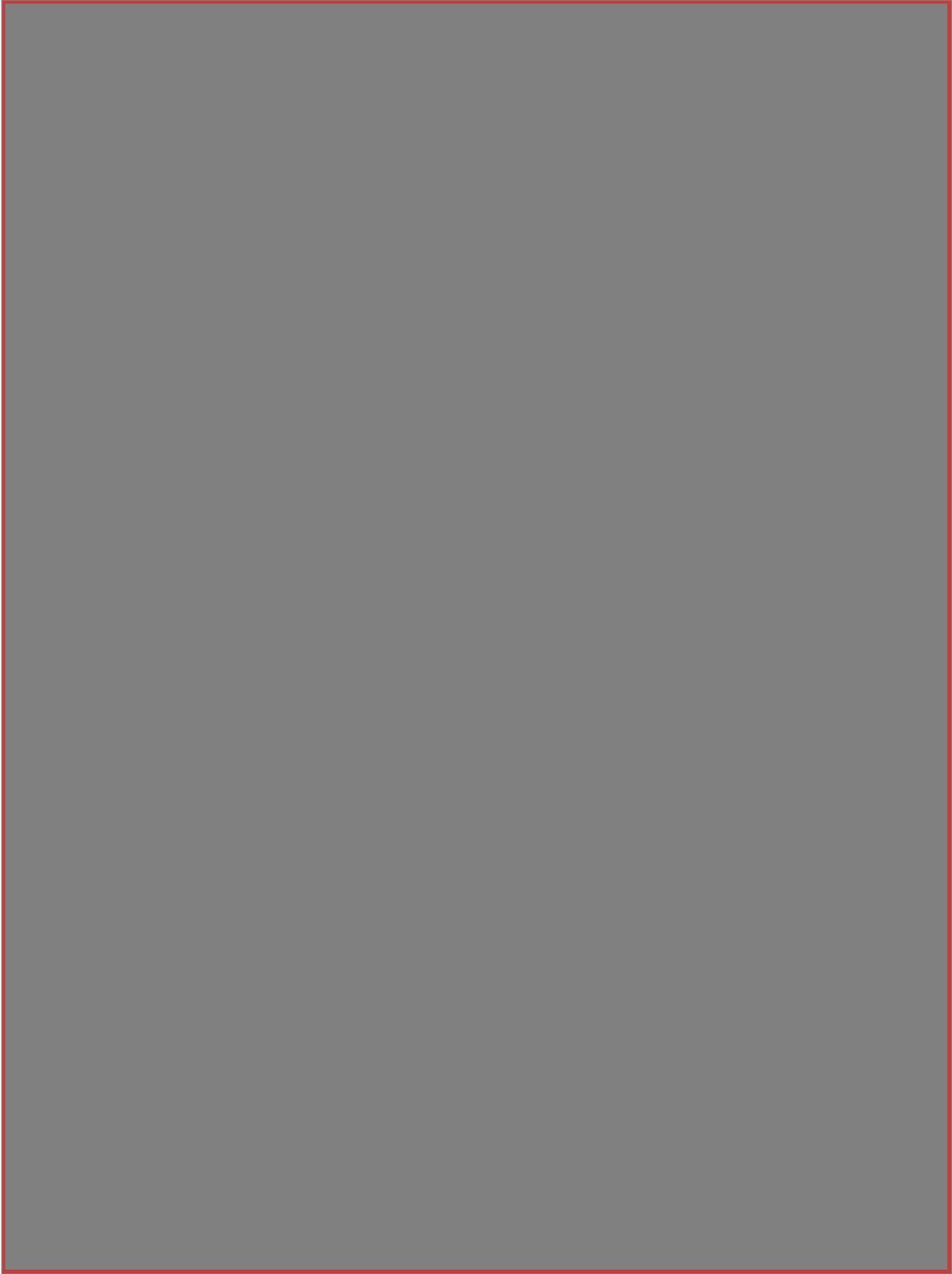
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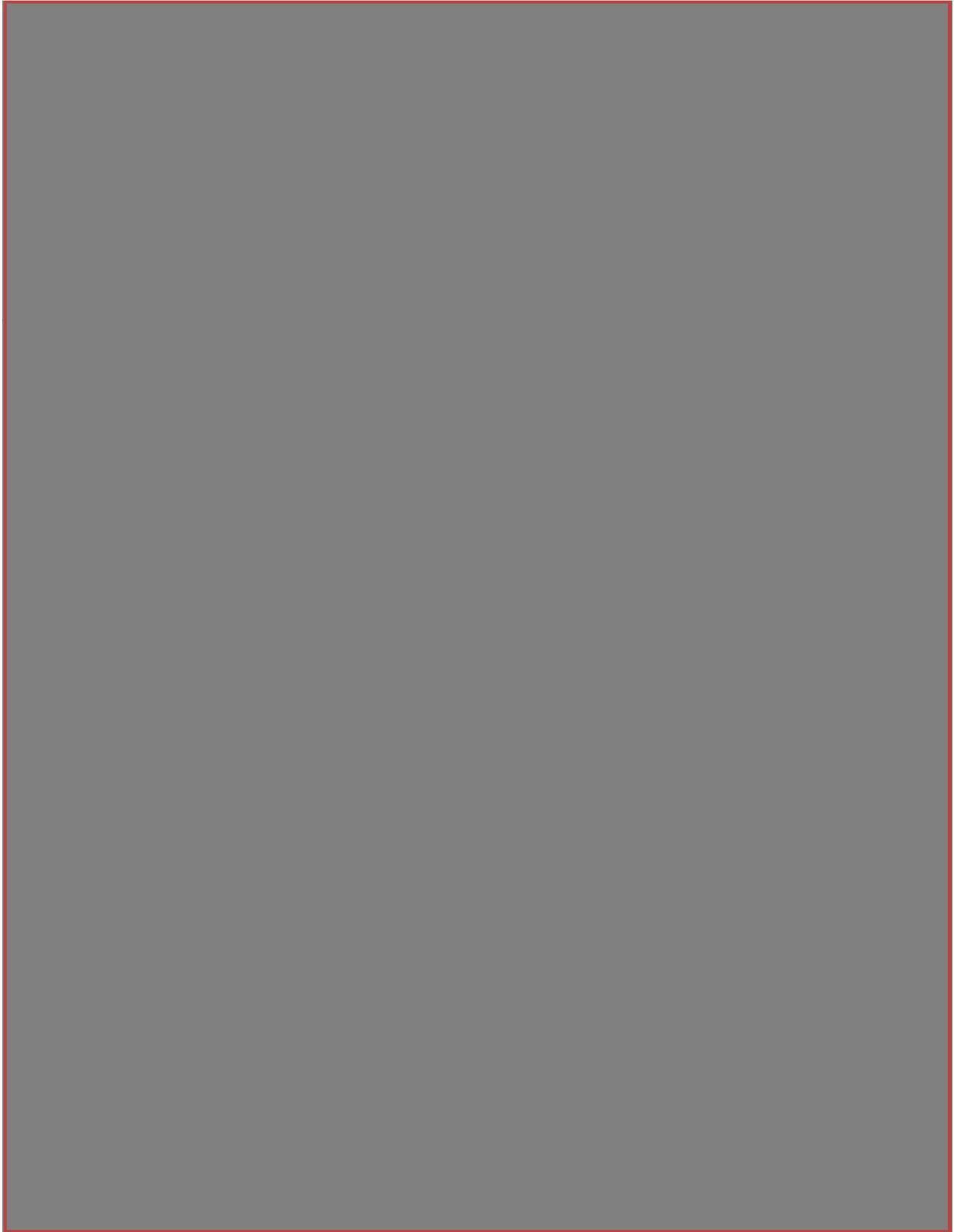


