
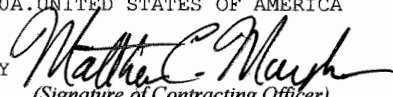


<b>AWARD/CONTRACT</b>		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (A5 CFR 350)		RATING DO-A2		PAGE OF PAGES 1   134	
2. CONTRACT (Proc. Inst. Ident.) NO. N00024-05-C-5117		3. EFFECTIVE DATE SEE BLOCK 20C.		4. REQUISITION/PURCHASE REQUEST/PROJECT NO. N00024-05-NR-65549			
5. ISSUED BY CODE		N00024		6. ADMINISTERED BY (If other than Item 5) CODE		S2401A	
NAVAL SEA SYSTEMS COMMAND BUYER/SYMBOL: SHANNON ELY, SEA 02543E 1333 ISAAC HULL AVENUE, S.E. STOP 2040 WASHINGTON NAVY YARD, DC 20376-2040 PHONE: (202) 781-2853 shannon.ely@navy.mil				DCMA TWIN CITIES B.H. WHIPPLE FEDERAL BLDG, SUITE 1150 1 FEDERAL DRIVE FT. SNELLING, MN 55111-4007			
7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code) United Defense, L.P. Armament Systems Division 4800 East River Road Minneapolis, MN 55421-1498  DUNS No: 00-648-1543 TIN: 54-1693796				8. DELIVERY <input checked="" type="checkbox"/> FOB ORIGIN <input type="checkbox"/> OTHER (See below)			
				9. DISCOUNT FOR PROMPT PAYMENT N/A			
				10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN:		ITEM BLOCK 6	
CODE 44114		FACILITY CODE					
11. SHIP TO/MARK FOR CODE		See SECTION F		12. PAYMENT WILL BE MADE BY CODE		HQ0339	
				DFAS-COLUMBUS CENTER DFAS-CO-JW/WEST ENTITLEMENT OPERATIONS P.O. BOX 182381 COLUMBUS, OH 43218-2381			
13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION <input checked="" type="checkbox"/> 10 U.S.C. 2304(c)(1) <input type="checkbox"/> 41 U.S.C. 253(c)(1)				14. ACCOUNTING AND APPROPRIATION DATA See attached Financial Accounting Data Sheet(s)			
15A. ITEM NO.	15B. SUPPLIES/SERVICES		15C. QUANTITY	15D. UNIT	15E. UNIT PRICE	15F. AMOUNT	
	SEE ATTACHED						
15G. TOTAL AMOUNT OF CONTRACT }							
16. TABLE OF CONTENTS							
(X)	SEC.	DESCRIPTION	PAGE(S)	(X)	SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE				PART II - CONTRACT CLAUSES			
X	A	SOLICITATION/CONTRACT FORM	1	X	I	CONTRACT CLAUSES	85
X	B	SUPPLIES OR SERVICES AND PRICES/COST	2	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.			
X	C	DESCRIPTION/SPECS./WORK STATEMENT	23	X	J	LIST OF ATTACHMENTS	132
X	D	PACKAGING AND MARKING	66	PART IV - REPRESENTATIONS AND INSTRUCTIONS			
X	E	INSPECTION AND ACCEPTANCE	68	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS		
X	F	DELIVERIES OR PERFORMANCE	69	L	INSTRS., COND., AND NOTICES TO OFFERORS		
X	G	CONTRACT ADMINISTRATION DATA	70	M	EVALUATION FACTORS FOR AWARD		
X	H	SPECIAL CONTRACT REQUIREMENTS	72				
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 <u>2</u> 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 herein.)				18. <input type="checkbox"/> 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 continuations 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) DAVID J. SERIE CONTRACTS MANAGER, DD(X)				20A. NAME OF CONTRACTING OFFICER MATTHEW C. MARSHMAN CONTRACTING OFFICER			
19B. NAME OF CONTRACTOR		19C. DATE SIGNED		20A. UNITED STATES OF AMERICA		20C. DATE SIGNED	
BY  (Signature of person authorized to sign)		05/23/05		BY  (Signature of Contracting Officer)		05/23/05	

SCHEDULE**SECTION B - SUPPLIES OR SERVICES AND PRICES/COST**

<u>Item</u>	<u>Supplies/Services</u>	<u>Qty</u>	<u>Unit</u>	<u>Est.</u>
-------------	--------------------------	------------	-------------	-------------

0001	First Ship AGS Detail Design (FY05 SCN)	1	Lot	
------	--	---	-----	--

Estimated Cost:	\$ xxx,xxx,xxx
Base Fee (%) *:	\$ xxx,xxx,xxx
Award Fee (%) :	\$ xxx,xxx,xxx
FCCM*:	\$ <u>xxx,xxx,xxx</u>
Estimated Price:	\$ xxx,xxx,xxx

Not to Exceed Total Cost Plus Fee  
(See Note A)

0002 OPTION	First Ship AGS Gun Detail Design (FY06 SCN)	1	Lot	
----------------	--	---	-----	--

Estimated Cost:	\$ xxx,xxx,xxx
Base Fee (%) *:	\$ xxx,xxx,xxx
Award Fee (%) :	\$ xxx,xxx,xxx
FCCM*:	\$ <u>xxx,xxx,xxx</u>
Estimated Price:	\$ xxx,xxx,xxx

0003	Long Range Land Attack Projectile (LRLAP) Development (CLIN 0003AA FY 05 RDT&E) (See Note B)	1	Lot	
------	--	---	-----	--

Estimated Cost:	\$ xxx,xxx,xxx
Base Fee (%) *:	\$ xxx,xxx,xxx
Award Fee (%) :	\$ xxx,xxx,xxx
FCCM*	\$ <u>xxx,xxx,xxx</u>
Estimated Price:	\$ xxx,xxx,xxx

Not to Exceed Total Cost Plus Fee  
(See Note A)

0004	Data for Items 0001, 0002, and 0003 as defined by the Contract Data Item List (CDRL), Attachment J-3. Not Separately Priced. Cost of data to be included in the applicable Contract Line Item Number (CLIN).			
------	--	--	--	--

SCHEDULE

<u>Item</u> <u>Cost</u>	<u>Supplies/Services</u>	<u>Qty</u>	<u>Unit</u>	<u>Est.</u>
0005	Engineering Services			
OPTIONs	(See Notes C and D)			
0005AA	FY 06 Engineering Services			
	Estimated Cost:	\$	xx,xxx,xxx	
	Base Fee (%)*:	\$	xx,xxx,xxx	
	Award Fee (%):	\$	xx,xxx,xxx	
	FCCM*	\$	xx,xxx,xxx	
	Estimated Price:	\$	xx,xxx,xxx	
	Man-hours			
0005AB	FY 07 Engineering Services			
	Estimated Cost:	\$	xx,xxx,xxx	
	Base Fee (%)*:	\$	xx,xxx,xxx	
	Award Fee (%):	\$	xx,xxx,xxx	
	FCCM*	\$	xx,xxx,xxx	
	Estimated Price:	\$	xx,xxx,xxx	
	Man-hours			
0005AC	FY 08 Engineering Services			
	Estimated Cost:	\$	xx,xxx,xxx	
	Base Fee (%)*:	\$	xx,xxx,xxx	
	Award Fee (%):	\$	xx,xxx,xxx	
	FCCM*	\$	xx,xxx,xxx	
	Estimated Price:	\$	xx,xxx,xxx	
	Man-hours			
0005AD	FY 09 Engineering Services			
	Estimated Cost:	\$	xx,xxx,xxx	
	Base Fee (%)*:	\$	xx,xxx,xxx	
	Award Fee (%):	\$	xx,xxx,xxx	
	FCCM*	\$	xx,xxx,xxx	
	Estimated Price:	\$	xx,xxx,xxx	
	Man-hours			
0005AE	FY 10 Engineering Services			
	Estimated Cost:	\$	xx,xxx,xxx	
	Base Fee (%)*:	\$	xx,xxx,xxx	

SCHEDULE

Award Fee (%) :	\$ xx,xxx,xxx
FCCM*	\$ xx,xxx,xxx
Estimated Price:	\$ xx,xxx,xxx
Man-hours	

0006 Data for Item 0005 as defined by the CDRL, Attachment J-3. Not Separately Priced. Cost of data to be included in the applicable Subcontract Line Item Number (SLIN) of CLIN 0005. (See Note D)

0007 Second Ship Advance Procurement 1 Lot  
OPTION (SCN) (FY06)

Estimated Cost:	\$ xxx,xxx,xxx
Base Fee (%)*:	\$ xxx,xxx,xxx
Award Fee (%) :	\$ xxx,xxx,xxx
FCCM*	\$ xxx,xxx,xxx
Estimated Price:	\$ xxx,xxx,xxx

0008 Data for Item 0007 as defined by the CDRL, Attachment J-3. Not Separately Priced. Cost of data to be included in CLIN 0007.

\* In accordance with DFARS 215.404-74(c), the Base Fee amount to be entered shall (when added to the FCCM amount proposed) equal TBD % of the proposed Estimated Cost. The Estimated Cost in the Section B schedule shall not include Facilities Capital Cost of Money (FCCM).

**Note A:** This contract is a Letter Contract as defined in FAR 16.603-1.

See Clause FAR 52.216-24 entitled "LIMITATION OF GOVERNMENT LIABILITY (APR 1984)". Until this contract is definitized, the Government's maximum liability (as stated in paragraph (b) of FAR provision 52.216-24) is \$38,000,000.

Profit shall be negotiated in accordance with DFARS 252.217-7027 entitled "CONTRACT DEFINITIZATION (OCT 1988)". It is agreed that in no event shall the profit exceed a base fee of 3% and an award fee of 12%

SCHEDULE

of the negotiated estimated cost. It is also agreed that the NTE cost plus award fee amount (which includes a base and award fee that shall not exceed 15% percent of the estimated cost) represents the undefinitized maximum values, which will be subject to negotiations.

**Note B.** Option item which is to be supplied only if and to the extent said option is exercised. The Government may unilaterally require the delivery of the numbered line items to which the note applies in the quantity and at the price stated in the schedule. The Contracting Officer may exercise the option by written or telegraphic notice to the Contractor on or before the latest option exercise date set forth below:

<u>Items</u>	<u>Latest Option Exercise Date</u>
0002	31 December 2006
0005AA	31 December 2005
0005AB	30 December 2006
0005AC	30 December 2007
0005AD	30 December 2008
0005AE	30 December 2009
0007	31 December 2006

These options are unpriced at the time of contract award but will be priced prior to option exercise.

**Note C.** Level of Effort Item in accordance with NAVSEA Provision 5252.216.9112 incorporated as Clause H-9 to the Contract. The hour shown in the schedule are an estimate only and does not indicate that the Government will necessarily order this amount of hours or any at all. The hours shown include both prime and subcontract hours and only represent hours through a five year period of performance. Should additional effort be required beyond this period of performance the estimated costs and fee for these hours to be performed over an additional period shall be negotiated by the Administrative Contracting Officer and the contract shall be modified accordingly.

**Note D.** A portion of the hours may be exercised as an option. In that case, a SLIN shall be established as needed by the Government to distinguish appropriations, as required by Navy comptrollers. Hours not assigned to

SCHEDULE

SLINs shall remain in the Contract Line Item Number (CLIN) to possibly be allocated to SLINs before the latest option exercise date established in Note A.

**B-1 LETTER CONTRACT (COST) (NAVSEA) (MAY 1993)**

This contract is a Letter Contract as defined in FAR 16.603-1. It is agreed that the definitive contract resulting from this Letter Contract will include a negotiated cost plus base fee and award fee in no event to exceed [REDACTED] (including all options) and the total amount (including base fee and award fee) shall not exceed [REDACTED] (including all options).

**B-2 LIMITATION OF COST/LIMITATION OF FUNDS**

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-3 CONTRACT TYPE SUMMARY FOR PAYMENT OFFICE (COST TYPE) (NAVSEA) (FEB 1997)**

This entire contract is cost type.

**B-4 PAYMENTS OF FEE (S) (COMPLETION) (NAVSEA) (MAY 1993) (Applicable to Items 0001 and 0003 and if options are exercised Items 0002 and 0007)**

(a) For purposes of this contract, "fee" means "target fee" in cost-plus-incentive-fee type contracts, "base fee" in cost-plus-award-fee type contracts, "fixed fee" in cost-plus-fixed-fee type contracts for completion and phase type contracts.

(b) The Government shall make payments to the Contractor, subject to and in accordance with the clause in this contract entitled "FIXED FEE" (FAR 52.216-8) or "INCENTIVE FEE", (FAR 52.216-10), as applicable. Such payments shall be equal to TBD percent (%) of the allowable cost of each invoice submitted by and payable to the Contractor pursuant to the clause of this contract entitled "ALLOWABLE COST AND PAYMENT" (FAR 52.216-7), subject to the withholding terms and conditions of the "FIXED FEE" or "INCENTIVE FEE" clause, as applicable (percentage of fee is based on fee dollars divided by estimated cost dollars, including

SCHEDULE

facilities capital cost of money). Total fee(s) paid to the Contractor shall not exceed the fee amount(s) set forth in this contract.

(c) In the event of discontinuance of the work under this contract, or any specified phase of the contract, in accordance with the clause of this contract entitled "LIMITATION OF FUNDS" (FAR 52.232-22) or "LIMITATION OF COST" (FAR 52.232-20), as applicable, the fee shall be equitably adjusted by mutual agreement to reflect the diminution of work. If the adjusted fee is less than the sum of all fee payments made to the Contractor under this contract, the Contractor shall repay the excess amount to the Government. If the adjusted fee exceeds all payments made to the Contractor under this contract, the Contractor shall be paid the additional amount, subject to the availability of funds. In no event shall the Government be required to pay the Contractor any amount in excess of the funds obligated under this contract at the time of the discontinuance of work.

(d) Fee(s) withheld pursuant to the terms and conditions of this contract shall not be paid until the contract has been modified to reduce the fee(s) in accordance with paragraph (c) above, or until the Procuring Contracting Officer has advised the paying office in writing that no fee adjustment is required.

**B-5 PAYMENTS OF FEE(S) (LEVEL OF EFFORT) (NAVSEA) (MAY 1993) (Applicable to Item 0005)**

(a) For purposes of this contract, "fee" means "target fee" in cost-plus-incentive-fee type contracts, "base fee" in cost-plus-award-fee type contracts, or "fixed fee" in cost-plus-fixed-fee type contracts for level of effort type contracts.

(b) The Government shall make payments to the Contractor, subject to and in accordance with the clause in this contract entitled "FIXED FEE" (FAR 52.216-8) or "INCENTIVE FEE", (FAR 52.216-10), as applicable. Such payments shall be equal to TBD percent (%) of the allowable cost of each invoice submitted by and payable to the Contractor pursuant to the clause of this contract entitled "ALLOWABLE COST AND PAYMENT" (FAR 52.216-7), subject to the withholding terms and conditions of the "FIXED FEE" or "INCENTIVE FEE" clause, as applicable (percentage of fee is based on fee dollars divided

SCHEDULE

by estimated cost dollars, including facilities capital cost of money). Total fee(s) paid to the Contractor shall not exceed the fee amount(s) set forth in this contract.

(c) The fee(s) specified in SECTION B, and payment thereof, is subject to adjustment pursuant to paragraph (g) of the special contract requirement entitled "LEVEL OF EFFORT." If the fee(s) is reduced and the reduced fee(s) is less than the sum of all fee payments made to the Contractor under this contract, the Contractor shall repay the excess amount to the Government. If the final adjusted fee exceeds all fee payments made to the contractor under this contract, the Contractor shall be paid the additional amount, subject to the availability of funds. In no event shall the Government be required to pay the Contractor any amount in excess of the funds obligated under this contract at the time of the discontinuance of work.

(d) Fee(s) withheld pursuant to the terms and conditions of this contract shall not be paid until the contract has been modified to reduce the fee(s) in accordance with the "LEVEL OF EFFORT" special contract requirement, or until the Procuring Contracting Officer has advised the paying office in writing that no fee adjustment is required.

**B-6 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.



SCHEDULE**B-7 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.

**B-8 NAPS 5252.232-9001 SUBMISSION OF INVOICES (COST-REIMBURSEMENT, TIME-AND-MATERIALS, LABOR-HOUR, OR FIXED PRICE INCENTIVE) (JUL 1992)**

SCHEDULE

(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:

DCMA Twin Cities  
B.H. Whipple Federal Building, Suite 1150  
1 Federal Drive  
Ft. Snelling, MN 55111

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 Mr. Edward Foster, PMS 500E.

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 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 for which supply/services is provided

SCHEDULE

(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.

☒ 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.

**B-9 DETERMINATION OF FEE (NAVSEA) (APR 2004) (Applicable to Items 0001 and 0003 and if options are exercised Items 0002, 0005 and 0007)**

**A. Introduction**

Award Fee consists of:

Period Award Fee; and  
Event-Based Award Fee.

The Contractor may earn Award Fee, as determined by the Fee Determining Official (FDO), in accordance with procedures specified herein. The Government's purpose in granting Award Fee is to reward high quality Contractor performance in achieving the program objectives specified in this Contract and in discharging related contract obligations.

By way of overseeing the Contractor's performance, the Government will monitor the manner in which the Contractor is proceeding to attain program objectives as specified in

SCHEDULE

this Contract and in discharging related contract obligations.

**B. Award Fee Procedures**

The determination of the amount of award fee earned by the Contractor is made by the FDO based upon the recommendation of the Award Fee Evaluation Board (AFEB).

A recommendation expressed as a percentage of award fee available is made by the Chairman of the AFEB to the FDO based on performance in consideration of evaluation factors and/or evaluation criteria specified in this provision.

3. The FDO shall be the Program Executive Officer Integrated Warfare Systems (IWS ), after consultation with the Program Executive Officer Ships. The AFEB shall consist of the following membership:

a. AFEB

DD(X) IWS Coordinator (AFEB Chairman)

DD(X) Program Manager (Member)

IWS Major Program Manager for Surface Ship Weapons (Member)

DD(X) Technical Director (Member)

DD(X) Production Director (Member)

DD(X) Test and Evaluation Director (Member)

DD(X) Operational Readiness Director (Member)

Procuring Contracting Officer (PCO), Naval Sea Systems Command (Member)

Evaluation by the AFEB will consider the following:

an assessment by the Contractor of its performance relative to the period, event-based and special incentive criteria identified in this provision; and

other inputs as may be available to the AFEB.

Within seven (7) days after the end of each Award Fee evaluation period, the Contractor shall submit its self-assessment of its performance. The Contractor's self-assessment of its performance shall be clear, concise, and shall directly correspond to the requirements of this provision. It should be structured to permit direct correlation with the evaluation criteria established for the period or event. For evaluation criteria established to assess Period Award Fee performance, the Contractor's

SCHEDULE

self-assessment should address only activities occurring during the evaluation period except for those outside the period that must be addressed for clarity and completeness. For evaluation criteria established to assess all Event Based Award Fee events that occurred during the evaluation period, the Contractor's self-assessment should address the results of the performed event(s) in comparison to the event criteria established. Event-Based Award Fee shall be evaluated at the same time as the Period Award Fee is evaluated for the time period in which the event to be evaluated occurred. It is planned that the Award Fee Reviews will occur within fourteen (14) days after the end of each award fee period.

The FDO shall, based on the recommendation of the AFEB and any other pertinent information known, determine the amount of Award Fee which will be paid to the Contractor for its work during the past period and its performance of the event(s) completed during the evaluation period. Within ten (10) days from receiving the AFEB recommendation, the FDO shall submit in writing a determination of Award Fee to the Contracting Officer. This determination shall set forth the fee along with rationale and justification therefore, and request that the PCO notify the Contractor of the FDO determination.

The Contracting Officer shall notify the Contractor in writing of the FDO's determination immediately upon receipt of the FDO's determination.

Within three (3) days from receipt of the Contracting Officer's notification, the Contractor may submit to the Contracting Officer a reclama summarizing any exception(s) with respect thereto. In support of this reclama, the Contractor shall provide its own rating pertaining to Award Fee along with supporting information relating to the factors specified in the contract. Absent receipt of a reclama within the stated timeframe, the FDO's determination shall be considered final and the Contracting Officer shall issue a contract modification formally establishing the earned Award Fee.

Within three (3) days from receipt of a reclama, the Contracting Officer shall submit it to the FDO.

Within fourteen (14) days from receipt thereof, the FDO shall provide to the Contracting Officer a final

SCHEDULE

determination with rationale and justification along with a request that the Contracting Officer issue a contract modification formally establishing the earned Award Fee.

Within seven (7) days from receipt of the FDO final determination, the Contracting Officer shall notify the Contractor in writing of the final determination.

Invoices for earned Award Fee shall be paid in accordance with the applicable payment provisions.

13. For Period Award Fee only, the Government may make provisional award fee payments. A provisional award fee payment is a payment made within an evaluation period prior to a final evaluation for that period. Such payments may be made provided those payments-

Are made no more frequently than monthly;

Are limited to no more than-

(1) For the initial award fee evaluation period, 50 percent of the award fee available for that period; and

(2) For subsequent award fee evaluation periods, 80 percent of the evaluation score for the prior evaluation period times the award fee available for the current period, e.g., if the Contractor received 90 percent of the award fee available for the prior evaluation period, provisional payments for the current period shall not exceed 72 percent (90 percent X 80 percent) of the award fee available for the current period;

Are superceded by an interim or final award fee evaluation for the applicable evaluation period. If provisional payments have exceeded the payment determined by the evaluation score for the applicable period, the contracting officer shall collect the debt in accordance with FAR 32.606; and

May be discontinued, or reduced in such amounts deemed appropriate by the Contracting Officer, when the Contracting Officer determines that the Contractor will not achieve a level of performance commensurate with the provisional payment. The Contracting Officer will notify the Contractor in writing of any discontinuance or reduction in provisional award fee payments.

SCHEDULE**C. Directed Subcontractors Award Fee**

The Contractor shall submit to the PCO for Government approval a plan for distributing earned award fee (by Item, by period and event) to Subcontractors (as agreed upon with the Government) thirty (30) days after contract award, that is consistent with the cost control approaches proposed. Additionally, the Contractor shall arrange for Subcontractors to submit to the PCO for Government approval a plan for distributing earned award fee (by Item, by period and event) to their Subcontractors (as agreed upon with the Government) within thirty (30) days after subcontract award. The plans shall be reviewed by the Government to ensure that an equitable allocation approach is defined, based, in part, on the magnitude of the Contractor's and applicable Subcontractor's respective contributions to the evaluated activity and the quality of performance for each period or event. The Government reserves the right to disapprove any of these plans should it not provide for a fair and equitable allocation of earned award fee between the Contractor and the applicable Subcontractor. Upon Government approval, the plans shall be incorporated into the Contract as Attachment J-4. Contractor shall adhere to the terms and conditions of the approved distribution plan unless changes have been approved by the Government. The Contractor shall maintain separate accounting for Award Fee paid to each Subcontractor cited above.

Notwithstanding any other provisions of this Contract, the Award Fee earned by the Subcontractors cited above shall not be considered fee-bearing by the Contractor. The Subcontractor's earned award fee shall be excluded from the Contractor's allowable costs. The Government shall provide the amount of fee earned which shall include dollars earned (in accordance with the approved award fee distribution plan) under the associated Item for pass-through to the applicable Subcontractor.

All other fee arrangements with Subcontractors are at the discretion of the Contractor.

**D. Award Fee Evaluation Factor and Event Revision**

The Government may unilaterally revise the Period Award Fee factors, the assessment criteria or factor weighting for

SCHEDULE

any given period provided that notification is given to the Contractor by the PCO at least thirty (30) days prior to the inception of the affected period. Event-Based Award Fee events and/or criteria may also be revised. The Contracting Officer will notify the Contractor of the Government's plans to revise the events, criteria or allotment of available fee to events in writing. If the Contractor does not provide written objection within seven (7) days, the Contracting Officer may unilaterally re-establish the associated paragraphs of the Award Fee provision in accordance with the plan provided to the Contractor. If the Contractor notifies the Government of an objection within seven (7) days, the Government and Contractor will attempt to define a mutually acceptable plan. Should the Government determine that agreement can not be reached, the Government reserves the right to unilaterally modify the contract and re-allocate available fee dollars in accordance with the following procedure:

If an event is to be substituted, the modification will provide that any performance toward completion of an event to be superseded that has been performed prior to the effective date of the modification shall be evaluated by the Award Fee Board at the next convened evaluation session utilizing criteria to be established by the Government. The dollar amount to be available for the evaluation of work performed to date shall equate (as a percentage of fee available) to the percentage of the projected cost of the event that has been incurred to date. The remaining dollars shall be allocated to newly defined event(s) and/or existing events at the Government's discretion.

If only the criteria is planned to be revised for a given event, the Government may only unilaterally revise criteria for performance that occurs thirty (30) days after the effective date of the contract modification. Performance prior to that date will be evaluated utilizing the existing criteria.

c) Any revisions (as described above) shall not change the total potential Award Fee available specified in this provision nor change the Award Fee previously earned by the Contractor.

**E. Determination of Award Fee**

Potential Award Fee Amounts



SCHEDULE

**First Period Award Fee.** The award fee pool for the first award fee period is as follows:

**Table 1, Allocation of Award Fee Pool within Items**

Item	PERIOD AWARD FEE AMOUNT (\$)	EVENT BASED AWARD FEE AMOUNT (\$)	TOTAL AVAILABLE AWARD FEE AMOUNT (\$)
0001	████████	████████	████████
0003	████████	████████	████████

**Second and subsequent Award Fee.** The award fee pool for the second and subsequent periods are as follows:

**Table 2, Allocation of Award Fee Pool within Items**

Item	Percent of Item Estimated Cost* for Period Award Fee	Percent of Item Estimated Cost* for Event Based Award Fee	TOTAL AVAILABLE AWARD FEE AMOUNT (\$)
**	**	**	**

\* Estimated Cost shown in Section B (does not include Facilities Capital Cost of Money(FCCM))

\*\* To be negotiated during Contract definitization.

### **Adjective Ratings**

In the award fee evaluation the adjectives and associated award fee percentage ranges (applicable to Period and Event-Based Award Fee) are as follows:

<u>Adjective Rating</u>	<u>Applicable Percentage Range of Award Fee Pool</u>
Outstanding	90-100
Excellent	80-89
Good	70-79
Fair	60-69
Satisfactory*	50-59

\*Any score below 50 is considered to reflect unsatisfactory performance. The Contractor will not receive any Award Fee for a score below 50.

SCHEDULE**Period Award Fee**

The Contractor's performance of the statement of work associated with period will be evaluated. The Government may consider additional criteria not so specified that is deemed reasonable by the Government to consider.

First Award Fee Period. The criteria for the first period are included in this provision.

Second and Subsequent Award Fee Periods. For the second award fee evaluation period, and for each subsequent award fee period, the Contractor shall submit a set of expectations defining the work and the quality of the work to be accomplished during the upcoming evaluation period to PMS 500 sixty (60) days prior to the beginning of the applicable evaluation period. The Government will consider the input and may provide feedback to help the Government understand and formulate expectations of the Contractor's performance to take place in that upcoming period.

Period Award Fee Pool. Table 1 above establishes the amount of award fee available in the first period on a per Item basis. Table 2, above, establish the amount of period award fee available for the second and subsequent periods on a per Item basis. Table 3, below, establishes on a per Item basis, the amount of second and subsequent period award fee available in each rating period.

Table 3 Award Fee Periods and Award Fee Amounts

	Item*		
Period Number	Period	% Distribution of period award fee available	Potential Award Fee (RDT&E)
2	1 Oct 05 - 31 Mar 06	*	*
3	1 Apr 06 - 30 Sep 06	*	*
4	1 Oct 06 - 31 Mar 07	*	*
5	1 Apr 07 - 30 Sep 07	*	*
6	1 Oct 07 - 31 Mar 08	*	*
7	1 Apr 08 - completion	*	*

SCHEDULE

*\* To be negotiated during Contract definitization*

Evaluation Factors and Subfactors\*. The total contract period evaluation factors and subfactors interdependent; in addition to addressing each of the evaluation factors/subfactors individually, consideration may be given in the period award fee evaluation to the Contractor's performance in balancing and trading off the evaluation factors/subfactors for the overall benefit to the program. The period award fee factors (along with weighting) and subfactors to be evaluated within each period are as follows.

Period 1.

Factor 1. Program Management (30%)

Programmatic direction  
Cost control  
Subcontractor management  
Schedule management  
Program management team process  
Integrated security team management  
Contract management

Factor 2. Engineering, Development and Detail Design (50%)

Technical direction and engineering management  
Documentation and configuration control  
Technical performance

Factor 3. Test and Evaluation (10%)

Technical direction and test management  
Documentation and configuration control  
Technical performance

Factor 4. Integrated Logistics (10%)

Technical direction and logistics management  
Documentation and configuration control  
Technical performance

***\* Factors for second and subsequent periods to be negotiated during Contract definitization***

SCHEDULE

Evaluation Criteria. The evaluation criteria to be applied to all Factors and Subfactors is as follows.

QUALITY (THOROUGHNESS, TIMELINESS, ACCURACY, RELEVANCY, ASSURANCE) EXHIBITED IN PERFORMANCE (PLANNING, CONDUCT, ANALYSIS AND DATA DOCUMENTATION).  
DEGREE THAT PERFORMANCE MEETS THE REQUIREMENT.  
DEGREE THAT EXPECTATIONS IN SCHEDULE AND SCOPE FOR THE PERIOD HAVE BEEN ESTABLISHED WITH THE GOVERNMENT IN ADVANCE OF EXECUTION.  
EXTENT THAT EXPECTATIONS HAVE BEEN ACHIEVED.  
DEGREE OF INSIGHT PROVIDED TO RAYTHEON AND LOCKHEED MARTIN AS IT PERTAINS TO AGS AND LRLAP TOTAL SHIP SYSTEM INTEGRATION.  
DEGREE AND EASE OF INSIGHT AFFORDED TO THE GOVERNMENT.  
QUALITY OF PROGRESS REVIEWS, DESIGN REVIEWS AND OTHER EVENTS (EARLY AGENDAS, READ-AHEADS, TO-THE-POINT PRESENTATIONS, MINUTES AND FOLLOW-UP)  
DEGREE OF GOVERNMENT OVERSIGHT REQUIRED.  
DEGREE OF COOPERATION AND RESPONSIVENESS EXHIBITED WITH THE GOVERNMENT.

**Event-Based Award Fee - Events and Criteria**

The Contractor's accomplishment of objectives associated with defined events will be evaluated. The Government may consider additional criteria not so specified that is deemed reasonable by the Government to consider.

First Award Fee Period. The events for the first period are included in this provision.

Second and Subsequent Award Fee Periods. For the second award fee evaluation period, and for each subsequent award fee period, the Contractor shall submit a plan for events planned to occur within the upcoming evaluation period to PMS 500 sixty (60) days prior to the beginning of the applicable evaluation period. The plans shall address event objectives, a set of expectations defining the successful planning and conduct of each event, including the schedule of milestone accomplishments necessary to accomplish the event, and the proposed distribution of available event-based award fee dollars among events. The Government will approve or disapprove the plan within thirty (30) days after receipt of the Contractor's plan. The Government (within forty-five (45) days after receipt

SCHEDULE

of submitted Contractor plan) will establish in the contract via unilateral contract modification the events and associated award fee amounts determined by the Government. The Government will interact with the Contractor to facilitate agreement on plans prior to contractual implementation.

Level of Effort CLIN (Design Studies) Award Fee. Events and associated award fee amounts will be defined in the Technical Instructions (TI) issued against the Level of Effort Item. The TI shall identify the event(s) that, upon completion, will be evaluated by the AFEB and the FDO. Evaluation factors shall be specified in the TI and may include considerations of the Quality of the TI deliverable(s) and the associated Systems Engineering and analysis and the effectiveness of management. Unless mutually agreed upon by the Contractor and the Government, the total award fee that the Contractor is eligible to receive for any TI shall equal \*% of the estimated cost (less FCCM) of the effort required by the TI. The total estimated cost (inclusive of FCCM) for each TI shall be stated in the TI.