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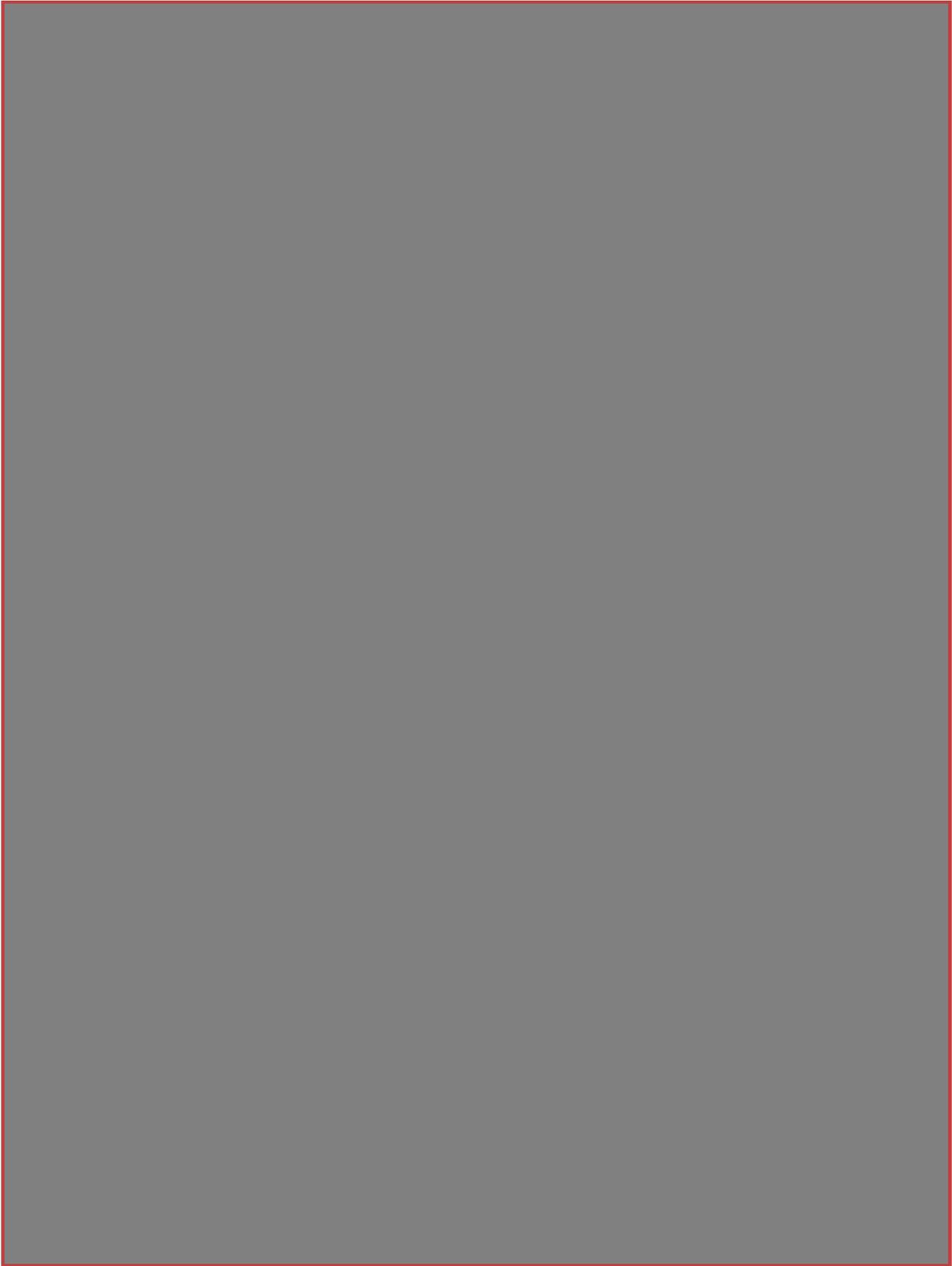
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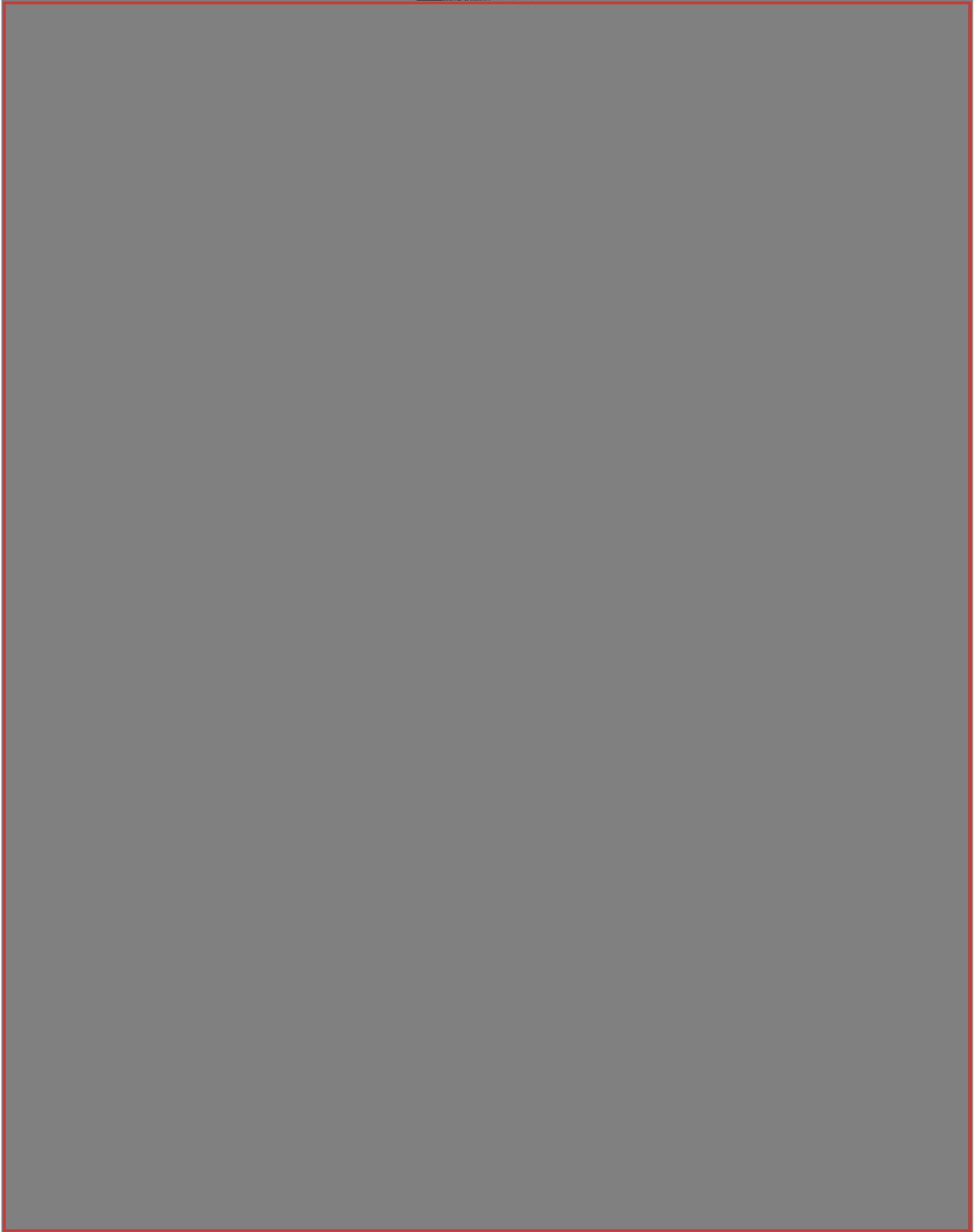
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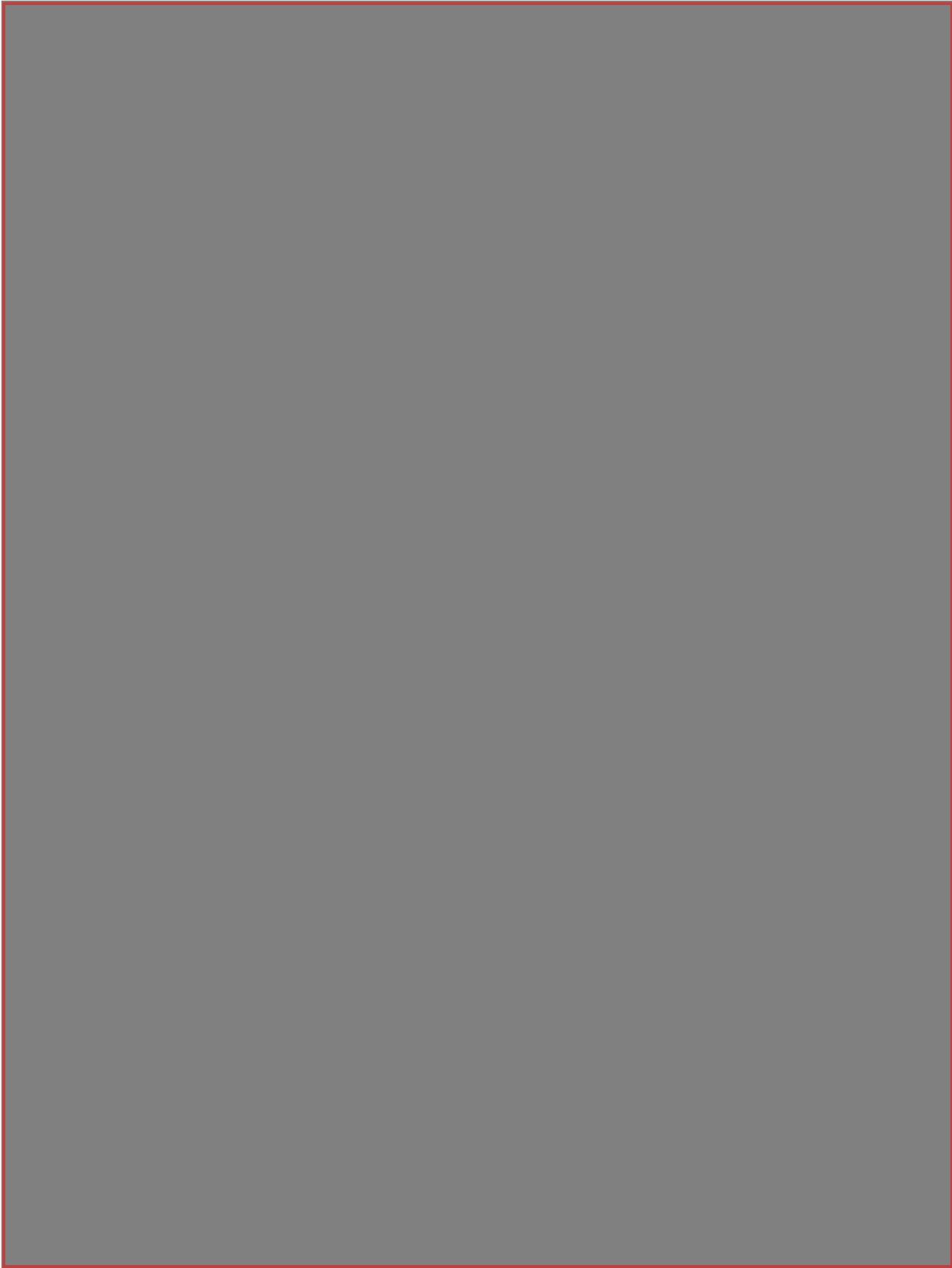
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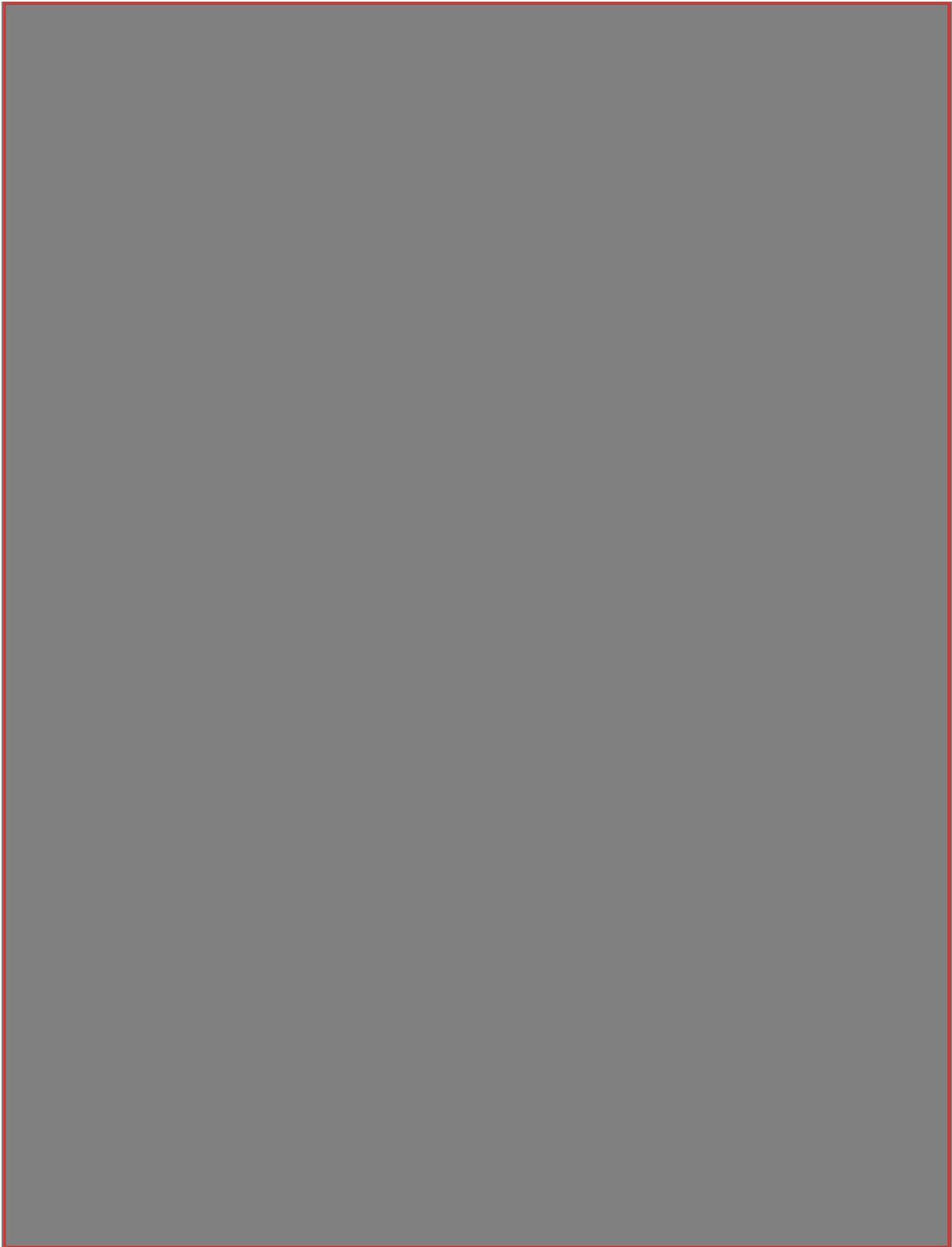