\* Percentage to be negotiated during Contract definitization

## FIRST PERIOD EVENTS

CLIN 0001 [REDACTED]

Contract Definitization. [REDACTED] Evaluation will assess progress made towards initial definitization of the contract; quality, accuracy and timeliness of proposal materials; overall cooperation and responsiveness. Goal to complete contract definitization by 30 September 2005. Event is a review of progress in September 2005.

Coordination with [REDACTED] [REDACTED] Event (in July 2005) to demonstrate that all management and technical coordination with [REDACTED] has been thought through. Interfaces for all technical and management activities are established.

Business Process with Shipyards. [REDACTED] Event (in June 2005) to demonstrate that the Contractor has established and implemented management controls to ensure the two Shipyards will have equal access to meetings and data produced under this Contract; points of control and contact

SCHEDULE

are established; record keeping processes are in place to document interactions.

Vendor Furnished Information Plan. [REDACTED] Event (in August 2005) to demonstrate the Contractor's plan to deliver VFI drops as required, in content and schedule to support lead ship(s).

SCHEDULE**SECTION C - DESCRIPTION/SPECIFICATION/WORK STATEMENT****PART 1 - CONTRACT LINE ITEM DESCRIPTION****1. General Requirements.**

a. This Contract with United Defense Limited Partnership (UDLP) contains bridge scope of work required for accomplishment between the DD(X) Critical Design Review and establishment of Production Readiness Review (PRR) for the Advanced Gun System (AGS) Shipboard Equipment Components. Upon completion of various activities leading to PRR, UDLP is expected to assume its role as a directed subcontractor under the dual lead ship design and construction contracts. Additionally, this Contract is to perform Long Range Land Attack Projectile (LRLAP) Development through Land Based Qualification Testing. The Contractor shall develop a set of Basis of Estimate (BOE) documents for all efforts under this Contract and responsively support Contract negotiation activities.

b. The Contractor shall produce and document the AGS Detail Design on which the actual ship construction is based in accordance with DD(X) Phase III Baseline 5.2 that, when integrated with the DD(X) Baseline 5.2 Total Ship System design, is capable of meeting the operational, supportability, schedule and cost requirements specified in the DD(X) Operational Requirements Document (ORD) provided in Attachment J-15 as amended by Attachment J-20, the Specified Performance Document (SPD) provided in Attachment J-9, the AGS/LRLAP System requirements specified in the Advanced Gun System Element Specification and Design-Build-Process Specification provided by Attachment J-10. Baseline 5.2 is defined by documentation provided as Attachments J-32 through J-39. The Contractor shall maintain configuration control of and/or traceability for applicable items among the ORD as modified by Attachment J-20, the SPD, the required level 2 and levels 3 and 4 specifications tiered down from the SPD, the Design-Build-Process Specification, the Crew Specification provided as Attachment J-45, the Off-Ship Specification provided as Attachment J-46, and the Verification Agreement provided as Attachment J-48. The Contractor shall also maintain the following AGS/LRLAP documentation:

1. Advanced Gun System Element Specification
2. AGS Gun Mount to Ship Deck ICD
3. AGS Gun Mount to Ship Services ICD

SCHEDULE

4. AGS Magazine Electronics/Mechanical ICD
5. Land Attack Projectile ICD
6. Land Attack Projectile Propelling Charge ICD
7. AGS Pallet ICD

c. The Contractor shall work with, coordinate with and incorporate results of the related DD(X) bridge efforts of Raytheon and the Integrated Power Systems Contractor in the AGS/LRLAP detail design documentation. The Contractor shall coordinate with the Government to document the related design maturity into established, applicable DD(X) specifications and design artifacts.

d. In the performance of this Contract, the Contractor shall support the Government's acquisition strategy to prepare to compete the construction of DD(X) and shall implement a business process to be followed by all Contractor personnel that provides equal access to meetings and data to both shipyards, by single point of control within the Contractor's Organization to a single point of control within each shipbuilder's organization. Records shall be kept by the Contractor on meetings attended, conversations held and data provided by the Contractor to either shipyard. The Contractor shall demonstrate to the Government that it treated both shipbuilders in a fair and equitable manner.

e. In support of the dual lead ship acquisitions with the shipbuilders, the Contractor shall develop a standard proposal, applicable to either shipyard, for its role as a directed subcontractor as defined in the DD(X) lead ship construction solicitation and for the first five ship sets of AGS equipment. The Contractor shall, when prompted by the Government's Procuring Contracting Officer, provide the identical proposal to each shipbuilder and the Government. The Contractor shall work with either Shipbuilder at their request, compensated for its time directly by the Shipbuilder Offeror under terms, conditions and pricing structures that shall be extended equally and fairly to either Shipbuilder Offeror, to propose any additional requirements to satisfying the Government's solicitation as desired by the Shipbuilder. The Contractor's proposal that constitutes scope beyond the statement of work that defines the directed UDLP scope of work, shall be provided only to the one Shipbuilder and to the Government.

f. The Contractor shall perform program and subcontractor management activities and maintain program



SCHEDULE

control in contract cost, schedule, technical performance, security and QA in executing the statement of work. The Contractor shall develop an integrated baseline (schedule, cost, technical performance) that shows the schedule migration into the Construction contracts. The Contractor shall demonstrate its Earned Value Baselines to the Government with the conduct of an Integrated Baseline Review (IBR) to occur within 90 Days After Contract Award/CLIN execution, or contract definitization, whichever is later. The Contractor shall not conduct any Earned Value Re-Baselining without the expressed approval of the Government. The Contractor shall establish a Program Management Team (PMT) for the purpose of performing oversight to Contractor and Subcontractor work scope planning, budgeting and expenditure, scheduling, program control processes, risk management, Quality Assurance (QA), on-time delivery of deliverables and program security to ensure compliance to the Contract requirements. The Contractor shall maintain suitable management plans to control management processes. Additionally, the PMT shall examine DD(X) AGS/LRLAP life cycle cost (including contract cost through execution of Earned Value Management, second through fifth ship AGS production costs, and operations and maintenance cost) for the purposes of controlling cost (including examination of cost as an independent variable concepts), contract schedule execution, contract technical and logistics performance and assessment of industrial base capabilities.

g. The Contractor shall implement security to: coordinate security policies, procedures, and training; de-conflict security and Information Assurance (IA) issues; ensure programmatic security and IA issues are addressed uniformly at all contracting levels in accordance with security requirements provided as Attachment J-2. Support shall include the designation of a security lead, and other Subcontractors leads as agreed upon by the Government's Program Security Manager. Additionally, the Contractor shall establish a formal security education and awareness program addressing counterintelligence, industrial, information, personnel, and operational security, consisting of formal semi-annual security education and informal periodic security education, reinforced by routine security reminders.

h. Management Controls. The Contractor shall implement management controls in the following areas:

1. Cost As an Independent Variable (CAIV). The Contractor shall establish operational and support CAIV

SCHEDULE

targets for AGS and LRLAP and aggressively manage cost during the design and production of those equipments.

2. Weight Control. The Contractor shall estimate, track, aggressively manage and report weight to the Systems Integrator for inclusion in the Combat System Equipment List (CSEL).

3. Electrical Power. The Contractor shall estimate, manage, track and report electrical and electronic power requirements to the Systems Integrator for inclusion in the Combat System Equipment List (CSEL).

4. Design for Anti-Tamper. The Contractor shall develop and include anti-tamper designs into the AGS and LRLAP to protect critical program information.

5. Weapon Systems Safety. The Contractor shall comply with specified DoD and DoN weapon explosives safety requirements. The Contractor shall execute an explosives safety program that ensures that munitions, explosives, and energetic materials are properly hazard classified, and safely developed, manufactured, tested, transported, handled, stored, maintained, demilitarized and disposed. The Contractor shall provide the AGS and LRLAP Detail Design, the Production Design and the associated concept of operations to the Weapon System Explosives Safety Review Board (WSESRB) in support of their reviews and evaluations. Electromagnetic environmental effects (EMI, EMC, HERO, HERF, HERP and RADHAZ) are also included in this scope of work.

6. Environmental, Safety and Occupational Health (ESOH). The Contractor shall execute an ESOH program as defined below:

- a. System Safety. The Contractor shall establish and conduct a System Safety (SS) program compliant with provisions of MIL-STD-882. The SS program shall include Weapon System Safety, equipment safety, and personnel safety. The Contractor shall ensure the Equipment design is compliant with the DD(X) Safety Environmental and Occupational Health (SAFE) Specification and the Design Build Process Specification (DBPS) Baseline 5.2. The Contractor shall ensure that Mission Systems Equipment can be tested, operated, maintained, repaired, and disposed

SCHEDULE

of in accordance with ESOH statutes, regulations, policies, and, as applicable, environmental treaties and agreements. The Contractor shall regularly review ESOH regulatory requirements and evaluate their impact on the DD(X) Mission System life-cycle cost, schedule, and performance.

- b. Safety and Occupational Health. The Contractor shall identify and evaluate personnel health and equipment hazards, define risk levels and establish mitigations through safety analysis and regulatory requirement evaluations. The Contractor shall ensure that appropriate modifications (if necessary) are carried out in the Equipment design, procedures, and test activities to manage the probability and severity of all hazards and maintain continual compliance with ESOH requirements associated with development, test, use, maintenance and disposal of the DD(X) Mission System Equipment.
- c. Software System Safety (SSS). The Contractor shall ensure that Equipment embedded software is compliant with the SSS sections of the DD(X) Safety Environmental and Occupational Health (SAFE) Specification and the Design Build Process Specification (DBPS) Baseline 5.2, and provisions of the MIL-STD-882. The Contractor shall conduct SSS analysis in accordance with provisions of the MIL-STD-882. The Contractor shall ensure that appropriate modifications (if necessary) are carried out in the Equipment software design, implementation, and test activities to manage the probability and severity of software induced/mitigated hazards. The Contractor shall provide all aspects of the SSS program and software designs to the Software Systems Safety Technical Review Panel (SSSTRP) in support of their reviews and evaluations. The Contractor shall resolve all actions and recommendations of the SSSTRP and brief the results to the SSSTRP and the WSESRB.
- d. Hazardous Material. The Contractor shall establish a hazardous materials management program to reduce or eliminate the use of hazardous materials in Advanced Gun System processes and products in accordance with Executive Order 13148 and NAS-411. The Contractor shall evaluate and manage the

SCHEDULE

selection, use, and disposal of hazardous materials consistent with ESOH regulatory requirements and program cost, schedule, and performance goals. Where avoidance of hazardous material is unreasonably expensive or unavoidable, the Contractor shall develop and implement plans and procedures for life cycle identification, tracking, storing, handling, packaging, transporting, and disposing of such material. The Contractor shall submit hazardous material waiver requests for Government approval consistent with the DD(X) Hazardous Materials Management Program (HMMP) Plan, prior to use.

- e. Pollution Prevention. The Contractor shall ensure the Advanced Gun System Design and concepts of operation do not pollute the environment.
- f. National Environmental Policy Act. The Government has the responsibility to comply with the National Environmental Policy Act and Executive Order 12114 for conduct of Test and Evaluation. To facilitate the Government's planning in this regard, the Contractor shall provide a schedule of Test and Evaluation events to be accomplished in this Contract. The schedule shall list all Test and Evaluation events with test description, test purpose, contemplated dates and locations of conduct. The Contractor shall comply with all environmental protection measures identified in Environmental Planning documentation during tests and ensure that testing is conducted in compliance with applicable Federal, State, and Local environmental and safety Statutes, Laws, Regulations and facility permitting requirements.

7. Design for Human System Interfaces (HSI). The Contractor shall support the Systems Integrator, who is executing a program to integrate the sailor and shore support personnel into DD(X) software and hardware, standardizing Human System Interfaces designs and conducting design-to-human effectiveness.

8. Crewing Analysis. The Contractor shall support the Systems Integrator who is performing crewing and shore support analysis to demonstrate, using Modeling and Simulation (M&S) and human-in-the-loop testing, that the

SCHEDULE

crewing type and level and shore support as part of the DD(X) System design is optimized to establish and maintain ship readiness and conduct ships' mission.

9. Corrosion Control. The Contractor shall execute a materials selection program that will identify critical applications of metallic and/or non-metallic materials, and will demonstrate that materials in critical applications are selected such that they are acceptable for the intended service condition(s) and environments of the ship and/or component(s) and/or material(s), and the intended fabrication and repair methods used/intended to be used during the design service life of the AGS and/or component and/or material and/or application.

i. The Contractor shall participate and utilize the Integrated Data Environment (IDE) to be established by Systems Integrator.

j. The Contractor shall participate and utilize a DD(X) Design Center to be established by the Systems Integrator in the Washington, DC area, as coordinated with the Systems Integrator.

k. The Contractor shall maintain Information Security policies and procedures in accordance with appropriate sections of DODI 8500.2 ENCL 4, the Federal Information Processing Standards Publication (FIPS PUB) 140-2, and the National Industrial Security Program Operating Manual (NISPOM).

l. The Contractor shall, in accordance with the Test and Evaluation Master Plan (TEMP) provided as Attachment J-13 and Live Fire Test and Evaluation (LFT&E) Management Plan provided as Attachment J-14, plan and conduct Developmental Test (DT) and Live Fire Test (LFT), and analyze and report test results for the efforts described in the CLINs below. The Contractor shall perform all test preparations that also include, as applicable: coordination with Major Range and Test Facility Bases (MRTFBs); preparation of test articles, plans and procedures; acquisition of special test equipment; test data collection, reduction, analysis and reporting; perform environmental impact planning; and acquisition of other resources needed to conduct testing. The Contractor is authorized to receive applicable Government user rates at all Government testing facilities, including MRTFBs. In the performance of this testing, as applicable, the Contractor shall utilize, or if required, facilitate then utilize the M&S

SCHEDULE

test beds that are used to conduct Systems Effectiveness and/or Systems Integration. The Contractor shall conduct related M&S VV&A in accordance with the Contractor's M&S VV&A Master Plan. The Contractor shall perform all data analysis required to demonstrate the objectives of tests have been achieved with results captured in the Integrated Verification Report (IVR) maintained by the Systems Integrator.

m. The Contractor shall provide and maintain office facilities for two (2) PMS 500/PEO IWS representatives equal to those provided by the Contractor for his use for generally similar purposes at UDLP, Fridley, MN. The space shall include utilities, telephones and other office accommodations equal to those of the Contractor. In addition to the above, the Contractor shall equip the office space with general work facilities, including personal computers, color and black and white printers, facsimile machine, telephones and lines, color and black and white photocopier with collator and enlarge/reduce capability and high speed Internet access

n. The Contractor shall manage data rights and patent rights, consistent with Contract provisions to: ensure unimpeded, innovative, and cost effective production, operation, maintenance, and upgrade of DD(X) throughout its life cycle; allow for open and competitive procurement of DD(X) subsystems; and permit the transfer of DD(X) technologies to other systems and platforms.

**ITEM 0001 First Ship Advanced Gun System Detail Design.**

The Contractor shall perform the following detail design efforts and deliver documentation as part of the AGS Engineering Notebook (CDRL C.16) in support of In-Process Review (IPR) #1 and in accordance with the Integrated Master Schedule (IMS) (CDRL A.7).

**1. Advanced Gun System (AGS) TSSE (WBS 185200)****AGS System Engineering (WBS 185210).**

The Contractor shall provide the overall system engineering, specialty engineering, and technical management necessary and initiate the AGS detail design in which the actual ship construction is based.

SCHEDULE

The Contractor shall ensure the detail design is in compliance to AGS performance requirements and Ship/AGS interface requirements. Effort includes managing requirements through the use of DOORS for specification maintenance, change control, and requirements reporting. All requirements and interface analysis shall be documented in CDRL C.1 and delivered to support IPR #1.

The Contractor shall initiate the AGS detail design level integration into the Flight 1 ship. This design shall be documented in CDRL C.1 and delivered to support IPR #1.

The Contractor shall initiate the Threat Hazard Assessment (THA) for the detail design baseline. A Gun Weapon System (GWS) IM THA and POA&M shall be prepared by the Contractor for use by the Weapon System Explosives Safety Review Board (WSESRB), Joint Service IM Technical Panel (JSIMTP), NSWC Dahlgren Division IM Review Board (NSWCDD IMRB) and the Navy IM Office for review. Supporting technical documentation necessary for the approval of the detail design level THA and POA&M shall also be prepared by the Contractor. The Contractor shall coordinate and conduct the meetings of the GWS IM Working Group (IMWG). The Contractor shall provide the Draft Safety Support Documentation, CDRL G.6, at IPR #1. The approved safety document shall serve as guidance for testing and reporting in subsequent efforts and shall be provided to the WSESRB and its associated panels.

The Contractor shall initiate Reliability, Maintainability and Availability (RMA) engineering analysis in support of detail design, which includes establishing RMA block diagrams; hardware RMA predictions and allocations; and Failure Modes, Effects, and Criticality Analysis (FMECA) to the Flight 1 requirements. The Contractor shall report the results of RMA efforts in CDRL C.15, RMA Control Report, prior to IPR #1, as scheduled in Attachment J-3.

The Contractor shall initiate Safety and Environment Engineering as part of detail design, which includes effort to update the AGS Subsystem Hazard Analysis (SSHA), System Hazard Analysis (SHA), Operation and Support Hazard Analysis (O&SHA), and Safety Assessment Report (SAR) to support DD(X) and AGS System Safety Working Group (SSWG) reviews. The Contractor shall participate in test procedure safety reviews, and support DD(X) and AGS Weapon System Explosive Safety Review Board (WSESRB) meetings. Environment tasks include providing AGS hazardous materials approval requests and AGS hazardous inputs

SCHEDULE

for overall DD(X) ship mapping. The Contractor shall submit CDRL G.5 Safety Assessment and Compliance Report, as scheduled in Attachment J-3 for Government approval at IPR #1 to document the status of the AGS safety program. The approved document will be used as guidance for design efforts in subsequent phases.

AGS Modeling and Simulation (WBS 185220).

The Contractor shall refine the Operational Virtual Prototype (OpVP) that integrates the AGS (Gun Mount, Magazine, Projectile, and Propellant) in the DD(X) operational environment to the detail design configuration. The Contractor shall perform the Verification, Validation, and Accreditation (VV&A) activities for M&S, in accordance with the VV&A Agreement, provided as Attachment J-12. The Contractor shall deliver a Modeling and Simulation report that contains the OpVP revision, accreditation status, and test results prior to IPR #1 as part of the AGS Engineering Notebook CDRL C.16 Item #8. The approved document will be used to run effectiveness modeling of the AGS system during follow-on detailed design.

The Contractor shall perform mission effectiveness modeling, which includes the effort required to maintain an AGS effectiveness analysis in support of performance assessment of the AGS detail design. The effort includes conducting mission effectiveness analysis and trades to support detail design decisions. The Contractor shall deliver a Mission Effectiveness report that covers analysis of the design upgrade differences between the AGS EDM configuration and Flight 1 configuration. The report shall be delivered prior to IPR #1 as part of the AGS Engineering Notebook CDRL C.16 Items #8 and #10.

Advanced Gun System Test (WBS 185230).

AGS Land Based Testing (WBS 185231). The Contractor shall establish a draft test plan for the operation and firing of the first Production Gun Mount. The Contractor shall deliver a draft Test Plan prior to IPR #1 as part CDRL F.3, Test Plans in accordance with Attachment J-3.

AGS Test Documentation (WBS 185232). The Contractor shall provide draft AGS Test Documentation to support planning and meetings with the Government, and updating the AGS and munitions certification plan. The Contractor shall deliver



SCHEDULE

draft test planning inputs prior to IPR #1 as part CDRLs C.6 in accordance with Attachment J-3.

Sympathetic Detonation testing (WBS 185235). The Contractor shall, in consideration of the detail design, plan, conduct, and report the results of AGS Sympathetic Detonation testing within an AGS Munitions Container and surrogate Pallet.

2. AGS Logistics Support Products (WBS 185300).

The Contractor shall, in support of detail design, initiate AGS Reliability Centered Maintenance (RCM) analysis, maintenance task analysis and life cycle support cost analysis, and develop performance based logistics plans.

3. AGS Mount Component (WBS 185400)

AGS Mount Mechanical Design (WBS 185411). The Contractor shall provide draft drawing, diagram and schematic detail design documentation for the following under CDRL C.16 Item #11 to support Government review at IPR #1:



The Contractor shall initiate and complete detail design of the Flight 1 AGS Mount to meet ship compatibility requirements. The Contractor's detail design effort shall include the following to be submitted under CDRL C.16 Item #11:



The Contractor shall provide a technical data package of the detail design, supporting the integration of the mount to the Ship, and conducting engineering tests to evaluate engineering design approaches and calibrate analysis models. This effort also includes thermal analysis and signature analysis for compliance with the SPD and Design-Build-Process Specification compliance. The Contractor shall deliver draft CDRL C.1, Detail Design Documentation prior to IPR #1, in accordance with Attachment J-3.

AGS Mount Electronics Design (WBS 185412). The Contractor shall initiate detail design of the AGS Mount for integration

SCHEDULE

into the Flight 1 ship, including DAPs/IOCUs, Mount Power Distribution Panel (PDP), Mount Motor Control Units (MCU), and Mount Servo Amplifier Units (SAUs). AGS Mount Cabling and Hardware Packaging includes efforts for the detail cable design, part selection, and routing of cables within the gun mount. It also includes updating the junction box, MCU, and SAU packaging designs to ensure compliance with environmental requirements.

The Contractor shall deliver draft CDRL C.1, Detail Design Documentation and draft CDRL C.16 Items #11 Drawings/Diagrams/Schematics and #16 Environmental/Safety/Health prior to IPR #1, in accordance with Attachment J-3.

AGS Mount Software Engineering (WBS 185420). The Contractor shall initiate the refinement of the embedded AGS Mount Software to support Ship Flight 1 requirements. The AGS Mount software shall include the mount sequencer and mount portions of the motion control SCI, including refinements to the AGS mount servo control algorithms for drives in the gun mount. Software Engineering shall be consistent with DD(X) Tier I Software Development Plan, Rev. J. All of elements of the mission software design shall be in accordance with processes that meet or exceed the requirements of an SEI CMM Level 3 compliance process.

AGS Mount Fabrication (WBS 185440). The Contractor shall initiate manufacturing planning, including: defining manufacturing resource requirements; develop a manufacturing sequence and schedule, establishing lead times and design release, manufacturing, assembly, and test milestones; identifying personnel and man loading requirements; and defining facility requirements and layouts. The Contractor shall also define material handling requirements and methods for moving large heavy structures within and between facilities, and a shipping plan for delivery of the product to the shipyard. The Contractor shall deliver draft CDRL C.16 Item #26 Manufacturing Plans and Data.

4. AGS Magazine Component (WBS 185500)

AGS Magazine Mechanical Design (WBS 185511). The Contractor shall submit draft drawing, diagram and schematic detail design documentation for the following under CDRL C.16 Item #11 to support Government review at IPR #1:

SCHEDULE

The Contractor shall initiate and complete detail design of the Flight 1 AGS Magazine Module Structure to meet ship compatibility requirements.

The Contractor shall provide a technical data package of the detail design, supporting the integration of the magazine to the Ship. The Contractor shall deliver draft CDRL C.1, Detail Design Documentation prior to IPR #1, in accordance with Attachment J-3.

AGS Magazine Electronics Design (WBS 185512). The Contractor shall initiate detail design of the AGS Magazine for integration into the Flight 1 ship, including DAPs/IOCUs, Magazine Power Distribution Panel (PDP), Magazine Motor Control Units (MCU), Projectile Initializer Electronics, and RF ID Device.

The Contractor shall deliver draft CDRL C.1, Detail Design Documentation and draft CDRL C.16 Item #11 Drawings/Diagrams/Schematics to support Government review at IPR #1.

The Contractor shall perform detail design of the AGS Magazine Cabling and Hardware Packaging. Such effort includes cable and parts selection, cable routing within the magazine for both Mt 61 and Mt 62, and updating the junction box, MCU, and SAU packaging designs to ensure compliance with environmental requirements.

The Contractor shall document the integration of the AGS magazine electronics design with its interfacing hardware components. The Contractor shall deliver draft CDRL C.1, Detail Design Documentation prior to IPR #1, in accordance with Attachment J-3.

AGS Magazine Software Engineering (WBS 185520). The Contractor shall initiate refinement of the embedded AGS Magazine Software to support Ship Flight 1 requirements. The AGS Magazine software will include the Magazine sequencer and Magazine portions of the motion control SCI, including updates to the AGS Magazine servo control algorithms for drives in the Magazine. Software Engineering shall be consistent with DD(X) Tier I Software Development Plan, Rev. J. All of elements of the mission software design shall be in accordance with

SCHEDULE

processes that meet or exceed the requirements of an SEI CMM Level 3 compliance process.

AGS Magazine Fabrication (WBS 185540). The Contractor shall initiate manufacturing planning, including: defining manufacturing resource requirements; develop a manufacturing sequence and schedule, establishing lead times and design release, manufacturing, assembly, and test milestones; identifying personnel and man loading requirements; and defining facility requirements and layouts. The Contractor shall deliver draft CDRL C.16 Item #26 Manufacturing Plans and Data.

5. AGS Pallet Component (WBS 185800)

AGS Pallet Design (WBS 185810). The Contractor shall initiate design refinement to the Pallet Flight 1 requirements, including the addition of the Projectile\_INITIALIZER. The Contractor shall provide a technical data package of the design and support the integration of the pallet design with the Ship. The Contractor shall deliver draft CDRL C.1, Detail Design Documentation prior to IPR #1, in accordance with Attachment J-3.

6. AGS Software Engineering (WBS 185900)

AGS Software Management (WBS 185910). The Contractor shall manage the efforts associated with refining the embedded software to achieve Flight 1 ship requirements, using metrics, configuration, quality control, peer review and evaluating techniques. In support of IPR #1, the Contractor shall deliver CDRL D.2, Software Size and Coding Effort Estimate, and CDRL D.4, Software Configuration Item List in accordance with Attachment J-3.

AGS Software System Engineering (WBS 185921). The Contractor shall refine the use cases and object oriented software architecture across all SCIs as required for the Flight 1 detail design. In support of IPR #1, the Contractor shall deliver CDRL D.1, Software Requirements and Interface Specifications in accordance with Attachment J-3.

AGS Software Test (WBS 185922). The Contractor shall plan and conduct SCI test activities for the refined baseline. In support of IPR #1, The Contractor shall deliver draft CDRL D.6, Software Test Plans, in accordance with Attachment J-3.

SCHEDULE

AGS Manager Component (WBS 185930). The Contractor shall refine AGS Manager Software Component to Flight 1 Detail Design. In support of IPR #1, the Contractor shall deliver CDRL D.5, Systems Source Code for the AGS Manager Component, in accordance with Attachment J-3.

Operating Environment CSCI (WBS 185940). The Contractor shall refine the Operating Environment CSCI Component to Flight 1 Detail Design. In support of IPR #1, the Contractor shall deliver CDRL D.5, Systems Source Code for the Operating Environment CSCI, in accordance with Attachment J-3

7. 650VDC Energy Storage Component (WBS 185A00).  
The Contractor shall initiate detail design of the 650VDC AGS Energy Storage Component. The 650VDC Energy Storage Component element shall interface with the DD(X) IPS Contractor for AGS power requirements and IPS impacts.

SCHEDULE**ITEM 0002 First Ship Advanced Gun System Detail Design.**

The Contractor shall perform the following detail design efforts that shall complete and deliver documentation, AGS Engineering Notebook (CDRL C.16), to support the Production Readiness Review (PRR) and be suitable for the procurement of Long Lead Time Materials and initial manufacturing of the AGS production units.

1. Advanced Gun System (AGS) TSSE (WBS 185200)

AGS System Engineering (WBS 185210).

The Contractor shall provide the overall system engineering, specialty engineering and technical management necessary and complete the AGS detail design in which the actual ship construction is based.

The Contractor shall ensure the detail design is in compliance to AGS performance requirements and Ship/AGS interface requirements. Effort includes managing requirements through the use of DOORS for specification maintenance, change control, and requirements reporting. All requirements and interface analysis shall be documented in CDRL C.1 and delivered to support IPR #1. The Contractor shall prepare a Requirements Database for review at PRR that demonstrates the compliance to the Flight 1 baseline.

The Contractor shall complete the AGS detail design level integration into the Flight 1 ship and define system operation, master model baseline, managing system design and integration issues, AGS level timeline, and interface definition.

The Contractor shall complete the Threat Hazard Assessment (THA) for the detail design baseline. The Contractor shall provide updated documentation and complete all requirements levied by the Weapon System Explosives Safety Review Board (WSESRB), Joint Service IM Technical Panel (JSIMTP), NSWC Dahlgren Division IM Review Board (NSWCDD IMRB) and the Navy IM Office for review. The Contractor shall continue coordinating and conducting the meetings of the GWS IM Working Group (IMWG) through completion of mission. Final Safety Support Documentation, CDRL G.6, shall be provided to the WSESRB and its associated panels.

The Contractor shall complete Reliability, Maintainability and Availability (RMA) engineering analysis in support of detail

SCHEDULE

design. The Contractor shall report the results of RMA efforts documented in CDRL C.15, RMA Control Report, prior to the AGS PRR.

The Contractor shall complete Safety and Environment Engineering aspects of the detail design, including the SSHA, SHA, O&SHA, SAR and SSWG reviews. The Contractor shall participate in test procedure safety reviews, and support DD(X) WSESRB meetings. The Contractor shall provide updates to AGS hazardous materials approval requests and AGS hazardous inputs for overall DD(X) ship mapping. The Contractor shall report the results of safety efforts prior to AGS PRR in accordance with CDRL G.5 Safety Assessment and Compliance Report, as scheduled in Attachment J-3.

The Contractor shall perform AGS to Projectile System Integration Engineering, which includes efforts for requirements documentation and analysis, system integration and interfaces, functional analysis, system trades, Technical Performance Measures (TPM), reliability and maintainability engineering, and safety and environment engineering.

AGS Modeling and Simulation (WBS 185220).

The Contractor shall complete the OpVP at the detail design level. The Contractor shall complete model VV&A, in accordance with the VV&A Agreement, provided as Attachment J-12. The Contractor shall deliver the OpVP prior to AGS PRR as part of the AGS Engineering Notebook CDRL C.16 Item #8.

The Contractor shall complete the detail design mission effectiveness analysis. The Contractor shall deliver updated results of mission effectiveness modeling prior to AGS PRR as part of the AGS Engineering Notebook CDRL C.16 Items #8 and #10.

Advanced Gun System Test (WBS 185230).

AGS Land Based Testing (WBS 185231). The Contractor shall deliver a final test plan (CDRL F.3) for the operation and firing of the first Production Gun Mount.

AGS Test Documentation (WBS 185232). The Contractor shall provide final AGS Test Documentation and update the AGS and munitions certification plan. The Contractor shall deliver final test planning inputs prior to AGS PRR as part CDRLs C.6 in accordance with Attachment J-3.

SCHEDULE

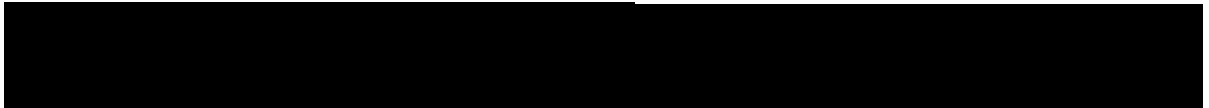
Environmental Component Qualification Planning (WBS 185234). The Contractor shall perform Environmental Component Qualification test planning, which includes qualification planning and analyses for selected AGS components.