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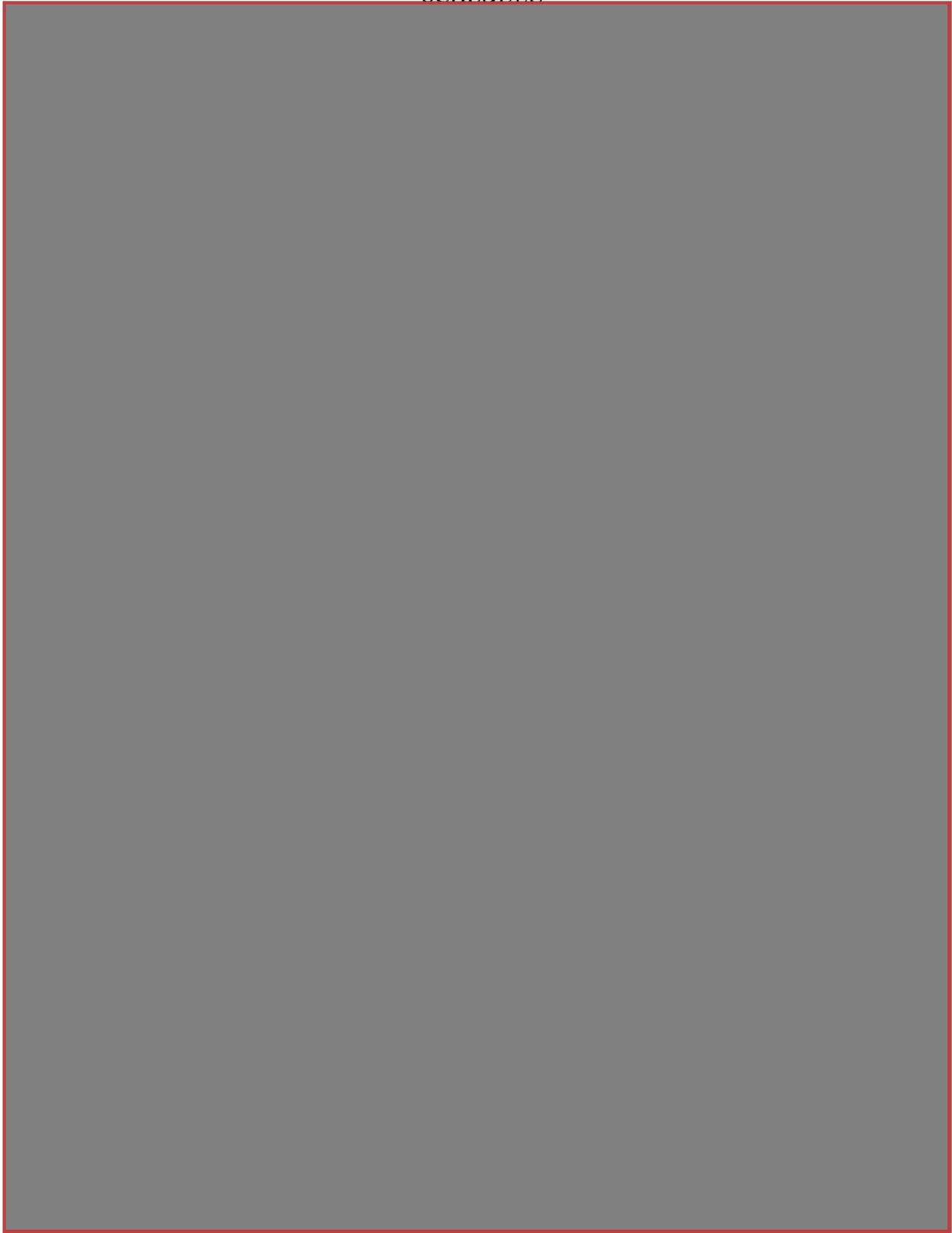
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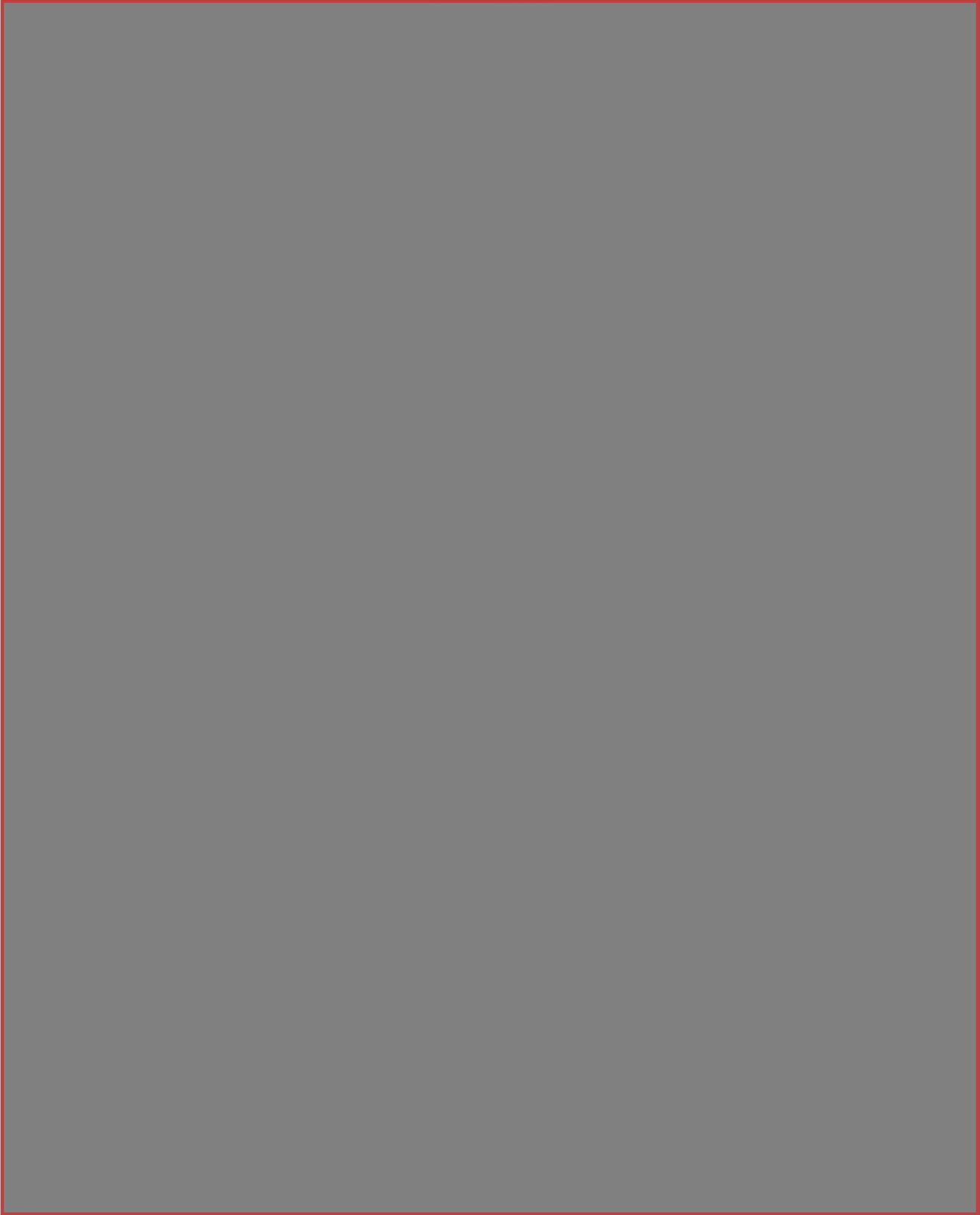
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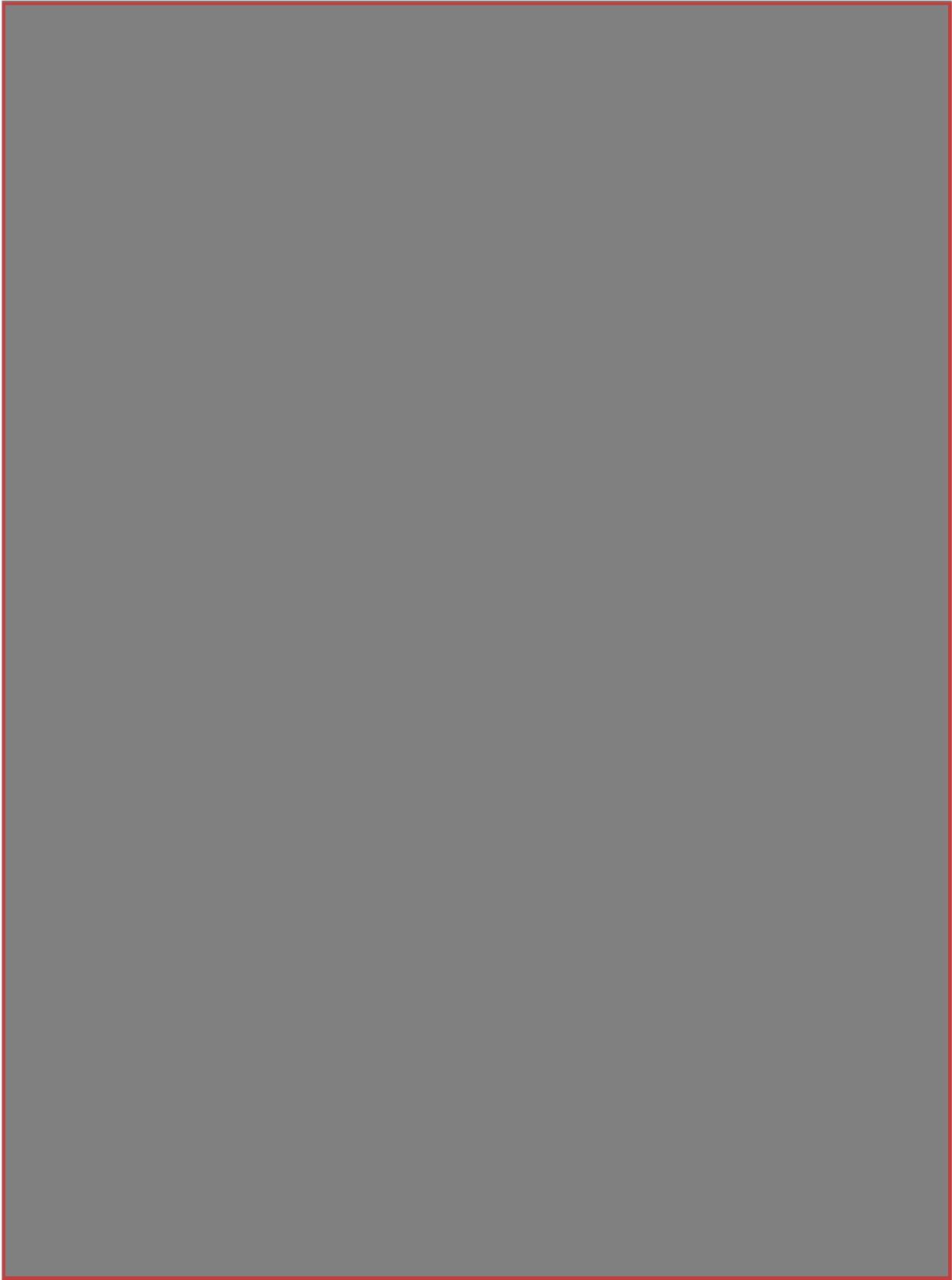
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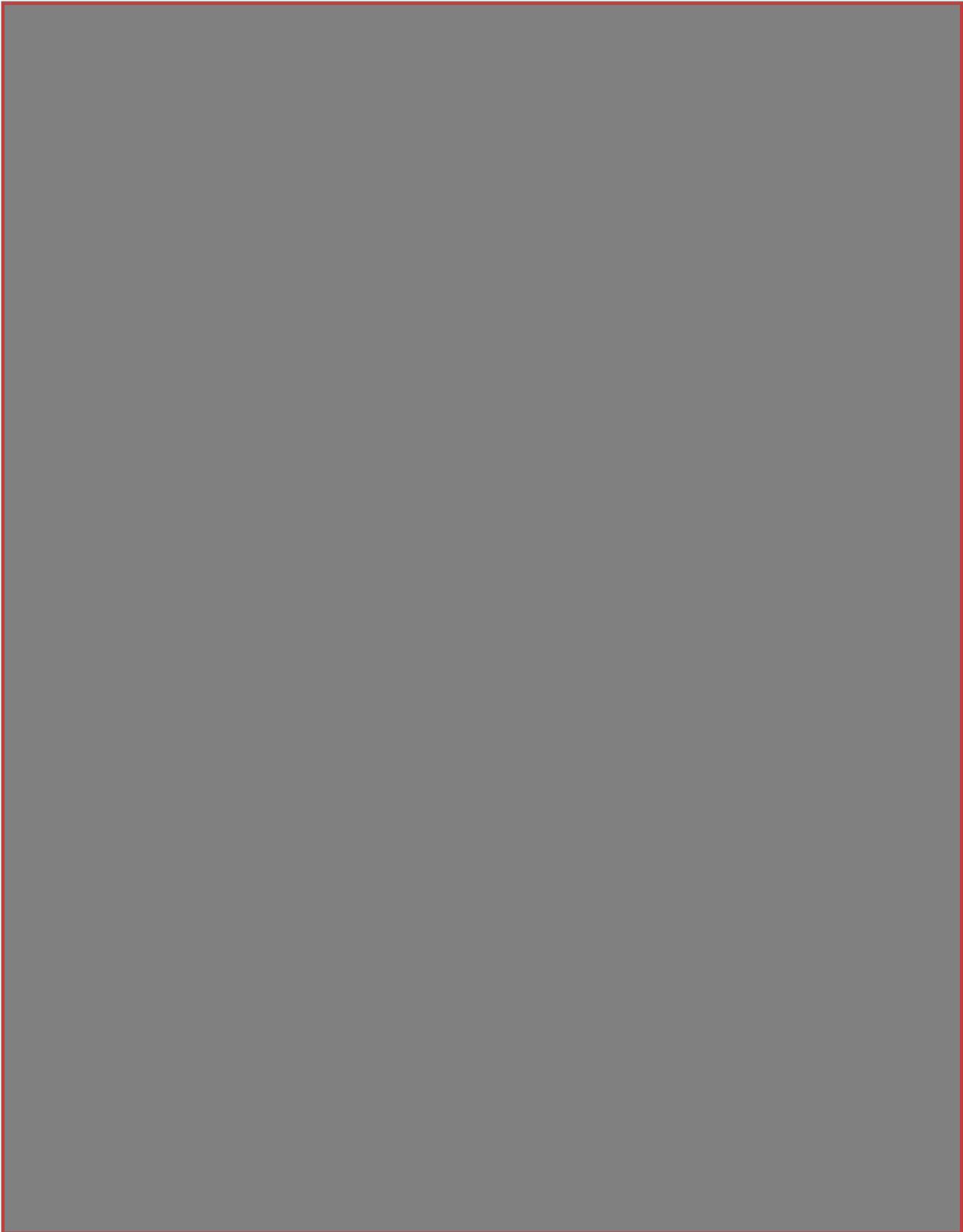