2. AGS Logistics Support Products (WBS 185300)

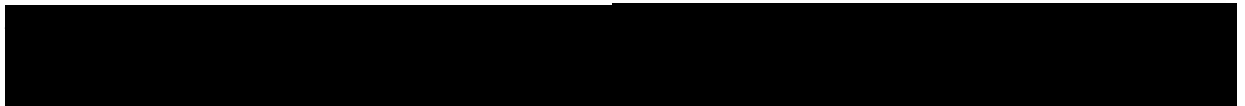
The Contractor shall complete the RCM analysis, the maintenance task analysis, the life cycle support cost analysis, and demonstrate the adequacy of the detail design to the aforementioned analyses. The Contractor shall provide the final Logistics and Life Cycle Support Plan (CDRL C.16 Item #12).

3. AGS Mount Component (WBS 185400)

AGS Mount Mechanical Design (WBS 185411). The Contractor shall complete detail design of the following:



The Contractor shall deliver final CDRL C.1, Detail Design Documentation prior to AGS PRR, in accordance with Attachment J-3.



AGS Mount Software Engineering (WBS 185420). The Contractor shall complete the refinement of the embedded AGS Mount Software to support Ship Flight 1 requirements. Software Engineering shall to be consistent with DD(X) Tier I Software Development Plan, Rev. J. All of elements of the mission software design shall be in accordance with processes that meet or exceed the requirements of an SEI CMM Level 3 compliance process.

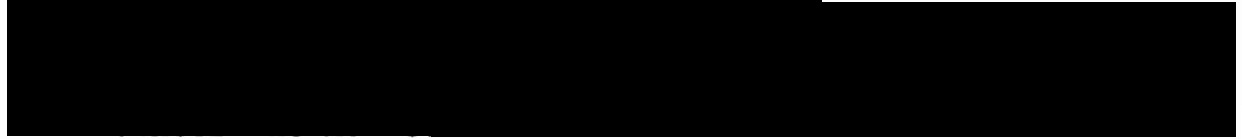
AGS Mount Fabrication (WBS 185440). The Contractor shall complete preparations for and conduct the PRR for the AGS Mount.

4. AGS Magazine Component (WBS 185500)



SCHEDULE

AGS Magazine Mechanical Design (WBS 185511). The Contractor shall complete detail design of the following:



The Contractor shall deliver final CDRL C.1, Detail Design Documentation prior to AGS PRR, in accordance with Attachment J-3.

AGS Magazine Electronics Design (WBS 185512). The Contractor shall complete detail design of all Long Lead Material items to ensure delivery of the AGS Magazine on time to the lead shipyard.

AGS Magazine Software Engineering (WBS 185520). The Contractor shall complete the refinement of the embedded AGS Magazine Controlling Software to support Flight 1 requirements. Software Engineering shall be consistent with DD(X) Tier I Software Development Plan, Rev. J. All of elements of the mission software shall be developed in accordance with processes that meet or exceed the requirements of an SEI CMM Level 3 compliance process.

AGS Magazine Fabrication (WBS 185540). The Contractor shall complete preparations for and conduct the PRR for the AGS Magazine.

5. AGS Pallet Component (WBS 185800)

AGS Pallet Design (WBS 185810). The Contractor shall complete the pallet detail design and perform testing of materials and configurations for Sympathetic Detonation compliance of the AGS Pallet Structure, Projectile Containers, Propelling Charge Containers, and Projectile Initializer. The Contractor shall provide a technical data package of the design and support the integration of the pallet design with the Ship. The Contractor shall deliver draft CDRL C.1, Detail Design Documentation prior to PRR, in accordance with Attachment J-3.

The Contractor shall complete preparations for and conduct PRR of the pallet.

6. AGS Software Engineering (WBS 185900).

SCHEDULE

The Contractor shall complete management, systems engineering, test, manager component and operating environment support for the embedded software refinement.

7. 650VDC Energy Storage Component (WBS 185A00)

The Contractor shall complete the detail design of the AGS Energy Storage Component and conduct a PRR.

SCHEDULE**ITEM 0003 Long Range Land Attack Projectile (LRLAP)  
Development.**

The Contractor shall complete the development of the Long Range Land Attack Projectile (LRLAP) and its associated propelling charge. The Contractor shall develop the AGS munitions in accordance with a disciplined engineering development process including conduct of analyses, modeling, simulations, engineering tests and any other tasks required to design and evaluate AGS munitions satisfying the requirements of the AGS Munitions Performance Specifications and the Interface Requirements Specifications. The tactical projectile and propelling charge designs, including hardware, software and interfaces, and associated test equipment shall be documented through specifications, drawings, parts lists, process control documents, procedures, test plans, and test reports.

**1. AGS Projectile System Engineering and Test (WBS 185620)**

AGS Projectile System Engineering (WBS 185621). The Contractor shall provide AGS projectile system engineering efforts for requirements documentation and analysis, system integration and interfaces, functional analysis, system trades, Technical Performance Measures (TPM), reliability and maintainability engineering, and safety and environment engineering. The Contractor shall support meetings and reviews with outside approving organizations such as the Navy Weapon System Explosives Safety Review Board (WSESRB) (including software and fuzing technical review panels). The Contractor shall provide Modeling and Simulation support to verify the proper implementation of the tactical munitions designs. The Contractor shall conduct formal technical reviews of the design at appropriate design milestones.

AGS Projectile Test and Evaluation (WBS 185622). The Contractor shall conduct test and evaluation activities that support maturation of components, subsystems and the integrated projectile system. Testing includes both ground and gun fire testing per the Munitions Test Plan. The Contractor shall conduct test planning, execution and data analysis activities and shall provide test items, test facilities and test support equipment for conducting each test. The Contractor shall procure materials required to support the total munitions program plan.

SCHEDULE

AGS Projectile Block I Upgrade (WBS 185623). The Contractor shall review LRLAP design upgrade options and spiral implementation approaches.

2. AGS Projectile Design (WBS 185640)

The Contractor shall continue the design and analysis of the AGS projectile, subsystems and components. The AGS projectile design effort will include the fuzing, rocket ignition and pre-launch data initiation functions and a projectile PDR update shall be conducted for these design activities and resolution of actions or findings from the Phase III LRLAP PDR.

3. AGS Projectile Software Development (WBS 185650)

The Contractor shall continue development of AGS projectile software that functionally operates the system projectile design for initialization, in-flight guidance, navigation, and control and terminal effects that include fuzing. Software development shall continue to be consistent with DD(X) Tier I Software Development Plan, Rev. J. All of elements of the mission software shall be developed in accordance with processes that meet or exceed the requirements of an SEI CMM Level 3 compliance process.

4. AGS Propelling Charge TSSE (WBS 185720)

AGS Propelling Charge System Engineering. The Contractor shall provide propelling charge system engineering efforts for requirements documentation and analysis, system trades, TPM, reliability engineering, and safety and environment engineering. The Contractor shall conduct technical reviews at appropriate design milestones.

AGS Propelling Charge Test and Evaluation. The Contractor shall conduct test and evaluation activities that support maturation of components, subsystems and the integrated propelling charge to achieve the propelling charge performance and interface specifications. This task contains effort to plan, design, conduct and report on gun firings of the propelling charge. Initial gun tests will focus on optimizing the performance of the propellant and primer, and the cartridge case and closure plug, using an inert projectile with LRLAP representative tail boom geometry. Testing will be in accordance with the Munitions Test Plan.

SCHEDULE5. AGS Propelling Charge Design (WBS 185740)

The Contractor shall continue the design, analysis and integration of the AGS propelling charge and prepare final design documentation. The AGS propelling charge design effort will include the cartridge case, propellant, primer, closure plug, and any require charge additives for performance. The design effort will include the effort to document the integration of propelling charge design areas with their interfacing hardware components.

SCHEDULE**ITEM 0004 DD(X) Data Items.**

The data to be furnished hereunder shall be prepared in accordance with the attached Contract Data Requirements List (CDRL), provided as Attachment J-3. The data items shall be posted to a specific data item deliverables section on the IDE. The data items are to be configuration controlled, with changes marked in such a manner as to be easily distinguishable. Data items requiring "approval" by the Government are indicated in the CDRLs. For data items that shall not be applicable to Government approval, Government acceptance of the data item is still required as specified in Section E.

SCHEDULE**PART 2 - GENERAL REQUIREMENTS****C-1 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

SCHEDULE

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.

**C-2 APPROVAL BY THE GOVERNMENT (AT) (NAVSEA) (JAN 1983)**

Approval by the Government as required under this contract and applicable specifications shall not relieve the Contractor of its obligation to comply with the specifications and with all other requirements of the contract, nor shall it impose upon the Government any liability it would not have had in the absence of such approval.

**C-3 ASSIGNMENT AND USE OF NATIONAL STOCK NUMBERS (NAVSEA) (MAY 1993)**

To the extent that National Stock Numbers (NSNs) or preliminary NSNs are assigned by the Government for the identification of parts, pieces, items, subassemblies or assemblies to be furnished under this contract, the Contractor shall use such NSNs or preliminary NSNs in the preparation of provisioning lists, package labels, packing lists, shipping containers and shipping documents as required by applicable specifications, standards or Data item Descriptions of the contract or as required by orders for spare and repair parts. The cognizant Government Contract Administration Office shall be responsible for providing the Contractor such NSNs or preliminary NSNs which may be assigned and which are not already in possession of the Contractor.

**C-4 COMPUTER SOFTWARE AND/OR COMPUTER DATABASE(S) DELIVERED TO AND/OR RECEIVED FROM THE GOVERNMENT (NAVSEA) (APR 2004)**

(a) The Contractor agrees to test for viruses all computer software and/or computer databases, as defined in the clause entitled "RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL COMPUTER SOFTWARE DOCUMENTATION" (DFARS 252.227-7014), before delivery of that computer software or computer database in whatever media and on



SCHEDULE

whatever system the software is delivered. The Contractor warrants that any such computer software and/or computer database will be free of viruses when delivered.

(b) The Contractor agrees to test any computer software and/or computer database(s) received from the Government for viruses prior to use under this contract.

(c) Unless otherwise agreed in writing, any license agreement governing the use of any computer software to be delivered as a result of this contract must be paid-up and perpetual, or so nearly perpetual as to allow the use of the computer software or computer data base with the equipment for which it is obtained, or any replacement equipment, for so long as such equipment is used. Otherwise the computer software or computer database does not meet the minimum functional requirements of this contract. In the event that there is any routine to disable the computer software or computer database after the software is developed for or delivered to the Government, that routine shall not disable the computer software or computer database until at least twenty-five calendar years after the delivery date of the affected computer software or computer database to the Government.

(d) No copy protection devices or systems shall be used in any computer software or computer database delivered under this contract to restrict or limit the Government from making copies. This does not prohibit license agreements from specifying the maximum amount of copies that can be made.

(e) Delivery by the Contractor to the Government of certain technical data and other data is now frequently required in digital form rather than as hard copy. Such delivery may cause confusion between data rights and computer software rights. In the event that there is any routine to disable the computer software or computer database after the software is developed for or delivered to the Government, that routine shall not disable the computer software or computer database until at least twenty-five calendar years after the delivery date of the affected computer software or computer database to the Government.

(f) Any limited rights legends or other allowed legends placed by a Contractor on technical data or other data delivered in digital form shall be digitally included on the same media as the digital-form data and must be associated with the corresponding digital-form technical data to which the legends apply to the extent possible. Such legends shall also be placed in human-readable form on a

SCHEDULE

visible surface of the media carrying the digital-form data as delivered, to the extent possible.

**C-5 CONFIGURATION MANAGEMENT (CM) (NAVSEA) (MAR 2001) (Deviation)**

(a) Baseline Definition - For configuration control purposes, all contractual documentation in effect at the time of contract award shall constitute the Contract Baseline which shall be considered incorporated in the baseline documentation.

(b) General Requirement

(1) The Contractor shall maintain a Configuration Control Program to assure that all detail level work being performed under this contract is in compliance with appropriate baseline documentation. Additionally, this includes maintaining configuration control Bill of Material Items. The Contractor shall prepare a Configuration Management Plan for approval by the Government. As part of its Configuration Management Plan, the Contractor shall specify that the Configuration Control of the Specified Performance Document (SPD) and requisite Tier 2 specifications shall begin at contract award. Changes to the SPD and requisite Tier 2 specifications desired by the Contractor (or the Government) after contract award shall be administered through the approved CM process. Configuration Control of Tier 3 specifications shall begin as specified in the Design-Build-Process Specification. The Contractor shall specify that the Configuration Control of Tier 4 specifications shall begin with approval at Production Readiness Review. Changes to Tiers 3 and 4 specifications desired by the Contractor (or the Government) shall be administered through the approved CM process. The Contractor shall specify that the Configuration Control of the Design-Build-Process Specification shall begun with approval at Critical Design Review. Changes to Design-Build-Process Specification desired by the Contractor (or the Government) shall be administered through the approved CM process.

(2) Whenever a situation arises wherein the Contractor cannot comply with a document that is configuration controlled by the contract, or whenever intent of such documentation is significantly changed by detail level documentation, the Contractor shall submit change documents to modify baseline documents to resolve the conflict or to allow non-compliance. Whenever the cost of implementing a proposed change is less than the threshold requiring certified cost or pricing data, the Contractor shall provide documentation explaining the nature of related costs as shown on the change document. Whenever the contract cost changes by an

SCHEDULE

amount greater than the threshold requiring certified cost or pricing data, the Contractor shall complete such cost and pricing data as the Contracting Officer shall require detailing all related costs, and attach it to the change document. Requirements for cost and pricing data shall be determined by the gross amount of the change unless otherwise directed by the contracting officer. Change documentation shall be submitted to the Contracting Officer and as described in paragraphs (c) through (f) below.

(3) The Contractor shall maintain Master Equipment List (MEL) item procurement specifications for the DD(X), including all revisions to the documents, tracking the status of all Engineering Change Proposals (ECPs) which impact MEL item procurement specifications; and updating and distributing MEL item procurement specifications as required to support procurement and construction needs.

(c) ECPs - ECPs shall be prepared in accordance with the approved Configuration Management Plan and the requirements of the contract. DI-CMAN-80639C approved 30 Sep 2000 and MIL-HDBK-61A of 7 Feb 2001 apply. An ECP shall be used whenever the detail level physical configuration, material quality, operational or functional performance of equipment or installed systems will not be in compliance with baseline design-related documents (Ship Specifications, Contract Drawings, etc.), and a change to the baseline document is considered an appropriate means of resolving a design-related issue. Documentation shall be developed in sufficient detail to enable Government review and evaluation of the merits of the proposed change, including life cycle cost and scheduling impact, ship class impact, and consequences if disapproved. All existing drawings, documents and technical manuals impacted by the change shall be listed along with a brief narrative explanation of needed changes to incorporate the ECP if approved. Weight and moment data incidental to the change shall be provided. The Contractor shall also prepare applicable baseline document insert sheets, with specific word changes or proposed re-write, to facilitate baseline documentation changes.

(d) Non-Engineering Change Proposals (NECPs) - An NECP should be submitted whenever necessary to document administrative, procedural, scheduling, or documentation changes that do not directly impact the physical configuration of the equipment. The NECP shall explain the nature of the problem, identify the applicable baseline document (i.e., Contract Data Requirements list item, Contract Clause, etc.) and provide a detailed explanation justifying the proposed course of action desired to resolve the problem. Insert sheets for applicable documents shall also be

SCHEDULE

attached to facilitate change action in the event the NECP is approved.

(e) Deviations and Waivers - In the event that a baseline design-related document requirement cannot be met, and a change to the baseline document is considered inappropriate, the Contractor shall submit a request for deviation or waiver, as applicable. DI-CMAN-80640C approved 30 Sep 2000 and MIL-HDBK-61A of 7 Feb 2001 apply. The explanation of "need for deviation" should provide detailed justification and consequences of approval, to include technical details explaining the degree of non-compliance or effect on ship equipment or system operation constraints. In a similar manner, a waiver shall document an "as built" configuration that departs from baseline documentation and should include any proposed corrections or modifications to better meet the intent of the baseline document.

(f) Equitable Adjustments for Change Documentation Preparations - For its effort expended in preparing ECPs, NECPs, Deviations and Waivers, the Contractor shall receive equitable adjustment under the following circumstances.