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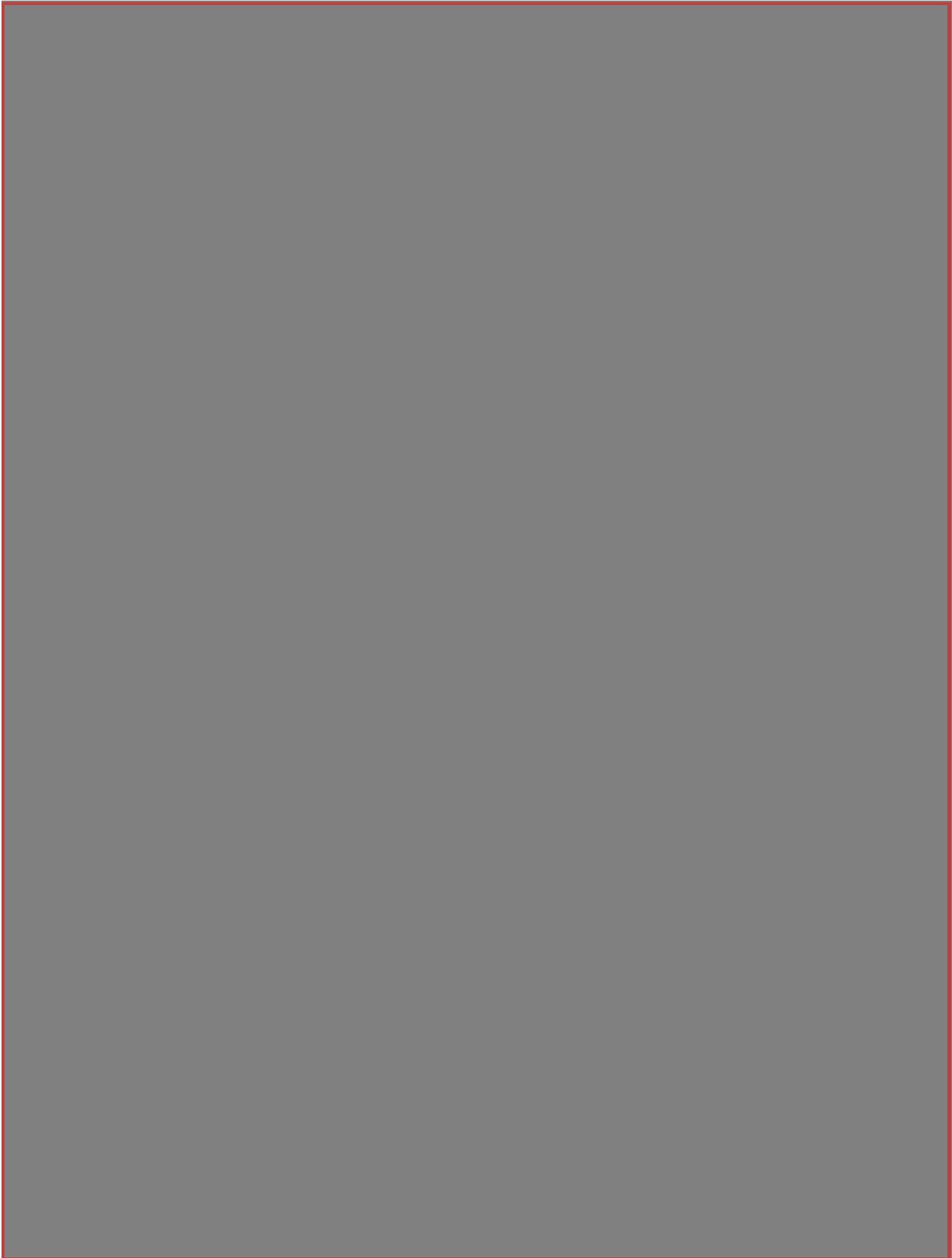
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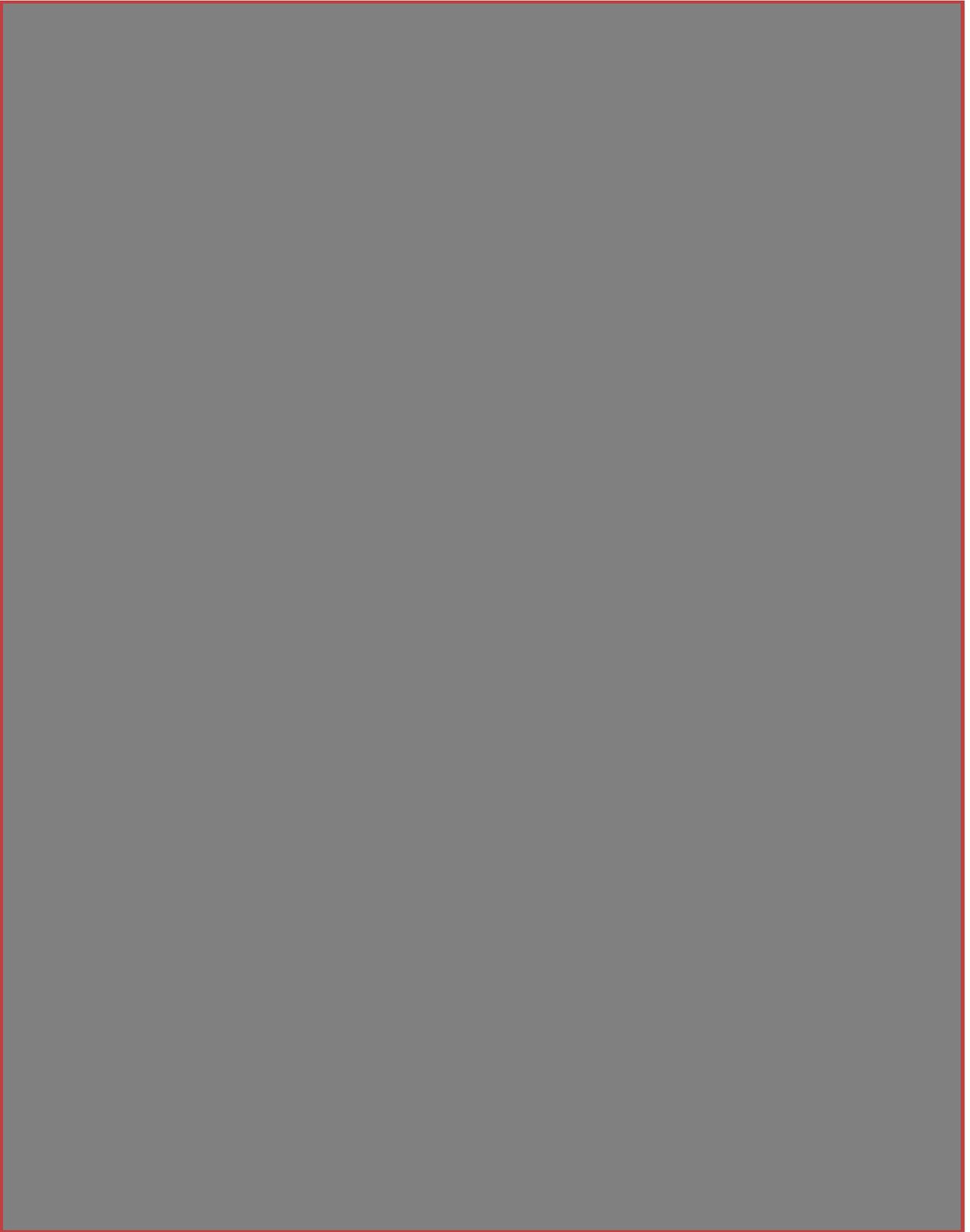
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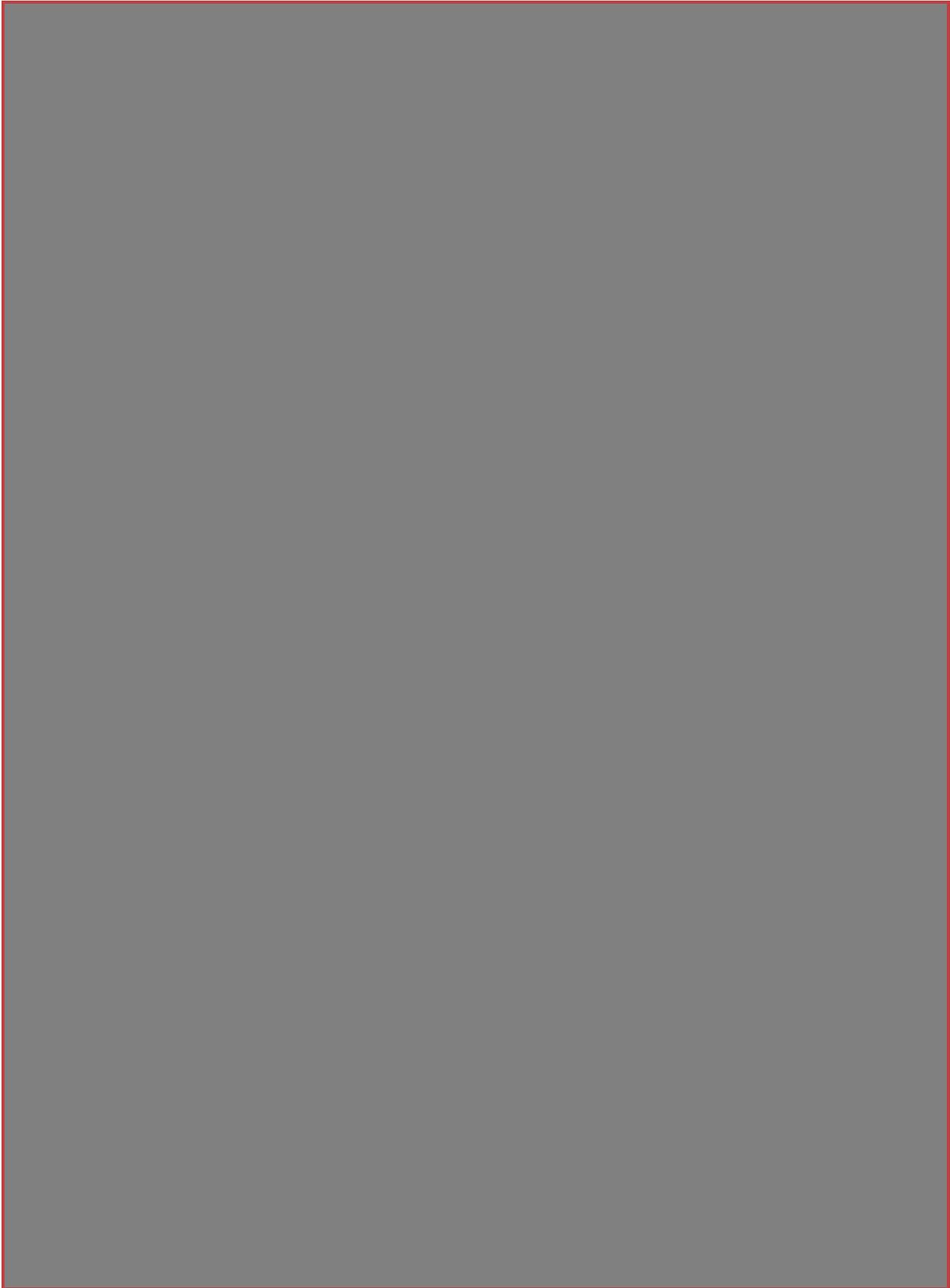
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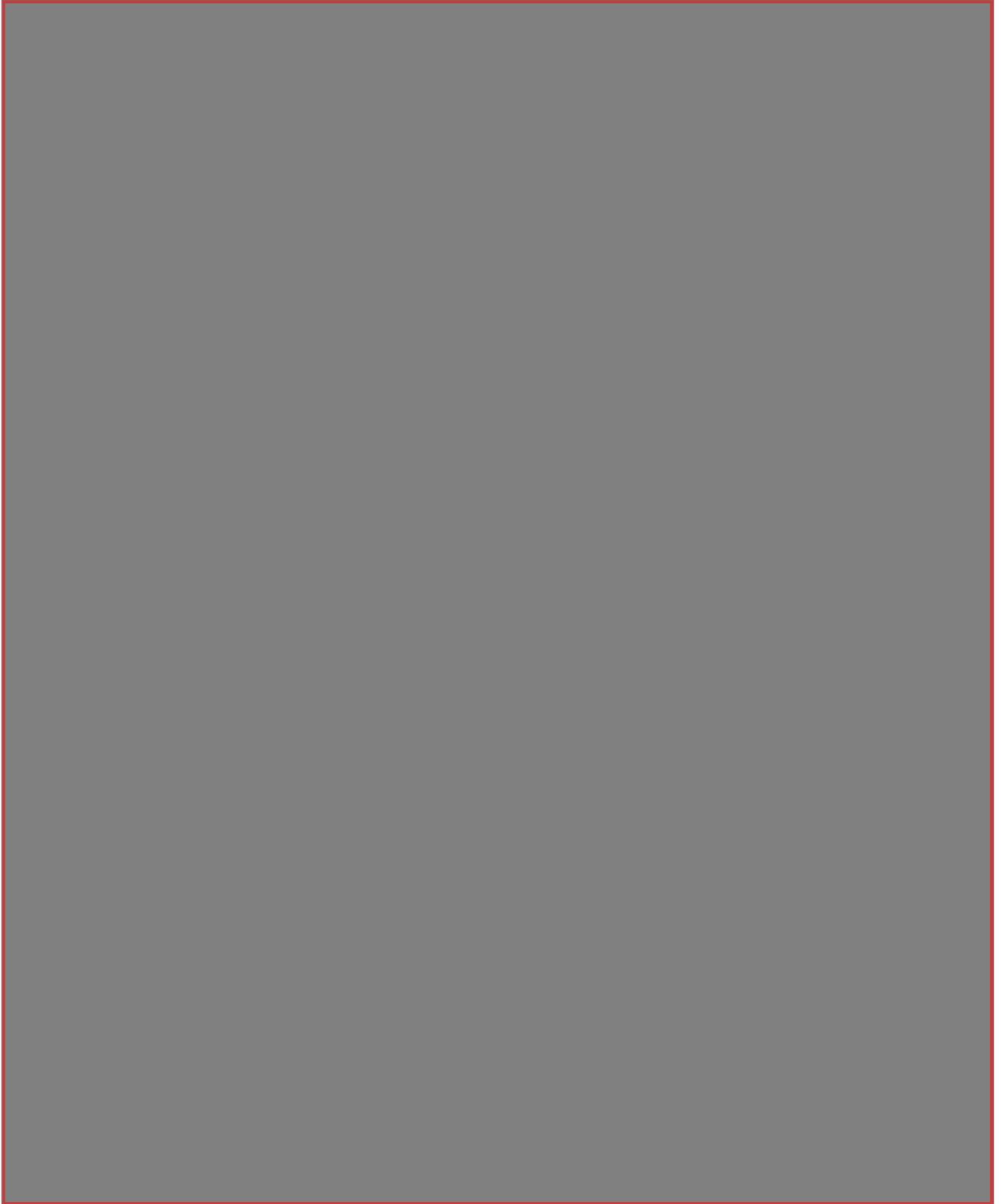
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SCHEDULE