(1) In the event the Contractor, on its own initiative, and without written request from the Government, develops a change document that is later disapproved by the Government, the Contractor shall bear the cost of this effort.

(2) To avoid such loss, and at its option, the Contractor may submit a "preliminary" document that outlines intent, but without detailed supporting documentation and request the Contracting Officer's approval for expenditure of effort to complete the detailed supporting documentation. In the event the Contracting Officer denies this request, the Contractor will bear the cost of development of the "preliminary" document, and shall make no further effort to complete detailed supporting documentation.

(3) In the event the Contracting Officer approves the Contractor's request to develop supporting documentation, the Contractor shall be equitably compensated for its effort for both the "preliminary" and "final" documentation, regardless of whether or not the change document is later approved.

(4) In the event the Contracting Officer requests in writing that the Contractor develop change documentation, the effort expended by the Contractor in developing such documentation shall be subject to equitable adjustment, regardless of whether or not the change document is later approved.

SCHEDULE

(5) In the event the Contractor, on its own initiative, and without written request from the Government, develops a change document that is later approved by the Contracting Officer, the cost of developing such documentation shall be incorporated in the contract modification that implements the change.

(6) Failure to agree to such equitable adjustment in contract price shall constitute a dispute, and shall be adjudicated in accordance with the requirements of the clause entitled "DISPUTES" (FAR 52.233-1).

(g) Any cost reduction proposal submitted pursuant to the clause entitled "VALUE ENGINEERING" (FAR 52.248-1) shall be submitted as a Code V Engineering Change Proposal (VECP). DI-CMAN-80639C approved 30 Sep 2000 and MIL-HDBK-61A of 7 Feb 2001 apply. Information required by the "VALUE ENGINEERING" clause shall also be submitted as part of the change request.

(h) The Contractor shall verify (by physical inspection of the vessel) to the Government, that all Field Modification Requests (FMRs) and Headquarters Modification Requests (HMRs) (including Government responsible trial items) have been incorporated into the vessel. Verification shall include:

- (1) List of all HMRs and FMRs authorized to date.
- (2) List of those HMRs and FMRs verified to be complete.
- (3) List of those HMRs and FMRs which are partially complete or not started with scheduled date for their completion.

**C-6 CONTRACTOR PROBLEM IDENTIFICATION REPORTS (NAVSEA) (MAY 1993)  
(DEVIATION)**

(a) Contract Problem Identification Reports (CPIRs) shall be used by the Contractor for the purpose of alerting the Government to actual or potential contract problems and of establishing an early dialogue between the Contractor and the Government with regard thereto.

(b) A "contract problem" is a fact or circumstance of which the Contractor is aware that does, will or reasonably is anticipated to (1) have a significant or substantial impact on the delivery schedule or completion of contract performance or the cost of performance of the contract (increase or decrease) or (2) requires modification to the contract or specification(s). The terms

SCHEDULE

"significant" and "substantial" shall be interpreted in the same manner as they would be interpreted by a reasonably prudent businessperson under the relevant circumstances.

(c) The Contractor shall report each contract problem promptly and in no event later than ten (10) calendar days, after the Contractor identifies such contract problem. A written CPIR shall be transmitted via the Administrating Contracting Officer (ACO) to the Procuring Contracting Officer and to the cognizant technical code. Each CPIR shall be entitled "Contract Problem Identification Report", shall be dated, numbered sequentially and shall set forth the following based on the best and most complete information then known or available to the Contractor:

- (1) The nature of the contract problem;
- (2) The date on which the contract problem arose and the date on which the contract problem was identified as such;
- (3) The anticipated direct and consequential effects of the contract problem upon the delivery schedule or completion of contract performance or the cost of performance of the contract;
- (4) Identification of the supplies and/or services which are or may be affected; and
- (5) The Contractor's recommended solution to the reported contract problem.

(d) CPIR data and follow-up status reports of each contract problem, identified by the original CPIR number, shall be included prominently in the Program Management Report CDRL (Attachment J-3). A final follow-up report shall be furnished immediately following resolution of each contract problem.

(e) CPIRs shall not be submitted when notice of the same contract problem is required to be furnished to the Government pursuant to any other requirement of this contract. The submission of a CPIR, however, does not relieve the Contractor of its obligations to provide notice required under any other requirement of this contract.

**C-7 EXCLUSION OF MERCURY (NAVSEA) (MAY 1998)**

Mercury or mercury containing compounds shall not be intentionally added or come in direct contact with hardware or supplies furnished under this contract.

SCHEDULE**C-8 EXTENSION OF COMMERCIAL WARRANTY (NAVSEA) (NOV 1996)  
(DEVIATION)**

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 and mark the item with a reference to the specific terms and conditions of the warranty to ease the maintainer's ability to understand that the item is under warranty. The Contractor shall maintain the complete record of warranties on a ship basis, to allow the Government an efficient means to inquire of the Contractor on warranty matters. 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.

**C-9 INFORMATION AND DATA FURNISHED BY THE GOVERNMENT (COST TYPE) -  
ALTERNATE I (NAVSEA) (APR 2004) (DEVIATION)**

(a) Contract Specifications. The Government will furnish, if not included as an attachment to the contract, any unique contract specifications set forth in Section Cas requested by the Contractor and deemed appropriate by the Government as being labeled Government Furnished Information (GFI).

(b) Contract Drawings and Data. The Government will furnish contract drawings, Contractor drawings, ship construction drawings, and/or other design or alteration data cited or referenced in Section C or in the contract specification as mandatory for use or for contract guidance.

(c) Government Furnished Information. GFI is defined as that information essential for the installation, test, operation, and interface support of all Government Furnished Material, as applicable. The Government shall furnish only the GFI identified in the contract. The GFI furnished to the contractor need not be in any particular format. Further, the Government reserves the right to revise the listing of GFI as follows:

- (1) The Contracting Officer may at any time by written order:

SCHEDULE

(i) delete, supersede, or revise, in whole or in part, data listed or specifically referenced in the contract.; or

(ii) add items of data or information to the Contract;  
or

(iii) establish or revise due dates for items of data or information in the Contract.

(2) If any action taken by the Contracting Officer pursuant to subparagraph (1) immediately above causes an increase or decrease in the costs of, or the time required for, performance of any part of the work under this contract, an equitable adjustment shall be made in the contract amount and delivery schedule in accordance with the procedures provided for in the clause of this contract entitled "CHANGES--COST-REIMBURSEMENT" (FAR 52.243-2) or "CHANGES--TIME-AND-MATERIALS OR LABOR-HOURS" (FAR 52.243-3).

(d) Except for the Government information and data specified by paragraphs (a), (b), and (c) above, the Government will not be obligated to furnish the Contractor any specification, standard, drawing, technical documentation, or other publication, notwithstanding anything to the contrary in the contract specifications as applicable, the clause of this contract entitled "GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS)" (FAR 52.245-5), or any other term or condition of this contract.

(e) Referenced Documentation. The Government will not be obligated to furnish Government specifications and standards, including Navy standard and type drawings and other technical documentation, which are referenced directly or indirectly in the contract specifications set forth in Section C and which are applicable to this contract as specifications. Such referenced documentation may be obtained:

(1) From the ASSIST database via the internet at <http://assist.daps.dla.mil/>; or

(2) By submitting a request to the

Department of Defense Single Stock Point (DoDSSP)  
Building 4, Section D  
700 Robbins Avenue  
Philadelphia, Pennsylvania 19111-5094  
Telephone (215) 697-2179



SCHEDULE

Facsimile (215) 697-1462.

Commercial specifications and standards, which may be referenced in the contract specification or any sub-tier specification or standard, are not available from Government sources and should be obtained from the publishers.

**C-10 LIMITATION OF LIABILITY - HIGH VALUE ITEMS (NAVSEA) (JUN 1992)**

The following items are subject to the clause of this contract entitled "LIMITATION OF LIABILITY--HIGH VALUE ITEMS" (FAR 52.246-24): TBD

**C-11 PLANT PROTECTION (NAVSEA) (SEP 1990)**

(a) The Contractor shall provide for its plant and the work in process under this contract such safeguards, including personnel, devices, and equipment, as would constitute reasonable protection under peacetime conditions (in the light of the size of the plant and the scope of its operations) against all hazards, including unauthorized entry, malicious mischief, theft, vandalism and fire.

(b) In addition to the foregoing precautions, the Contractor shall provide such additional safeguards as may be required or approved by the Contracting Officer for the protection of its plant and the work in process under this contract against espionage, sabotage, and enemy action. The cost to the Contractor of all safeguards so required or approved shall, to the extent allocable to this contract, be reimbursed to the Contractor in the same manner as if the Contractor has furnished such safeguards pursuant to a change order issued under the clause of this contract entitled "CHANGES--FIXED-PRICE" (FAR 52.243-1) or "CHANGES--COST-REIMBURSEMENT" (FAR 52.243-2), as applicable. Such cost shall not include any allowance on account of overhead expense, except shop overhead charges incident to the construction or installation of such devices or equipment.

(c) Upon payment by the Government of the cost to the Contractor of any device or equipment required or approved under paragraph (b) above, title thereto shall vest in the Government, and the Contractor shall comply with the instructions of the Contracting Officer respecting the identification and disposition thereof. No part or item of any such devices or equipment shall be or become a fixture by reason of affixation to any realty not owned by the Government.

SCHEDULE**C-12 QUALIFICATION OF CONTRACTOR NONDESTRUCTIVE TESTING (NDT) PERSONNEL (NAVSEA) (APR 2004)**

(a) The Contractor and any Nondestructive Testing (NDT) subcontractor shall utilize for the performance of required NDT, only Level I, II and III personnel currently certified in accordance with NAVSEA Technical Publication T9074-AS-GIB-010/271, ACN Notice 1 of 16 Feb 99. Documentation pertaining to the qualification and certification of NDT personnel shall be made available to the Contracting Officer for review upon request.

(b) These requirements do not apply with respect to nuclear propulsion plant systems and other matters under the technical cognizance of SEA 08. Because of health and safety considerations, such matters will continue to be handled as directed by SEA 08.

**C-13 SPECIAL AGREEMENT REGARDING SWITCHBOARD SUBCONTRACTS (NAVSEA) (JUN 2000)**

The Government has an interest in maintaining a competitive market for switchboards to be used on U.S. Naval vessels. The requirements of 10 U.S.C. 2534 result in a major component of certain switchboards (i.e., air circuit breakers) being available from a single domestic source who is also a competitor for such switchboards. Therefore, the Contractor shall evaluate subcontract proposals for such switchboards exclusive of air circuit breaker content or on some other basis that ensures an equitable switchboard competition.

**C-14 PROGRESS REVIEWS, DESIGN REVIEWS AND OTHER EVENTS (PC) (AT) (JAN 1983) (DEVIATION)**

(a) Quarterly Progress Reviews (QPR). The Contractor shall conduct QPR meetings at mutually agreed upon dates and locations. The QPRs shall begin 90 days after award. During QPRs, the Contractor shall present contract scope of work cost, schedule, and technical performance status. Integrated Product Team leads or functional managers shall include information in discussions of schedule status, technical performance, and risk using earned value as an integrating tool. At a minimum the following shall be addressed: Cost and schedule trends, significant cost, schedule and technical variances, projected impacts, quantified risk assessments, and corrective action plans.

(b) Technical Reviews, In-Process Reviews (IPRs) and Software Milestone Reviews. The Contractor shall plan and conduct formal

SCHEDULE

technical reviews, IPRs and Software Milestone Reviews on matters as coordinated with the Government.

(c) Test Readiness Reviews (TRRs) and Mission Readiness Reviews (MRRs). The Contractor shall plan and conduct a TRR prior to the performance of a test, to demonstrate that test planning, instrumentation and set-up will safely achieve the predicted test results, in an operationally safe and effective manner. MRRs, co-chaired by the Government, will be conducted instead of TRRs for the conduct of events and tests as discussed in the PMS 500 MRR Instruction (Attachment J-26).

(d) The Contractor shall notify the Government of reviews with preliminary agenda topics, security considerations, locations and times. The Contractor shall prepare and submit for Government approval to release agendas, minutes and action item lists to document the reviews.

(e) The Contractor shall make the presentation material that is to be presented at the reviews and conferences cited in this provision available at least three-business days in advance of the review and/or conference. Preliminary presentation material, sufficient to demonstrate the scope and quality of material to be presented shall be made available at least 1 week in advance of the review and/or conference.

**C-15 RECOGNITION OF ELECTRONIC DELIVERABLES**

Data required to be delivered under the Contract Data Requirement List of this contract, that would be deemed Technical Data under DFARS 252.227-7013, if it were delivered in written form, shall not lose its status as Technical Data because access by the Government, or delivery by the Contractor, is by electronic means. The rights of the parties in said Technical Data shall be as specified in DFARS 252.227-7013.

**C-16 REGULATORY BODIES, STANDARDS, CERTIFICATIONS AND DATA REQUIREMENTS**

(a) The articles produced shall comply with all the applicable laws of the United States and the requirements of the various regulatory bodies and rules, in effect issue at the time of the proposal due date. All necessary certifications or documents that cover the approval confirm and indicate compliance with the ABS rules, DoD and DoN Navy's Weapons System Explosive Safety Review Board and other certification authorities shall be obtained by the Contractor. Data necessary for the Contractor to obtain the

SCHEDULE

required certifications, classification, or statements of voluntary compliance shall also be provided. Additionally, the Contractor shall accomplish all work necessary to comply with all those applicable laws of the United States, and the requirements of the various regulatory bodies and imposed rules. All of the above which are imposed as a requirement subsequent to contract award must be accomplished in order to obtain certification prior to delivery.

(b) Copies of all correspondence between the Contractor and Regulatory Bodies shall be provided to the Supervisor of Shipbuilding and PMS 500 within three (3) business-days of receipt and delivery.

**C-17 METRIC SYSTEM**

The Contractor is required to the maximum extent practical to use the metric system of measurement throughout the design of the DD(X) System. The Contractor is required to deliver its metrication policy describing the extent to which its design, will comply with metrication within 90 days of the contract award. In areas in which the use of metric measure is determined to be impractical or non-cost effective, a justification shall be provided.

**C-18 "AS IS" GOVERNMENT FURNISHED PROPERTY**

The Government makes no warranty whatsoever with respect to Government property furnished "as is". Property furnished "as is" may or may not be suitable for use. The condition of Government-furnished property shall not be cause for any change to the contract cost or fee specified in Section B or delivery schedule specified in Section F of the contract. No repair or modification to Government property furnished "as is" shall occur without the Contracting Officer's written approval. Any repair or modification of Government property furnished "as is" shall not affect the title of the Government. Except as otherwise provided in this clause, Government property furnished "as is" shall be governed by the Government Property clause of this contract.

**C-19 FACILITIES NOT TO BE GOVERNMENT-FURNISHED (CT) (NAVSEA) (JAN 1990)**

The Contractor's obligation to perform this contract is in no way conditioned upon the providing by the Government of any facilities, except as may be otherwise expressly provided herein. Accordingly, no such facilities shall be either acquired by the Contractor for the account of the Government or furnished to the Contractor by the Government hereunder. For the purpose of this requirement,

SCHEDULE

facilities means industrial property (other than material, special tooling, military property, and special test equipment) for production, maintenance, research, development or test, including real property and rights therein, buildings, structures, improvements, and plant equipment as defined in FAR 45.101 and 45.301 and DFARS 245.301.

**C-20 USE OF NAVY SUPPORT CONTRACTORS FOR OFFICIAL CONTRACT FILES (NAVSEA) (APR 2004)**

(a) NAVSEA may use a file room management support contractor, hereinafter referred to as "the support contractor", to manage its file room, in which all official contract files, including the official file supporting this procurement, are retained. These official files may contain information that is considered a trade secret, proprietary, business sensitive or otherwise protected pursuant to law or regulation, hereinafter referred to as "protected information". File room management services consist of any of the following: secretarial or clerical support; data entry; document reproduction, scanning, imaging, or destruction; operation, management, or maintenance of paper-based or electronic mail rooms, file rooms, or libraries; and supervision in connection with functions listed herein.