SCHEDULE



SCHEDULE**YEAR 2000 WARRANTY--NON-COMMERCIAL SUPPLY ITEMS**

The Contractor shall ensure that each item of hardware, software, and firmware developed and procured/modified under this contract shall be able to accurately process date data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries and the years 1999 and 2000 including leap year calculations, when used in accordance with the product documentation provided by the Contractor, provided that all listed or unlisted products (e.g., hardware, software, firmware) used in combination with such listed product properly exchange date data with it. If tasked, the Contractor shall assess hardware, software and firmware provided by the Government to ensure the ability to accurately process date data (including, but not limited to, calculating, comparing, and sequencing) from, into, and

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between the twentieth and twenty-first centuries and the years 1999 and 2000 including leap year calculations, when used in accordance with the product documentation provided by the Contractor, provided that all listed or unlisted products (e.g., hardware, software, firmware) used in combination with such listed product properly exchange date data with it.

**QUALITY IN SOFTWARE DEVELOPMENT AND PRODUCTION (NAVSEA) (MAY 1995)**

Quality in Software Development and Production: The contractor's software quality program shall be an integral part of the overall Quality Assurance Program. Software quality program controls shall be applicable to all project software that is developed, maintained, or modified.

SCHEDULE**SECTION D - PACKAGING AND MARKING**

**ITEMS 0001, 0004, 0005, 0006 AND 0007** - There are no packaging and marking instructions associated the services to be provided under these items.

**ITEMS 0002 and if the option is exercised ITEM 0003** - 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) report title
- (4) sponsor: \_\_\_\_\_

(Name of Individual Sponsor)

\_\_\_\_\_  
(Name of Requiring Activity)

\_\_\_\_\_  
(City and State)

SCHEDULE**SECTION E - INSPECTION AND ACCEPTANCE**

**ITEMS 0001AA and 0004, and if the options are exercised, ITEMS 0001AB, 0005, 0006 and 0007** - Source inspection shall be made by the Contract Administration Office in accordance with FAR 52.246-5, or as specified by TI. Source acceptance shall be made by the Contracting Officer's Representative (COR) by issuing a memo to the Contracting Officer indicating the number of hours that were delivered when each Item is completed.

**ITEMS 0002 and if the option is exercised, ITEM 0003** - Inspection and acceptance shall be made by the first addressee in block 14 and in the manner specified on the attached Contract Data Requirements List(s), DD Form 1423.

**QUALITY SYSTEM REQUIREMENTS (NAVSEA) (MAY 1995)**

Quality System Requirements. The Contractor shall provide and maintain a quality system that, as a minimum, adheres to the requirements of ANSI/ASQC Q9001-1994 Quality Systems-Model for Quality Assurance in Design/Development, Production, Installation, and Servicing and supplemental requirements imposed by this contract. The quality system procedures, planning, and all other documentation and data that comprise the quality system shall be made available to the Government for review. Existing quality documents that meet the requirements of this contract may continue to be used. The Government may perform any necessary inspections, verifications, and evaluations to ascertain conformance to requirements and the adequacy of the implementing procedures. The Contractor shall require of subcontractors a quality system achieving control of the quality of the services and/or supplies provided. The Government reserves the right to disapprove the quality system or portions thereof when it fails to meet the contractual requirements.

**INSPECTION AND TEST RECORDS (MAY 1995)**

Inspection and Test Records: Inspection and test records shall, as a minimum, indicate the nature of the observations, number of observations made, and the number and type of deficiencies found. Data included in inspection and test records shall be complete and accurate, and shall be used for trend analysis and to assess corrective action and effectiveness.

**COST OF QUALITY DATA (NAVSEA) (MAY 1995)**

Cost of Quality Data: The contractor shall maintain and use quality cost data as a management element of the quality program. The specific quality cost data to be maintained and used will be determined by the contractor. These data shall, on request, be identified and made available for "on site" review by the Government representative.

SCHEDULE**GOVERNMENT FURNISHED MATERIAL (NAVSEA) (MAY 1995)**

Government Furnished Material: When material is furnished by the Government, the contractor's procedures shall include at least the following:

- (a) Examination upon receipt, consistent with practicality, to detect damage in transit;
- (b) Inspection for completeness and proper type;
- (c) Periodic inspection and precautions to assure adequate storage conditions and to guard against damage from handling and deterioration during storage;
- (d) Functional testing, either prior to or after installation, or both, as required by contract to determine satisfactory operation;
- (e) Identification and protection from improper use or disposition; and
- (f) Verification of quantity.

Damaged Government Furnished Material: The contractor shall report to the Government representative any Government-furnished property found damaged, malfunctioning, or otherwise unsuitable for use. In event of damage or malfunction during or after installation, the contractor shall determine and record probable cause and necessity for withholding material from use.

Bailed Property: The contractor shall, as required by the terms of the Bailment Agreement, establish procedures for the adequate storage, maintenance, and inspection of bailed Government property. Records of all inspections and maintenance performed on bailed property shall be maintained. These procedures and records shall be subject to review by the Government representative.

[As used in the foregoing, the term "material" applies to Government-furnished equipment to be installed in or furnished with the end item. The term "property" is Government equipment that is used in the fabrication or assembly of the end item, and is not delivered as part of the end item.]

**USE OF CONTRACTOR'S INSPECTION EQUIPMENT (NAVSEA) (MAY 1995)**

Use of Contractor's Inspection Equipment: The contractor's gauges, and measuring and testing devices shall be made available for use by the Government when required to determine conformance with contract requirements. If conditions warrant, the contractor's personnel shall be made available for operations of such devices and for verification of their accuracy and condition.

SCHEDULE**CLAUSES INCORPORATED BY REFERENCE**

<b>FAR</b> <b><u>SOURCE</u></b>	<b><u>TITLE AND DATE</u></b>
52.246-3	INSPECTION OF SUPPLIES--COST- REIMBURSEMENT (APR 1984)
52.246-5	INSPECTION OF SERVICES--COST- REIMBURSEMENT (APR 1984)

**CLAUSES INCORPORATED IN FULL TEXT****FAR 52.246-11 HIGHER-LEVEL CONTRACT QUALITY REQUIREMENT  
(GOVERNMENT SPECIFICATION) (APR 1984)**

(a) Definition. "Contract date," as used in this clause, means the date set forth for bid opening, or, if this is a negotiated contract or a modification, the effective date of this contract or modification.

(b) The Contractor shall comply with the specification titled ANSI/ASQC Q9001-1994, in effect on the contract date, which is hereby incorporated into this contract.

SCHEDULE**SECTION F - DELIVERIES OR PERFORMANCE**

**ITEMS 0001AA** - From the effective date of contract through 30 September 1998, the Contractor shall perform the work described in Section C at the level-of-effort specified in Section B.

**ITEMS 0001AB, 0003, 0005, 0006 and 0007 - OPTIONS** - From date of option exercise through 30 September 2007, the Contractor shall perform the work described in Section C at the level-of-effort specified in Section B. The period of performance for each SLIN created which partially exercises these options shall be specified in the modification partially exercising the option.

**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.

**ITEM 0004** - The delivery schedule for each item will be included in the modification placing the provision order.

**CLAUSES INCORPORATED BY REFERENCE**

<u>FAR</u> <u>SOURCE</u>	<u>TITLE AND DATE</u>
52.242-15 and Alt I	STOP-WORK ORDER (AUG 1989) AND ALTERNATE I (FEB 1993)
52.247-65	F.O.B. ORIGIN, PREPAID FREIGHT--SMALL PACKAGE SHIPMENTS (JAN 1991)

SCHEDULE**SECTION G - CONTRACT ADMINISTRATION DATA**

Enter below the Contractor's address for receipt of payment if such address is different from the address shown on the SF 26 of SF 33, as applicable. Payment shall be made by Electronic Fund Transfer in accordance with FAR 52.232-33 MANDATORY INFORMATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT (AUG 1996).

Paper Check Receipts

Lockheed Martin Corporation  
Valley Forge Collection Center  
P.O. Box 361476  
Columbus, OH 43236-1476

## PURCHASING OFFICE REPRESENTATIVE:

COMMANDER  
ATTN: Ms. Michelle Bulis, SEA 0251M  
NAVAL SEA SYSTEMS COMMAND  
2531 JEFFERSON DAVIS HWY  
ARLINGTON VA 22242-5160  
Telephone No. 703/602-8000, x518

## CONTRACTING OFFICER'S REPRESENTATIVE:

COMMANDER  
ATTN: Mr. Reginald Brown, PMS 400B3B1  
NAVAL SEA SYSTEMS COMMAND  
2531 JEFFERSON DAVIS HWY  
ARLINGTON VA 22242-5160  
Telephone No. 703/602-7090

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

**NAPS 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 the first and last invoice and any necessary supporting documentation, in an original and 4 copies, to the contract auditor at the following address:  
Defense Contract Audit Agency, Valley Forge Resident Office, 230 Goddard Blvd, King of

SCHEDULE

Prussia, PA 19406 unless delivery orders are applicable, in which case invoices will be segregated by individual order and submitted to the address specified in the order. 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. All other invoices shall be submitted directly to DFAS-Columbus Center/Independence, P.O. Box 182266, Columbus, Ohio, 43218-2266. This provision may be changed by the Administrative Contracting Officer at any time.

(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 60 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  
which supply/service is provided.

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

is required with each invoice submittal.

is required only with final invoice.

is not required.

(f) A Certificate of Performance

shall be provided with each invoice submittal.

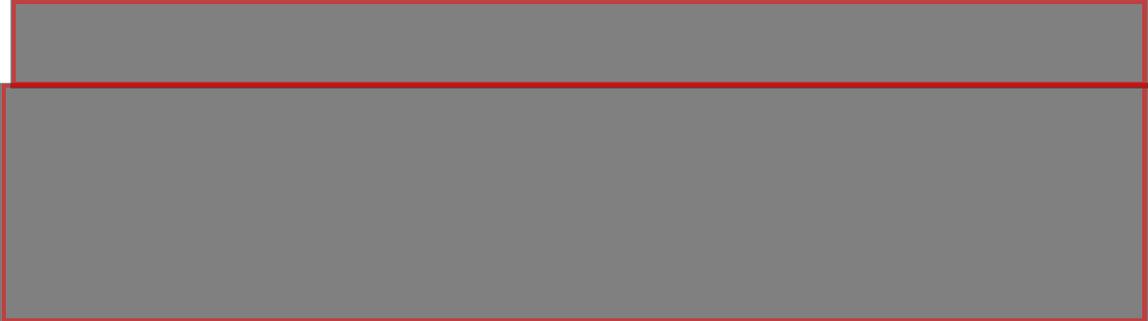
is not required.

(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.

SCHEDULE

**SECTION H - SPECIAL CONTRACT REQUIREMENTS**

<u>NUMBER</u>	<u>TITLE</u>	<u>PAGE</u>
5252.202-9101	ADDITIONAL DEFINITIONS (MAY 1993).....	39
5252.227-9113	GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (MAY 1993).....	39
5252.216-9122	LEVEL OF EFFORT (JUL 1986).....	40
5252.232-9104	ALLOTMENT OF FUNDS - ALTERNATE 1 (MAY 1993).....	41
		
	DETERMINATION OF LEVEL-OF-EFFORT UNDER CLIN 0007.....	44

SCHEDULE**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 5252.227-9113 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  When so inserted, the word "Contractor" shall be changed to "Subcontractor".

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- (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 (JUL 1986)**

(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] 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, or other time and effort which does not have a specific and direct contribution to the tasks described in Sections B and C.

(d) 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

SCHEDULE

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) 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.

(h) 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 5252.232-9104 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 the clause entitled "DETERMINATION OF FEE" (NAVSEA)(OCT 1990). 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>BASE FEE</u>	<u>AWARD FEE</u>	<u>P.O.P.</u>
0001AA				Contract Award thru <u>30 Sep 98</u>

SCHEDULE

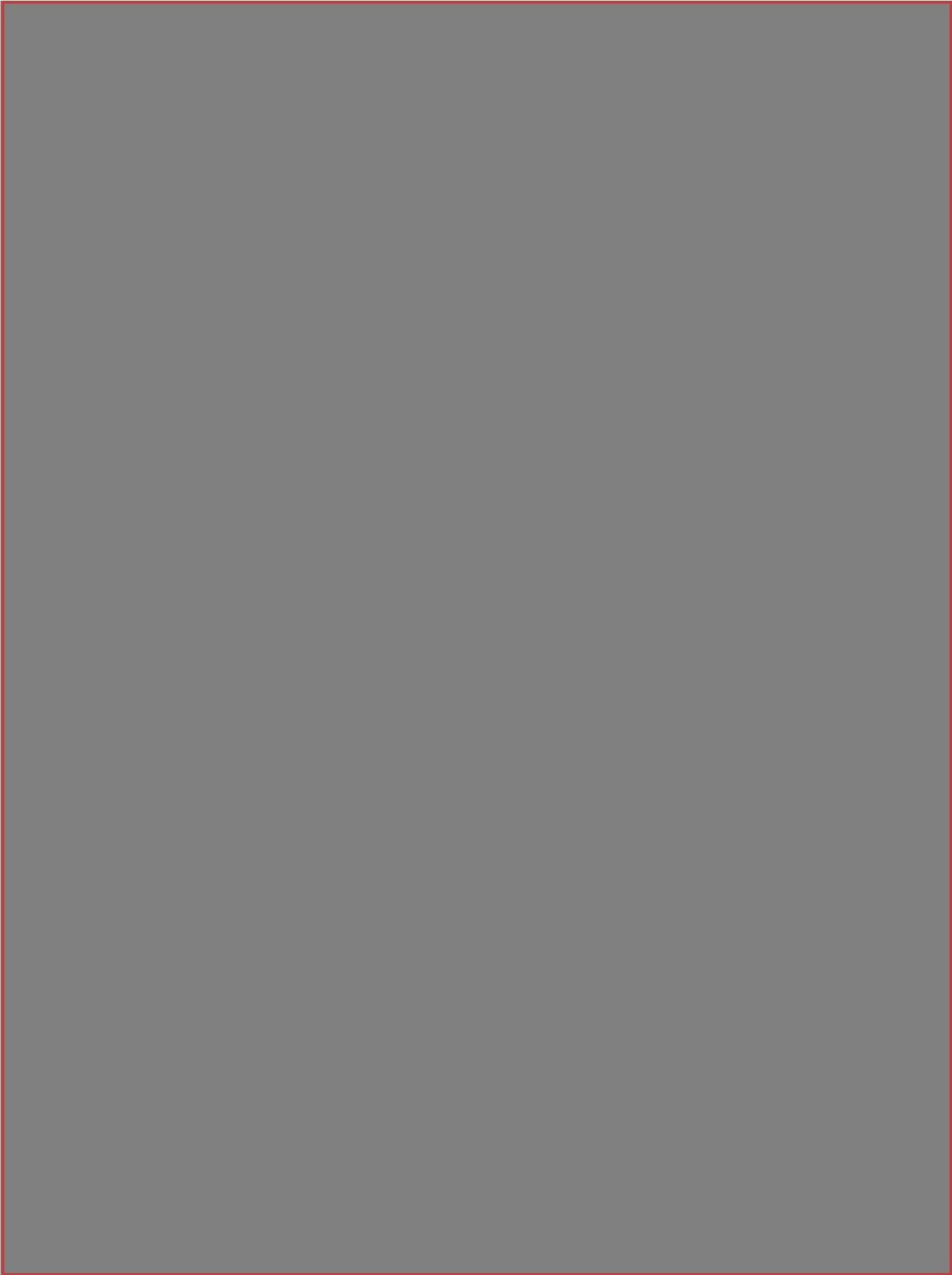
(b) The parties contemplate that the Government will allot additional amounts to this contract from time to time for the incrementally funded CLINs/SLINs by unilateral contract modification, and any such modification shall state separately the amount(s) allotted for cost, the amount(s) allotted for fee,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

(c) CLINs/SLINs N/A 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.



SCHEDULE



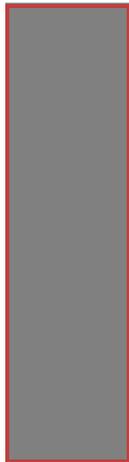


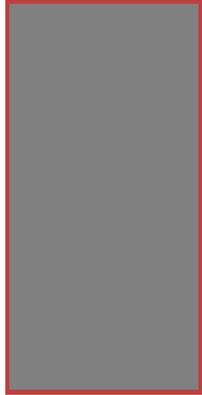
**DETERMINATION OF LEVEL-OF-EFFORT UNDER CLIN 0007**

This contract contains Option Item 0007, a unilateral no-cost level of effort option for services associated with the AWS computer program baseline development. Services provided under Item 0007 will be the same quality of services required under Item 0001. The total number of manhours required for delivery under this item for each baseline shall be the manhours associated with the technical performance rating resulting from the quality assessment of computer programs at each AAW and interoperability test event during CSSQT. The quality assessment shall be conducted by a team consisting of representatives of Naval Surface Warfare Dahlgren Division (NSWC/DD)(the lead and In-Service Engineering Agent (ISEA)), TECHREP, PMS 400 and LM/GES. The ISEA shall draw conclusions based on the team's assessment and make the technical performance rating recommendation to the award fee board, in accordance with the provisions of the award fee clause. The objective of the exercise of Item 0007 is to incentivize successful performance of the contract by requiring the Contractor to provide a number of no-cost manhours associated with the award fee ratings earned in accordance with the provisions of Section B of the Contract entitled "Determination of Award Fee". Item 0007 may be exercised for each baseline upon completion of the applicable AAW and interoperability tests at CSSQT. Each option exercise is independent and the failure to exercise the option does not waive any rights to exercise the option for future events. In accordance with the award fee structure of this contract, the contractor may be required to provide a maximum of [redacted] manhours. The relationship between the performance rating and Option CLIN 0007 manhours is captured in the following table:

Technical Performance Rating

Clin 0007 Total Manhours



SCHEDULE

If the Contractor's performance rating is 100%, no manhours shall be required under Clin 0007. If the performance rating is [REDACTED] or lower, the Contractor will be required to provide the maximum of [REDACTED] manhours. If the Contractor does not earn a performance rating of [REDACTED] and the Option Clin 0007 is exercised, the Government may only exercise Item 0007 for the total number of manhours listed in the above table.

The following is an example of the mechanics of this provision:

*A baseline computer program is delivered at CPAP at the end of the R&D window (Clin 0001). All of the award fee earned by the Contractor to date is paid following the final R&D evaluation period.*

*The computer program is tested at the designated AAW and interoperability events. At the next award fee evaluation, based on the results of the AAW and interoperability quality tests, the Contractor receives a score of 90% for the technical performance of the computer program developed under CLIN 0001. In accordance with the DETERMINATION OF LEVEL-OF-EFFORT UNDER CLIN 0007 clause of this contract, the Contractor is required to provide the manhours associated with a score of [REDACTED] manhours.*

*Option CLIN 0007 would then be exercised for [REDACTED] manhours for the repair of design defects at no additional cost to the Government.*

*The [REDACTED] manhours are deducted from the [REDACTED] manhour ceiling originally set in the contract and the new manhour ceiling for the future exercise of option CLIN 0007 is set at [REDACTED] manhours.*

## SECTION I - CONTRACT CLAUSES

**SECTION I-1 - CLAUSES INCORPORATED BY REFERENCE****I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES:**

<u>FAR SOURCE</u>	<u>TITLE AND DATE</u>
52.202-1	DEFINITIONS (OCT 1995)
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 (JAN 1990)
52.204-2	SECURITY REQUIREMENTS (AUG 1996)
52.204-4	PRINTING/COPYING DOUBLE-SIDED ON RECYCLED PAPER (JUN 1996)
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JUL 1995)
52.211-5	NEW REQUIREMENTS (OCT 1997)
52.211-15	DEFENSE PRIORITY AND ALLOCATION REQUIREMENTS (SEP 1990)
52.215-2	AUDIT AND RECORDS--NEGOTIATION (AUG 1996)

Cost-Reimbursement. (R&D) (Commercial Organization) - 02 March 1998  
Updated through FAC 97-03 and DAC 91-12

<u>FAR</u> <u>SOURCE</u>	<u>TITLE AND DATE</u>
52.215-8	ORDER OF PRECEDENCE--UNIFORM CONTRACT FORMAT (OCT 1997)
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	TERMINATION OF DEFINED BENEFIT PENSION PLANS (OCT 1997)
52.215-18	REVERSION OR ADJUSTMENT OF PLANS FOR POST- RETIREMENT BENEFITS OTHER THAN PENSIONS (PRB) (OCT 1997)
52.215-19	NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)
52.216-7	ALLOWABLE COST AND PAYMENT (FEB 1998)
52.216-8	FIXED FEE (APR 1984)
52.217-8	OPTION TO EXTEND SERVICES (AUG 1989)
52.219-8	UTILIZATION OF SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED BUSINESS CONCERNS (JUN 1997)
52.219-9	SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED BUSINESS SUBCONTRACTING PLAN (AUG 1996)
52.219-16	LIQUIDATED DAMAGES--SUBCONTRACTING PLAN (OCT 1995)
52.222-1	NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (FEB 1997)