(b) The cognizant Contracting Officer will ensure that any NAVSEA contract under which these file room management services are acquired will contain a requirement that:

The support contractor not disclose any information;

(2) Individual employees are to be instructed by the support contractor regarding the sensitivity of the official contract files;

(3) The support contractor performing these services be barred from providing any other supplies and/or services, or competing to do so, to NAVSEA for the period of performance of its contract and for an additional three years thereafter unless otherwise provided by law or regulation; and,

(4) In addition to any other rights the contractor may have, it is a third party beneficiary who has the right of direct action against the support contractor, or any person to whom the support contractor has released or disclosed protected information, for the unauthorized duplication, release, or disclosure of such protected information.

SCHEDULE

(c) Execution of this contract by the contractor is considered consent to NAVSEA's permitting access to any information, irrespective of restrictive markings or the nature of the information submitted, by its file room management support contractor for the limited purpose of executing its file room support contract responsibilities.

(d) NAVSEA may, without further notice, enter into contracts with other contractors for these services. Contractors are free to enter into separate non-disclosure agreements with the file room contractor. (Please contact Director, E Business Division for contractor specifics.) However, any such agreement will not be considered a prerequisite before information submitted is stored in the file room or otherwise encumber the government.

**C-21 Product/Technical Data Development and Delivery.**

(a) Product/Technical Data shall be developed and delivered in accordance with Attachment J-8.

(b) Reproduction of digital data in hardcopy formats to meet specific needs is not prohibited.

**C-22 ASSIGNMENT OF SERIAL NUMBER(S) (NAVSEA) (SEP 1990)**

The Contractor shall request serial number assignment, in writing, from the Cognizant Technical Program Office, with a copy to the cognizant Contract Administration Office. The request for serial number assignment shall contain the following minimum information:

- (a) Contract number;
- (b) Assigned line item number and description;
- (c) Assigned type designation;
- (d) Assigned model number;
- (e) Top drawing number and ID (List of Drawings) number;
- (f) Exact quantity for which serial numbers are being requested, including preproduction samples required by the contract; and
- (g) National Stock Number

SCHEDULE**C-23 ORGANIZATIONAL CONFLICT OF INTEREST (NAVSEA) (JUL 2000)**

(a) "Organizational Conflict of Interest" means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage. "Person" as used herein includes Corporations, Partnerships, Joint Ventures, and other business enterprises.

(b) The Contractor warrants that to the best of its knowledge and belief, and except as otherwise set forth in the contract, the Contractor does not have any organizational conflict of interest(s) as defined in paragraph (a).

(c) It is recognized that the effort to be performed by the Contractor under this contract may create a potential organizational conflict of interest on the instant contract or on a future acquisition. In order to avoid this potential conflict of interest, and at the same time to avoid prejudicing the best interest of the Government, the right of the Contractor to participate in future procurement of equipment and/or services that are the subject of any work under this contract shall be limited as described below in accordance with the requirements of FAR 9.5.

(d) (1) The Contractor agrees that it shall not release, disclose, or use in any way that would permit or result in disclosure to any party outside the Government any information provided to the Contractor by the Government during or as a result of performance of this contract. Such information includes, but is not limited to, information submitted to the Government on a confidential basis by other persons. Further, the prohibition against release of Government provided information extends to cover such information whether or not in its original form, e.g., where the information has been included in Contractor generated work or where it is discernible from materials incorporating or based upon such information. This prohibition shall not expire after a given period of time.

(2) The Contractor agrees that it shall not release, disclose, or use in any way that would permit or result in disclosure to any party outside the Government any information generated or derived during or as a result of performance of this contract. This prohibition shall expire after a period of three years after completion of performance of this contract.

SCHEDULE

(3) The prohibitions contained in subparagraphs (d)(1) and (d)(2) shall apply with equal force to any affiliate of the Contractor, any subcontractor, consultant, or employee of the Contractor, any joint venture involving the Contractor, any entity into or with which it may merge or affiliate, or any successor or assign of the Contractor. The terms of paragraph (f) of this Special Contract Requirement relating to notification shall apply to any release of information in contravention of this paragraph (d).

(e) The Contractor further agrees that, during the performance of this contract and for a period of three years after completion of performance of this contract, the Contractor, any affiliate of the Contractor, any subcontractor, consultant, or employee of the Contractor, any joint venture involving the Contractor, any entity into or with which it may subsequently merge or affiliate, or any other successor or assign of the Contractor, shall not furnish to the United States Government, either as a prime contractor or as a subcontractor, or as a consultant to a prime contractor or subcontractor, any system, component or services which is the subject of the work to be performed under this contract. This exclusion does not apply to any recompetition for those systems, components or services furnished pursuant to this contract. As provided in FAR 9.505-2, if the Government procures the system, component, or services on the basis of work statements growing out of the effort performed under this contract, from a source other than the contractor, subcontractor, affiliate, or assign of either, during the course of performance of this contract or before the three year period following completion of this contract has lapsed, the Contractor may, with the authorization of the cognizant Contracting Officer, participate in a subsequent procurement for the same system, component, or service. In other words, the Contractor may be authorized to compete for procurement(s) for systems, components or services subsequent to an intervening procurement.

(f) The Contractor agrees that, if after award, it discovers an actual or potential organizational conflict of interest, it shall make immediate and full disclosure in writing to the Contracting Officer. The notification shall include a description of the actual or potential organizational conflict of interest, a description of the action which the Contractor has taken or proposes to take to avoid, mitigate, or neutralize the conflict, and any other relevant information that would assist the Contracting Officer in making a determination on this matter. Notwithstanding this notification, the Government may terminate the



SCHEDULE

contract for the convenience of the Government if determined to be in the best interest of the Government.

(g) Notwithstanding paragraph (f) above, if the Contractor was aware, or should have been aware, of an organizational conflict of interest prior to the award of this contract or becomes, or should become, aware of an organizational conflict of interest after award of this contract and does not make an immediate and full disclosure in writing to the Contracting Officer, the Government may terminate this contract for default.

(h) If the Contractor takes any action prohibited by this requirement or fails to take action required by this requirement, the Government may terminate this contract for default.

(i) The Contracting Officer's decision as to the existence or nonexistence of an actual or potential organizational conflict of interest shall be final.

(j) Nothing in this requirement is intended to prohibit or preclude the Contractor from marketing or selling to the United States Government its product lines in existence on the effective date of this contract; nor, shall this requirement preclude the Contractor from participating in any research and development or delivering any design development model or prototype of any such equipment. Additionally, sale of catalog or standard commercial items are exempt from this requirement.

(k) The Contractor shall promptly notify the Contracting Officer, in writing, if it has been tasked to evaluate or advise the Government concerning its own products or activities or those of a competitor in order to ensure proper safeguards exist to guarantee objectivity and to protect the Government's interest.

(l) The Contractor shall include this requirement in subcontracts of any tier which involve access to information or situations/conditions covered by the preceding paragraphs, substituting "subcontractor" for "contractor" where appropriate.

(m) The rights and remedies described herein shall not be exclusive and are in addition to other rights and remedies provided by law or elsewhere included in this contract.

(n) Compliance with this requirement is a material requirement of this contract.

SCHEDULE**SECTION D - PACKAGING AND MARKING**

**Items 0001, 0003 (and if option is exercised Items 0002)** - All unclassified data shall be prepared for shipment in accordance with best commercial practice.

**Item 0004 (and if options are exercised Items 0006 and 0008)** - 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 with change 1 dated 31 July 1997 and change 2 dated 1 May 2000 and, when applicable, NISPOM Supplement 1 dated February 1995.

The supplies furnished hereunder shall be packaged in accordance with best commercial practice.

**D-1 IDENTIFICATION MARKING OF PARTS (NAVSEA) (NOV 1996)**

Identification marking of individual parts within the systems, equipments, assemblies, subassemblies, components, groups, sets or kits, and of spare and repair parts shall be done in accordance with applicable specifications and drawings. To the extent identification marking of such parts is not specified in applicable specifications or drawings, such marking shall be accomplished in accordance with the following:

(1) Parts shall be marked in accordance with generally accepted commercial practice.

(2) In cases where parts are so small as not to permit identification marking as provided above, such parts shall be appropriately coded so as to permit ready identification.

**D-2 MARKING AND PACKING LIST(S) (NAVSEA) (NOV 1996)**

(a) Marking. Shipments, shipping containers and palletized unit loads shall be marked in accordance with best commercial practice.

(b) Packing List(s). A packing list (DD Form 250 Material Inspection and Receiving Report may be used) identifying the contents of each shipment, shipping container or palletized unit load shall be provided by the Contractor with each shipment. When a contract line item identified under a single stock number includes an assortment of related items such as kit or set components, detached parts or accessories, installation hardware

SCHEDULE

or material, the packing list(s) shall identify the assorted items.

Where assortment of related items is included in the shipping container, a packing list identifying the contents shall be furnished.

(c) Master Packing List. In addition to the requirements in paragraph (b) above, a master packing list shall be prepared where more than one shipment, shipping container or palletized unit load comprise the contract line item being shipped. The master packing list shall be attached to the number one container and so identified.

(d) Part Identification. All items within the kit, set, installation hardware or material shall be suitably segregated and identified within the unit pack(s) or shipping container by part number and/or national stock number.

**D-3 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)

SCHEDULE**SECTION E - INSPECTION AND ACCEPTANCE****CLAUSES INCORPORATED BY REFERENCE**

<b><u>FAR SOURCE</u></b>	<b><u>TITLE AND DATE</u></b>
52.246-3	Inspection of Supplies - Cost-Reimbursement (May 2001)
52.246-5	Inspection of Services - Cost-Reimbursement (Apr 1984)
52.246-8	Inspection of Research and Development - Cost Reimbursement (MAY 2001)

**E-1 INSPECTION AND ACCEPTANCE OF DATA (APPLICABLE TO ITEM 0004 and if Options are exercised Items 0006 and 0008)**

Inspection and acceptance of all data listed in Attachments J-3 to the contract shall be made by the DD(X) Program Office, PMS 500. Contract Data Item List (CDRL) Items requiring approval are specified accordingly in Attachment J-3. For CDRL Items that do not require an expressed approval, PMS 500 will assess the quality of the CDRL item and provide the Contractor with a summary of any Government concerns (or notify the Contractor that no concerns exist) within 30 days after receipt of the CDRL. The Contractor shall amend the deliverable to address the Government's concerns (if any) within 30 days after receipt of the Government's assessment, or within an alternate timeframe as agreed to by PMS 500.

**E-2 INSPECTION AND ACCEPTANCE OF SUPPLIES AND SERVICES (APPLICABLE TO ITEMS 0001, 0003 and if option is exercised Item 0002)**

(a) Supplies. Inspection and acceptance shall be made at the source by the Contracting Officer's Representative (COR) for the supplies provided under CLINs 0001, 0002, and 0003, with exception of the supplies as listed below.

(b) Services. For services provide in CLIN 0005, inspection and acceptance shall be made at place of service provided.

Inspection and acceptance shall be made by the Contracting Officer's Representative (COR).

SCHEDULE**SECTION F - DELIVERIES OR PERFORMANCE**

**ITEM 0001** - The contractor shall perform the work described in Section C from the date of contract award through 31 December 2005.

**ITEM 0002** - The contractor shall perform the work described in Section C from the date of option exercise through 31 December 2006.

**ITEM 0003** - The contractor shall perform the work described in Section C from the date of contract award through 30 September 2010. The period of performance for CLIN 0003AA is through 30 September 2006.

**ITEM 0004** - All data to be furnished under this contract shall be delivered prepaid to the destination(s) and the time(s) specified on the Contract Data Requirements List(s).

**ITEM 0005** - The contractor shall perform the work described in SECTION C, at the level of effort specified in SECTION B, beginning from the effective date of the option exercise extending through 31 December 2006.

**ITEM 0006** - All data to be furnished under this contract shall be delivered prepaid to the destination(s) and the time(s) specified on the Contract Data Requirements List(s).

**ITEM 0007** - The contractor shall perform the work described in Section C from the date of option exercise through 31 December 2006.

**ITEM 0008** - All data to be furnished under this contract shall be delivered prepaid to the destination(s) and the time(s) specified on the Contract Data Requirements List(s).

**CLAUSES INCORPORATED BY REFERENCE****FAR****SOURCE****TITLE AND DATE**

52.242-15	STOP-WORK ORDER (AUG 1989)
52.247-65	F.O.B. ORIGIN, PREPAID FREIGHT - SMALL PACKAGE SHIPMENTS (JAN 1991)

SCHEDULE

**SECTION G - CONTRACT ADMINISTRATION DATA**

**PROCURING CONTRACTING  
OFFICER:**

COMMANDER

ATTN: Matt Marshman, SEA 02545  
NAVAL SEA SYSTEMS COMMAND  
1333 ISAAC HULL AVENUE SE STOP 2020  
WASHINGTON NAVY YARD DC 20376  
Telephone No. 202/781-7871  
Fax No. 202/781-4104  
Email Address:  
matthew.m.marshman@navy.mil

**CONTRACTING OFFICER'S  
REPRESENTATIVE:**

PROGRAM EXECUTIVE OFFICE SHIPS  
DD(X) PROGRAM OFFICE, PMS 500  
ATTN: Chris Ange, PEO IWS3C4A  
1333 ISAAC HULL AVENUE SE  
WASHINGTON NAVY YARD DC 20376  
Telephone No. 202/781-2671

**PURCHASING OFFICE  
REPRESENTATIVE:**

COMMANDER  
ATTN: Shannon Ely, SEA 02543  
NAVAL SEA SYSTEMS COMMAND  
1333 ISAAC HULL AVENUE SE STOP 2020  
WASHINGTON NAVY YARD DC 20376  
Telephone No. 202/781-2853  
Fax No. 202/781-4649  
Email Address: Shannon.ely@navy.mil

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

**PAYMENT INSTRUCTIONS FOR MULTIPLE ACCOUNTING CLASSIFICATION  
CITATIONS (NAVSEA) (APR 2004)**

(a) This contract is funded by multiple accounting classification citations referred to as accounting classification reference numbers (ACRNs). Contract line item numbers (CLINs) are further broken down into sub line item numbers (SLINs) in Section B and on the financial accounting data sheet (FADS).

(b) Invoicing Instructions: The contractor is required to invoice by CLIN/SLIN and ACRN. Invoices should not reference both the CLIN and SLIN. If the SLINs are shown on the FAD sheet and ACRNs

SCHEDULE

and dollar amounts have been identified for them, then only the SLIN is required not the CLIN. The ACRN is always required. The amounts invoiced for each ACRN cannot exceed that authorized for each CLIN/SLIN as identified on the FAD sheet.

(c) Payment Instructions: Pay according to the CLIN/SLIN/ACRN cited on the invoice or progress payment. Each ACRN assigned to the specific CLIN/SLIN should be charged in the amount assigned to each CLIN/SLIN as identified on the FAD sheet as long as the amount does not exceed that authorized for the assigned ACRN, CLIN or SLIN. In the event the invoice or progress payment has not identified specific amounts to be paid from each ACRN, payment for each ACRN shall be prorated across all ACRNs assigned to that CLIN/SLIN on the invoice or progress payment.

SCHEDULE**SECTION H - SPECIAL CONTRACT REQUIREMENTS****H-1 NAVSEA 5252.202-9101 ADDITIONAL DEFINITIONS (CT) - ALTERNATE I (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) COMMANDER, NAVAL SEA SYSTEMS COMMAND - means the Commander of the Naval Sea Systems Command of the Department of the Navy or his duly appointed successor or duly authorized representative.
- (c) NAVSEA 08 - means the Deputy Commander, Nuclear Propulsion Directorate, Naval Sea Systems Command of the Department of the Navy.
- (d) SUPERVISOR - means the cognizant Supervisor of Shipbuilding, Conversion and Repair, Department of the Navy.
- (e) PROJECT MANAGER (SHAPM) (PMS) - means the PMS 500 Program Manager, or his duly appointed successor or duly authorized representative, of the Naval Sea Systems Command of the Department of the Navy.
- (f) LEAD SHIPBUILDER, LEAD YARD OR LEAD SHIPYARD - means TBD in its capacity as Contractor under Contract No. TBD for the construction of the first DD(X) ship.
- (g) FOLLOW SHIPBUILDER, FOLLOW YARD OR FOLLOW SHIPYARD - mean a prime contractor performing a contract for the construction of follow ships of the DD(X) Class. - N/A
- (h) LEAD SHIP OR FIRST SHIP OF THE CLASS - means the first DD(X) ship.
- (i) FOLLOW SHIP - means any ship of the DD(X) Class other than the first ship. - N/A
- (j) DESIGN AGENT - means TBD in its capacity as Design Agent, not in its capacity as shipbuilding or mission systems end-item deliverer.
- (k) 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



SCHEDULE

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 National Item Identification Number (NIIN) assigned to the item of supply.