<u>FAR</u> <u>SOURCE</u>	<u>TITLE AND DATE</u>
52.222-3	CONVICT LABOR (AUG 1996)
52.222-4	CONTRACT WORK HOURS AND SAFETY STANDARDS ACT--OVERTIME COMPENSATION (JUL 1995)
52.222-20	WALSH-HEALEY PUBLIC CONTRACTS ACT (DEC 1996)
52.222-26	EQUAL OPPORTUNITY (APR 1984)
52.222-28	EQUAL OPPORTUNITY PREAWARD CLEARANCE OF SUBCONTRACTS (APR 1984) (Applies if this contract is \$1,000,000 or more.) (As used in the foregoing clause, the term "Contracting Officer" shall be deemed to mean the "Administrative Contracting Officer (ACO)".)
52.222-35	AFFIRMATIVE ACTION FOR SPECIAL DISABLED AND VIETNAM ERA VETERANS (APR 1984)
52.222-36	AFFIRMATIVE ACTION FOR HANDICAPPED WORKERS (APR 1984)
52.222-37	EMPLOYMENT REPORTS ON SPECIAL DISABLED VETERANS AND VETERANS OF THE VIETNAM ERA (JAN 1988)
52.223-2	CLEAN AIR AND WATER (APR 1984)
52.223-6	DRUG-FREE WORKPLACE (JAN 1997)
52.223-14	TOXIC CHEMICAL RELEASE REPORTING (OCT 1996)
52.225-11	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (OCT 1996)
52.225-14	INCONSISTENCY BETWEEN ENGLISH VERSION AND TRANSLATION OF CONTRACT (AUG 1989)
52.226-1	UTILIZATION OF INDIAN ORGANIZATIONS AND INDIAN- OWNED ECONOMIC ENTERPRISES (SEP 1996)
52.227-1 and Alt I	AUTHORIZATION AND CONSENT (JUL 1995) AND ALTERNATE I (APR 1984)

<u>FAR SOURCE</u>	<u>TITLE AND DATE</u>
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)
52.227-12	PATENT RIGHTS--RETENTION BY THE CONTRACTOR (LONG FORM) (JAN 1997)
52.227-13	PATENT RIGHTS--ACQUISITION BY THE GOVERNMENT (JAN 1997)
52.227-14	RIGHTS IN DATA - GENERAL (JUN 1987)
52.227-21	TECHNICAL DATA DECLARATION, REVISION AND WITHHOLDING OF PAYMENT-- MAJOR SYSTEMS (JAN 1997) This clause applies to all Data delivered under Item 0002
52.227-22	MAJOR SYSTEM-MINIMUM RIGHTS (JUN 1987)
52.228-7	INSURANCE--LIABILITY TO THIRD PERSONS (MAR 1996)
52.230-2	COST ACCOUNTING STANDARDS (APR 1996)
52.230-3	DISCLOSURE AND CONSISTENCY OF COST ACCOUNTING PRACTICES (APR 1996)
52.230-6	ADMINISTRATION OF COST ACCOUNTING STANDARDS (APR 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 to fully funded line items.)
52.232-22	LIMITATION OF FUNDS (APR 1984) (Applies to incrementally funded line items.)

<u>FAR SOURCE</u>	<u>TITLE AND DATE</u>
52.232-23 and Alt I	ASSIGNMENT OF CLAIMS (JAN 1986) AND ALTERNATE I (APR 1984)
52.232-25	PROMPT PAYMENT (MAY 1997)
52.232-33	MANDATORY INFORMATION FOR ELECTRONIC FUNDS TRANSFER PAYMENT (AUG 1996)
52.233-1 and Alt I	DISPUTES (OCT 1995) AND ALTERNATE I (DEC 1991)
52.233-3 and Alt I	PROTEST AFTER AWARD (AUG 1996) AND ALTERNATE I (JUN 1985)
52.234-1	INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE PRODUCTION ACT TITLE III (DEC 1994)
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 (OCT 1995) (Applies if this contract exceeds \$500,000.)
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 (REPSHIP) (JUL 1995)
52.242-13	BANKRUPTCY (JUL 1995)
52.243-2 and Alt II	CHANGES--COST-REIMBURSEMENT (AUG 1987) AND ALTERNATE II (APR 1984)
52.243-2 and Alt V	CHANGES--COST-REIMBURSEMENT (AUG 1987) AND ALTERNATE V (APR 1984)

<u>FAR</u> <u>SOURCE</u>	<u>TITLE AND DATE</u>
52.243-6	CHANGE ORDER ACCOUNTING (APR 1984)
52.243-7	NOTIFICATION OF CHANGES (APR 1984)
52.244-2 and Alt I	SUBCONTRACTS (COST-REIMBURSEMENT AND LETTER CONTRACTS)(FEB 1997) AND ALTERNATE I (AUG 1996)
52.244-5	COMPETITION IN SUBCONTRACTING (DEC 1996)
52.244-6	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (OCT 1995)
52.245-5	GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME- AND-MATERIAL, OR LABOR-HOUR CONTRACTS) (JAN 1986)
52.245-18	SPECIAL TEST EQUIPMENT (FEB 1993)
52.246-25	LIMITATION OF LIABILITY--SERVICES (FEB 1997)
52.247-1	COMMERCIAL BILL OF LADING NOTATIONS (APR 1984)
52.249-6	TERMINATION (COST-REIMBURSEMENT) (SEP 1996)
52.249-14	EXCUSABLE DELAYS (APR 1984)
52.251-1	GOVERNMENT SUPPLY SOURCES (APR 1984)
52.253-1	COMPUTER GENERATED FORMS (JAN 1991)

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

<u>DFARS SOURCE</u>	<u>TITLE AND DATE</u>
252.201-7000	CONTRACTING OFFICER'S REPRESENTATIVE (DEC 1991)
252.203-7001	SPECIAL PROHIBITION ON EMPLOYMENT (JUN 1997)
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)
252.205-7000	PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS (DEC 1991) (Applies if this contract exceeds \$500,000.)
252.209-7000	ACQUISITION FROM SUBCONTRACTORS SUBJECT TO ON-SITE INSPECTION UNDER THE INTERMEDIATE- RANGE NUCLEAR FORCES (INF) TREATY (NOV 1995)
252.211-7000	ACQUISITION STREAMLINING (DEC 1991)
252.215-7000	PRICING ADJUSTMENTS (DEC 1991)
252.215-7002	COST ESTIMATING SYSTEM REQUIREMENTS (DEC 1991)
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 (JAN 1994)
252.225-7002	QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS (DEC 1991)

<u>DFARS SOURCE</u>	<u>TITLE AND DATE</u>
252.225-7009	DUTY-FREE ENTRY--QUALIFYING COUNTRY END PRODUCTS AND SUPPLIES (JAN 1997)
252.225-7010	DUTY-FREE ENTRY--ADDITIONAL PROVISIONS (JAN 1997)
252.225-7012	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES (FEB 1997)
252.225-7014 and Alt I	PREFERENCE FOR DOMESTIC SPECIALTY METALS (FEB 1997) AND ALTERNATE I (FEB 1997)
252.225-7015	PREFERENCE FOR DOMESTIC HAND OR MEASURING TOOLS (DEC 1991)
252.225-7016	RESTRICTION ON ACQUISITION OF BALL OR ROLLER BEARINGS (FEB 1998)
252.225-7022	RESTRICTION ON ACQUISITION OF POLYACRYLONITRILE (PAN) BASED CARBON FIBER (JUN 1997)
252.225-7025	FOREIGN SOURCE RESTRICTIONS (JUN 1997)
252.225-7026	REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (NOV 1995) (Applies if this contract exceeds \$500,000 or is modified to exceed \$500,000.)
252.225-7028	EXCLUSIONARY POLICIES AND PRACTICES OF FOREIGN GOVERNMENTS (DEC 1991)
252.225-7031	SECONDARY ARAB BOYCOTT OF ISRAEL (JUN 1992)
252.225-7042	AUTHORIZATION TO PERFORM (JUN 1997)
252.227-7013	RIGHTS IN TECHNICAL DATA--NONCOMMERCIAL ITEMS (NOV 1995)
252.227-7014	RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION (JUN 1995)
252.227-7016	RIGHTS IN BID OR PROPOSAL INFORMATION (JUN 1995)

<u>DFARS SOURCE</u>	<u>TITLE AND DATE</u>
252.227-7019	VALIDATION OF ASSERTED RESTRICTIONS--COMPUTER SOFTWARE (JUN 1995)
252.227-7027	DEFERRED ORDERING OF TECHNICAL DATA AND COMPUTER SOFTWARE (APR 1988)
252.227-7030	TECHNICAL DATA--WITHHOLDING OF PAYMENT (OCT 1988)
252.227-7036	DECLARATION OF TECHNICAL DATA CONFORMITY (JAN 1997)
252.227-7037	VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (NOV 1995)
252.231-7000	SUPPLEMENTAL COST PRINCIPLES (DEC 1991)
252.232-7006	REDUCTION OR SUSPENSION OF CONTRACT PAYMENTS UPON FINDING OF FRAUD (AUG 1992)
252.242-7000	POSTAWARD CONFERENCE (DEC 1991)
252.242-7003	APPLICATION FOR U.S. GOVERNMENT SHIPPING DOCUMENTATION/INSTRUCTIONS (DEC 1991)
252.244-7000	SUBCONTRACTS FOR COMMERCIAL ITEMS AND COMMERCIAL COMPONENTS (DOD CONTRACTS) (FEB 1997)
252.245-7001	REPORTS OF GOVERNMENT PROPERTY (MAY 1994)
252.246-7000	MATERIAL INSPECTION AND RECEIVING REPORT (DEC 1991)
252.249-7002	NOTIFICATION OF PROPOSED PROGRAM TERMINATION OR REDUCTION (MAY 1995)
252.251-7000	ORDERING FROM GOVERNMENT SUPPLY SOURCES (MAY 1995)

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**SECTION I-2 - CLAUSES INCORPORATED IN FULL TEXT**

**FAR 52.217-9 OPTION TO EXTEND THE TERM OF THE CONTRACT (MAR 1989)  
(NAVSEA VARIATION) (FEB 1994)**

(a) The Government may extend the term of the contract by written notice(s) to the Contractor within the period(s) 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. Each option may be exercised more than once and may be exercised as many times as possible until option ceiling is eliminated.

<u>ITEM(S)</u>	<u>LATEST OPTION EXERCISE DATE</u>
0001AB	<u>30 September 06</u>
0003	<u>30 September 06</u>
0005	<u>30 September 06</u>
0006	<u>30 September 06</u>
0007	<u>1 February 07</u>

(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 ten (10) years, however, in accordance with paragraph (g) of the requirement of this contract entitled "LEVEL OF EFFORT" (NAVSEA 5252.216-9122), if the total man-hours 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 man-hours specified in paragraph (a) of the aforementioned requirement have been expended.

**FAR 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--

(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 effected contract; and

(4) Provide reasons why the required work cannot be performed by using multishift operations or by employing additional personnel.

**FAR 52.244-2 SUBCONTRACTS (COST-REIMBURSEMENT AND LETTER CONTRACTS) (FEB 1997) AND ALTERNATE I (AUG 1996)**

(a) "Subcontract," as used in this clause, includes but is not limited to purchase orders, and changes and modifications to purchase orders. The Contractor shall notify the Contracting Officer reasonably in advance of entering into any subcontract if--

(1) The proposed subcontract is of the cost-reimbursement, time-and-materials, or labor-hour type;

(2) The proposed subcontract is fixed-price and exceeds the greater of (i) the simplified acquisition threshold in Part 13 of the Federal Acquisition Regulation or (ii) [redacted] of the total estimated cost of this contract;

(3) The proposed subcontract has experimental, developmental, or research work as one of its purposes;

(4) This contract is not a facilities contract and the proposed subcontract provides for the fabrication, purchase, rental, installation, or other acquisition of special test equipment valued in excess of [redacted] or of any items of facilities.

(b) (1) In the case of a proposed subcontract that (i) is of the cost-reimbursement, time-and-materials, or labor-hour type and is estimated to exceed [redacted] including any fee, (ii) is proposed to exceed [redacted] or (iii) is one of a number of subcontracts with a single subcontractor, under this contract, for the same or related supplies or services that, in the

aggregate, are expected to exceed [REDACTED] the advance notification required by paragraph (a) above shall include the information specified in subparagraph (b)(2) of this clause.

- (2)(i) A description of the supplies or service to be subcontracted.
- (ii) Identification of the type of subcontract to be used.
- (iii) Identification of the proposed subcontractor and an explanation of why and how the proposed subcontractor was selected, including the competition obtained.
- (iv) The proposed subcontract price and the Contractor's cost or price analysis.
- (v) The subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions.
- (vi) The subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract.
- (vii) A negotiation memorandum reflecting--
  - (A) The principal elements of the subcontract price negotiations;
  - (B) The most significant considerations controlling establishment of initial or revised prices;
  - (C) The reason cost or pricing data were or were not required;
  - (D) The extent, if any, to which the Contractor did not rely on the subcontractor's cost or pricing data in determining the price objective and in negotiating the final price;
  - (E) The extent, if any, to which it was recognized in the negotiation that the subcontractor's cost or pricing data were not accurate, complete, or current; the action taken by the Contractor and subcontractor; and the effect of any such defective data on the total price negotiated;
  - (F) The reasons for any significant difference between the Contractor's price objective and the price negotiated; and
  - (G) A complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and summary of all trade-off possibilities considered.
- (c) The Contractor shall obtain the Contracting Officer's written consent before placing any subcontract for which advance notification is required under paragraph (a) above. However, the

Contracting Officer may ratify in writing any such subcontract. Ratification shall constitute the consent of the Contracting Officer.

(d) If the Contractor has an approved purchasing system and the subcontract is within the scope of such approval, the Contractor may enter into the subcontracts described in subparagraphs (a)(1) and (a)(2) of this clause without the consent of the Contracting Officer.

(e) Even if the Contractor's purchasing system has been approved, the Contractor shall obtain the Contracting Officer's written consent before placing subcontracts identified below:

\_\_\_\_\_  
\_\_\_\_\_

(f) Unless the consent or approval specifically provides otherwise, neither consent by the Contracting Officer to any subcontract nor approval of the Contractor's purchasing system shall constitute a determination (1) of the acceptability of any subcontract terms or conditions, (2) of the acceptability of any subcontract price or of any amount paid under any subcontract, or (3) to relieve the Contractor of any responsibility for performing this contract.

(g) No subcontract placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement subcontracts shall not exceed the fee limitations in subsection 15.903(d) of the Federal Acquisition Regulation (FAR).

(h) The Contractor shall give the Contracting Officer immediate written notice of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor that, in the opinion of the Contractor, may result in litigation related in any way to this contract, with respect to which the Contractor may be entitled to reimbursement from the Government.

(i) To facilitate small business participation in subcontracting, the Contractor agrees to provide progress payments on subcontracts under this contract that are fixed-price subcontracts with small business concerns in conformity with the standards for customary progress payments stated in FAR 32.502-1 and 32.504(f), as in effect on the date of this contract. The Contractor further agrees that the need for such progress payments will not be considered a handicap or adverse factor in the award of subcontracts.

(j) The Government reserves the right to review the Contractor's purchasing system as set forth in FAR Subpart 44.3.

**FAR 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.

**FAR 52.252-6 AUTHORIZED DEVIATIONS IN CLAUSES (APR 1984)**

- (a) The use in this solicitation or contract of any Federal Acquisition Regulation (48 CFR Chapter 1) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the date of the clause.
- (b) The use in this solicitation or contract of any Defense FAR Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

**DFARS 252.219-7005 INCENTIVE FOR SUBCONTRACTING WITH SMALL BUSINESSES, SMALL DISADVANTAGED BUSINESSES, HISTORICALLY BLACK COLLEGES AND UNIVERSITIES, AND MINORITY INSTITUTIONS (NOV 1995)**

- (a) If the Contractor exceeds the small disadvantaged business, historically black college and university, minority institution goal of its subcontracting plan, at completion of contract performance, the Contractor will receive [REDACTED] of the excess.
- (b) The Contractor will not receive this incentive if the Contracting Officer determines that exceeding the goal was not due to the Contractor's efforts (e.g., a subcontractor cost overrun or award of subcontracts planned but not disclosed in the subcontracting plan). Determinations made under this paragraph are not subject to the Disputes clause.
- (c) If this is a cost contract, the limitations in FAR Subpart 15.9 may not be exceeded.
- (d) This clause does not apply if the subcontracting plan is a plant, division, or company-wide commercial items plan.

**DFARS 252.227-7036 DECLARATION OF TECHNICAL DATA CONFORMITY (JAN 1997)**

All technical data delivered under this contract shall be accompanied by the following written declaration:

The Contractor, Lockheed Martin, Government Electronic Systems (LM/GES), hereby declares that, to the best of its knowledge and belief, the technical data delivered herewith under Contract No. N00024-98-C-5197 is complete, accurate, and complies with all requirements of the contract.

Date \_\_\_\_\_

Name and Title of Authorized  
Official \_\_\_\_\_

**DFARS 252.235-7010 ACKNOWLEDGMENT OF SUPPORT AND DISCLAIMER (MAY 1995)**

(a) The Contractor shall include an acknowledgment of the Government's support in the publication of any material based on or developed under this contract, stated in the following terms: This material is based upon work supported by the Naval Sea Systems Command under Contract No. N00024-98-C-5197.

(b) All material, except scientific articles or papers published in scientific journals, must, in addition to any notices or disclaimers by the Contractor, also contain the following disclaimer: Any opinions, findings, and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the Naval Sea Systems Command.

**DFARS 252.235-7011 FINAL SCIENTIFIC OR TECHNICAL REPORT (MAY 1995)**

The Contractor shall submit two copies of the approved scientific or technical report delivered under this contract to the Defense Technical Information Center (DTIC), Attn: DTIC-OC, Cameron Station, Alexandria, VA 22304-6145. The Contractor shall include a completed Standard Form 298, Report Documentation Page, with each copy of the report. For submission of reports in other than paper copy, contact the Defense Technical Information Center, Attn: DTIC-OC, Cameron Station, Alexandria, VA 22304-6145.

**DFARS 252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (NOV 1995)**

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

(1) "Components" means articles, materials, and supplies incorporated directly into end products at any level of manufacture, fabrication or assembly by the Contractor or any subcontractor.

(2) "Department of Defense" (DoD) means the Army, Navy, Air Force, Marine Corps, and defense agencies.

(3) "Foreign flag vessel" means any vessel that is not a U.S.-flag vessel.

(4) "Ocean transportation" means any transportation aboard a ship, vessel, boat barge, or ferry through international waters.

(5) "Subcontractor" means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the price contract and who is performing any part of the work or other requirement of the prime contract. However, effective May 1, 1996, the term does not include a supplier, materialman, distributor, or vendor of commercial items or commercial components.

(6) "Supplies" means all property, except land and interests in land, that is clearly identifiable for eventual use by or owned by the DoD at the time of transportation by sea.

(i) An item is clearly identifiable or eventual use by the DoD if, for example, the contract documentation contains a reference to a DoD contract number or a military destination.

(ii) "Supplies" include (but is not limited to) public works, buildings and facilities; ships; floating equipment and vessels of every character, type, and description, with parts, subassemblies, accessories, and equipment; machine tools, material; equipment; stores of all kinds; end items; construction materials; and the components of the foregoing.

(7) "U.S.-flag vessel" means a vessel of the United States or belonging to the United States, including any vessel registered or having national status under the laws of the United States.

(b) The Contractor shall employ U.S.-flag vessels in the transportation by sea of any supplies to be furnished in the performance of this contract. The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or designate available U.S.-flag vessels, if the Contractor or a subcontractor believes that--

(1) U.S.-flag vessels are not available for timely shipment; \*

(2) The freight charges are excessive or unreasonable; or

(3) Freight charges are higher than charges to private persons for transportation of like goods.

(c) The Contractor must submit any request for use of other than U.S.-flag vessels in writing to the Contracting Officer at least 45 days prior to the sailing date necessary to meet its delivery schedule. The Contracting Officer will process requests submitted after such date(s) as expeditiously as possible, but the Contracting Officer's failure to grant approvals to meet the shipper's sailing date will not of itself constitute a compensable delay under this or any other clause of this contract. Requests shall contain a minimum--

(1) Type, weight, and cube of cargo;

(2) Required shipping date;

(3) Special handling and discharge requirements;

(4) Loading and discharge points;

(5) Name of shipper and consignee;

(6) Prime contract number; and

(7) A documented description of efforts made to secure U.S.-flag vessels, including points of contact (with names and telephone numbers) with at least two (2) U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile messages or letters will be sufficient for this purpose.

(d) The Contractor shall, within thirty (30) days after shipment covered by this clause, provide the Contracting Officer and the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590, one copy of the rated on board vessel operating carrier's ocean bill of lading, which shall contain the following information--

- (1) Prime contract number;
- (2) Name of vessel;
- (3) Vessel flag of registry;
- (4) Date of loading;
- (5) Port of loading;
- (6) Port of final discharge;
- (7) Description of commodity;
- (8) Gross weight in pounds and cubic feet if available;
- (9) Total ocean freight in U.S. dollars; and
- (10) Name of the steamship company.

(e) The Contractor agrees to provide with its final invoice under this contract a representation that to the best of its knowledge and belief--

- (1) No ocean transportation was used in the performance of this contract;
- (2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under this contract;
- (3) Ocean transportation was used, and the Contractor had the written consent of the Contracting Officer for all non-U.S-flag ocean transportation; or

(4) Ocean transportation was used and some or all of the shipments were made on non-U.S.-flag vessels without the written consent of the Contracting Officer. The Contractor shall describe these shipments in the following form:

ITEM DESCRIPTION	CONTRACT LINE ITEMS	QUANTITY
		Total

(f) If the final invoice does not include the required representation, the Government will reject and return it to the Contractor as an improper invoice for the purposes of the Prompt Payment clause of this contract. In the event there has been unauthorized use of non-U.S.-flag vessels in the performance of this contract, the Contracting Officer is entitled to equitably adjust the contract, based on the unauthorized use.

(g) The Contractor shall include this clause, including this paragraph (g), in all subcontracts under this contract, which exceed the simplified acquisition threshold in Part 13 of the Federal Acquisition Regulation.

**DFARS 252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (NOV 1995)**

(a) The Contractor has indicated by the response to the solicitation provision, Representation of Extent of Transportation by Sea, that it did not anticipate transporting by sea any supplies. If, however, after the award of this contract, the Contractor learns that supplies, as defined in the Transportation of Supplies by Sea clause of this contract, will be transported by sea, the Contractor--

(1) Shall notify the Contracting Officer of that fact; and

(2) Hereby agrees to comply with all the terms and conditions of the Transportation of Supplies by Sea clause of this contract.

(b) The Contractor shall include this clause, including this paragraph (b), revised as necessary to reflect the relationship of the contracting parties, in all subcontracts hereunder, except (effective May 1, 1996) subcontracts for the acquisition of commercial items or components.

**SECTION J - LIST OF ATTACHMENTS**

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

**EXHIBITS**

- A Contract Data Requirements Lists, DD form 1423 for Item 0002, 84 pages.
- A-1 Attachment 1 to Exhibit "A", Data Distribution Profile - 22 pages;
- A-2 Attachment 2 to Exhibit "A", General DD Form 1423 Glossary - 10 pages;
- A-3 Attachment 3 to Exhibit "A", AEGIS Training Center Technical Manual Requirements - 2 pages; and
- A-4 Attachment 4 to Exhibit "A", Attachment to ELIN D005, ACS/AWS Technical Manuals Quarterly Status Report No. 17 - 2 pages.

**ATTACHMENTS**

- J-1 Financial Accounting Data Sheet(s) - Attachment (1), 1 page;
- J-2 Lockheed Martin Master Subcontracting Plan for Small and Small Disadvantaged Business Concerns, with Addendum, dated 3 Feb 98 - Attachment (2), 11 pages;
- J-3 Contract Security Classification Specification, DD Form 254 - Attachment (3), 3 pages.

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