(l) NAVY REORGANIZATION - Pursuant to the reorganization within the Department of the Navy, effective 1 July 1974, the Naval Sea Systems Command has become the successor to the Naval Ship Systems Command and the Naval Ordnance Systems Command. The Naval Ship Systems Command was the successor to the Bureau of Ships. The Naval Ordnance Systems Command and the Naval Air Systems Command were the successors to the Bureau of Naval Weapons, which was the successor to the Bureau of Ordnance and the Bureau of Aeronautics. Accordingly, as appropriate in view of the foregoing, reference in the contract and in the documents referenced therein to the Naval Ship Systems Command, the Bureau of Ships, the Naval Ordnance Systems Command, the Naval Air Systems Command, the Bureau of Naval Weapons, the Bureau of Ordnance or the Bureau of Aeronautics shall be deemed to refer to the Naval Sea Systems Command.

(m) 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 Federal Acquisition Regulation (FAR) and the Defense FAR Supplement (DFARS).

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

SCHEDULE

(o) CONSTRUCTION OF THE VESSEL - means conversion of the vessel (except where it is used in paragraphs (f) and (g) of this requirement).

**H-2 NAVSEA 5252.232-9104 ALLOTMENT OF FUNDS - ALTERNATE I (MAY 1993) (APPLICABLE TO CLINS 0001 AND 0003 AND IF OPTIONS ARE EXERCISED ITEMS 0002, 0005 AND 0007)**

(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 B-9. 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>ESTIMATED PERIOD OF PERFORMANCE</u>
0001		\$ TBD	\$ TBD	31 December 2005
0003		\$ TBD	\$ TBD	30 September 2010

(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.

SCHEDULE**H-3 NAVSEA 5252.249-9105 AWARD FEE DETERMINATION IN EVENT OF TERMINATION OR DISCONTINUANCE (CA) (JAN 1990)**

In the event that this contract is terminated in whole or pursuant to the contract clause entitled "TERMINATION (COST-REIMBURSEMENT)" (FAR 52.249-6) or in the event this contract is discontinued pursuant to the contract clause entitled "LIMITATION OF COST" (FAR 52.232-20), the last award fee period shall end with the effective date of such termination or discontinuance. In either of such events, the amount of award fee, if any, determined to be otherwise payable shall be adjusted or prorated to reflect the difference, if any, in award fee periods resulting from termination or discontinuance.

**H-4 NAVSEA 5252.233-9107 EQUITABLE ADJUSTMENTS: WAIVER AND RELEASE OF CLAIMS (AT) (JAN 1983)**

(a) Whenever the Contractor, after receipt of a change made pursuant to the clause of this contract entitled "CHANGES" or after affirmation of a constructive change under the "NOTIFICATION OF CHANGES" (FAR 52.243-7) requirement, submits any claim for equitable adjustment under the foregoing, such claim shall include all types of adjustments in the total amounts to which the foregoing entitle the Contractor, including but not limited to adjustments arising out of delays or disruptions or both caused by such change.

(b) Further, the Contractor agrees (except as the parties may otherwise agree) that, if required by the Contracting Officer, it will execute a release, in form and substance satisfactory to the Contracting Officer, as part of the supplemental agreement setting forth the aforesaid equitable adjustment, and that such release shall discharge the Government, its officers, agents and employees, from any further claims including but not limited to further claims arising out of delays or disruptions or both, caused by the aforesaid change.

**H-5 NAVSEA 5252.245-9106 FACILITIES TO BE GOVERNMENT-FURNISHED (COST-REIMBURSEMENT) (SEP 1990)**

(a)(1) The estimated cost and fee, if any, and delivery schedule set forth in this contract contemplate the rent-free use of the facilities identified in paragraph (b) below and in paragraph (d) (applicable only for research and development contracts) if such paragraph (d) is added to this requirement. If the Government limits or terminates the Contractor's rent-free use of said facilities, and such action affects the ability of the Contractor

SCHEDULE

to perform this contract in accordance with its terms and conditions, then an equitable adjustment in the estimated cost and fee, if any, or delivery schedule, or both, shall be made pursuant to the clause entitled "CHANGES--COST-REIMBURSEMENT" (FAR 52.243-2), provided, however, that if the limitation or termination is due to failure by the Contractor to perform its obligations under this contract, the Contractor shall be entitled only to such adjustment as the Contracting Officer determines as a fact to be appropriate under the circumstances.

(2) For the purposes of this requirement, facilities means industrial property (other than material, special tooling, military property, and special test equipment) for production, maintenance, research, development, or test, including real property and rights therein, buildings, structures, improvements, and plant equipment as defined in FAR Part 45.

(b) The Contractor is authorized to acquire or use the facilities described below upon the prior written approval of the cognizant Contract Administration Office, which shall determine that such facilities are required to carry out the work provided for by this contract. Immediately upon delivery of each item of approved facilities to the Contractor's plant, the Contractor shall notify the cognizant Contract Administration Office of the receipt of such facilities owned by the Government, which shall be made a part of the plant account assigned to the Contractor at that location.

## DESCRIPTION AND IDENTITY OF FACILITIES

(c)(1) In the event that the cumulative total acquisition costs (actual or estimated) of all facilities provided by the Naval Sea Systems Command to the Contractor at the same plant or general location (including the facilities to be furnished hereunder) does not exceed \$50,000, such facilities shall be provided to the Contractor as Government Property subject to and in accordance with the clause entitled "GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS) (FAR 52.245-5), unless there is in existence a facilities management contract at the same plant or general location.

(2) In the event there is in existence a facilities management contract effective at the same plant or general location, the facilities provided hereunder shall be made subject

SCHEDULE

to all the terms and conditions of the facilities management contract.

**H-6 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>

**H-7 NAVSEA 5252.243-9105 NOTIFICATION OF CHANGES (CT) (JAN 1983)**

(a) Definitions. As used in this requirement, the term "Contracting Officer" does not include any representative of the Contracting Officer whether or not such representative is acting within the scope of his authority nor does it include any other individuals or activities that in any way communicate with the Contractor. As used in this requirement, the term "conduct" includes both actions and failures to act, and includes the furnishing of, or the failure to furnish, any item under any requirement of this contract.

(b) Notice. The primary purpose of this requirement is to obtain prompt reporting of any conduct which the Contractor considers would constitute or would require a change to this contract. The parties acknowledge that proper administration of this contract

SCHEDULE

requires that potential changes be identified and resolved as they arise. Therefore, except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Contracting Officer of any conduct which the Contractor considers would constitute or would require a change to this contract. Such notice shall be provided promptly, and in any event within thirty (30) calendar days from the date the Contractor identifies any such conduct. The Notice shall be written and shall state, on the basis of the most accurate information available to the Contractor:

(i) The date, nature, and circumstances of the conduct regarded as a change;

(ii) The name, function, and activity of the individuals directly involved in or knowledgeable about such conduct;

(iii) The identification of any documents and the substance of any oral communication involved in such conduct;

(iv) The particular elements of contract performance for which the Contractor might seek an equitable adjustment under this requirement, including:

(1) What ship(s) have been or might be affected by the potential change;

(2) To the extent practicable, labor or materials or both which have been or might be added, deleted, or wasted by the potential change;

(3) To the extent practicable, the Contractor's preliminary order of magnitude estimate of cost and schedule effect of the potential change; and

(4) What and in what manner are the particular technical requirements or contract requirements regarded as changed.

(c) Continued Performance. Except as provided in paragraph (f) below, following submission of notice, the Contractor shall take no action to implement a potential change until advised by the Contracting Officer in writing as provided in (d) below, unless the potential change was previously directed by the Contracting Officer, in which case the Contractor shall conform therewith. Nothing in this paragraph (c) shall excuse the Contractor from proceeding with contract work other than implementation of the

SCHEDULE

potential change or from proceeding in accordance with directions issued by the Contracting Officer.

(d) Government Response. The Contracting Officer shall promptly, and in any event within twenty-one (21) calendar days after receipt of Notice, respond thereto in writing. In such response, the Contracting Officer shall either:

(i) Confirm that the conduct of which the Contractor gave notice would constitute a change, and when necessary, direct the mode of further performance, or;

(ii) Countermand any conduct regarded by the Contractor as a change, or;

(iii) Deny that the conduct of which the Contractor gave notice would constitute a change and, when necessary, direct the mode of further performance, or;

(iv) In the event the Contractor's notice information is inadequate to make a decision under (i), (ii) or (iii) above, advise the Contractor what additional information is required. Failure of the Government to respond within the time required above shall be deemed a countermand under

(d) (ii).

(e) Equitable Adjustments. Equitable adjustments for changes confirmed or countermanded by the Contracting Officer shall be made in accordance with the clause of this contract entitled "CHANGES", or any other requirement of this contract which provides for an equitable adjustment.

(f) Special Procedures. Paragraph (c) provides that the Contractor is to take no action to implement a potential change pending the Contracting Officer's response to the Contractor's notice of the potential change, except where specifically directed by the Contracting Officer. In special situations, however, where

(1) The circumstances do not allow sufficient time to notify the Contracting Officer of the facts prior to the need to proceed with the work, and;

(2) The work must proceed to avoid hazards to personnel or property or to avoid additional cost to the Government, the

SCHEDULE

Contractor may proceed with work in accordance with the potential change. In such special situations, the Contractor shall advise the Contracting Officer in writing within ten (10) days of the conduct giving rise to the potential change that the Contractor has proceeded and shall describe the nature of the special situation which required proceeding prior to notification. Within thirty (30) calendar days of the conduct giving rise to the potential change, the Contractor shall provide notice as required in (b) above. The Contracting Officer shall respond as set forth in (d) above. If the Contracting Officer determines that the conduct constitutes a change and countermands it, the Contractor shall be entitled to an equitable adjustment for performance in accordance with that change prior to the countermand including performance resulting from the countermand.

(g) When the Contractor identifies any conduct which may result in delay to delivery of the ship(s), the Contractor shall promptly so inform the Contracting Officer thereof prior to providing the notice required by paragraph (b) above.

(h) Despite good faith best efforts, occasions may arise in which the Contractor does not provide notice within the time periods specified in paragraphs (b) and (f) above. Accordingly, prior to the end of the first and third quarters of each calendar year through the period of performance of this contract, beginning with the \_\_\_\_\_ quarter of \_\_\_\_\_, the Contractor shall deliver to the Government an executed bilateral contract modification, in the format set forth in Exhibit "A" to this requirement, covering the six month period of time ending with the second and fourth quarters, respectively, of the preceding year, with such specific exceptions, if any, as are identified by the Contractor. If the Contractor cites specific exceptions to the release, the Contractor shall concurrently provide the Contracting Officer with notice, containing the information set forth in paragraph (b) of this requirement, for each item excepted from the release. However, the release required by this requirement shall not make unallowable any costs which are otherwise allowable under any other requirement of this contract.

Within sixty (60) days of receipt of the release, the Contracting Officer shall sign and return a copy of the release to the Contractor. If the Contracting Officer fails to execute and return the release within the required time, then the release shall be deemed to be void and of no effect for the period involved.



SCHEDULE

(i) If the release in accordance with paragraph (h) above is not provided to the Government by the Contractor in the time required, the Contracting Officer may execute the release as set forth in Exhibit "A" and send it to the Contractor. If the Contractor fails to execute the release and return it to the Government (with any specific exceptions) within sixty (60) days of receipt thereof, the required release shall then be deemed effective as if signed by the Contractor.

Exhibit A to the Requirement entitled "NOTIFICATION OF CHANGES"

This modification reflects the agreement of the parties to the mutual full and final releases for the consequences of that conduct (as conduct is defined in the requirement entitled "NOTIFICATION OF CHANGES"), described below, except the conduct identified in Attachment A hereto is excluded and not covered by the terms of this release.

1. Except for the conduct listed in Attachment A by either party, neither the Contractor nor the Government shall be entitled to any equitable adjustment or to money damages and/or other relief for any conduct, as specified below.

2. In consideration of the foregoing the parties hereby agree to the following release:

a. The Government, for itself, its assigns, vendors, suppliers, and contractors, hereby remises, releases, and forever discharges the Contractor, its officers, agents and employees from any and all entitlement of the Government to equitable adjustment of the contract cost and fee and delivery schedule due to conduct under this contract, which occurred on or before \_\_\_\_.

b. The Contractor, for itself, its successors, assigns, vendors, suppliers, and subcontractors, hereby remises, releases and forever discharges the Government, its officers, agents and employees from (i) any and all entitlement of the Contractor to equitable adjustment of the contract cost and fee and/or delivery schedule of this contract or of any other Government contract (with this or any other Contractor) or any contract between the Contractor and any third party by reason of any conduct which increases the Contractor's cost or time of performance of work under this contract and meets the following conditions (1) known to the Contractor, (2) occurred on or before \_\_\_\_ and (3) the Contractor failed to give notice prior to date of this release, and (ii) any and all liabilities to the Contractor for money damages and/or other relief for the impact of any such conduct,

SCHEDULE

upon this contract or any other Government contract (with this or any other Contractor) or any contract between the Contractor and any third party.

**H-8 NAVSEA 5252.243-9113 OTHER CHANGE PROPOSALS (CT) (JAN 1990)**

(a) The Contracting Officer, in addition to proposing engineering changes pursuant to other requirements of this contract, and in addition to issuing changes pursuant to the clause of this contract entitled "CHANGES", may propose other changes within the general scope of this contract as set forth below. Within forty-five (45) days from the date of receipt of any such proposed change, or within such further time as the Contracting Officer may allow, the Contractor shall submit the proposed scope of work, plans and sketches, and its estimate of: (A) the cost, (B) the weight and moment effect, (C) effect on delivery dates of the vessel(s), and (D) status of work on the vessels affected by the proposed change. The proposed scope of work and estimate of cost shall be in such form and supported by such reasonably detailed information as the Contracting Officer may require. Within sixty (60) days from the date of receipt of the Contractor's estimate, the Contractor agrees to either (A) enter into a supplemental agreement covering the estimate as submitted, or (B) if the estimate as submitted is not satisfactory to the Contracting Officer, enter into negotiations in good faith leading to the execution of a bilateral supplemental agreement. In either case, the supplemental agreement shall cover an equitable adjustment in the contract cost and fee including an equitable adjustment for the preparatory work set forth above, scope, and all other necessary equitable adjustments. The Contractor's estimate referred to in this subparagraph shall be a firm offer for sixty (60) days from and after the receipt thereof by the Contracting Officer having cognizance thereof, unless such period of time is extended by mutual consent.

(b) Pending execution of a bilateral agreement or the direction of the Contracting Officer pursuant to the "CHANGES" clause, the Contractor shall proceed diligently with contract performance without regard to the effect of any such proposed change.

(c) In the event that a change proposed by the Contracting Officer is not incorporated into the contract, the work done by the Contractor in preparing the estimate in accordance with subparagraph (a) above shall be treated as if ordered by the Contracting Officer under the "CHANGES" clause. The Contractor shall be entitled to an equitable adjustment in the contract cost

SCHEDULE

and fee for the effort required under subparagraph (a), but the Contractor shall not be entitled to any adjustment in delivery date. Failure to agree to such equitable adjustment in the contract cost and fee shall be a dispute within the meaning of the clause of this contract entitled "DISPUTES" (FAR 52.233-1).

**H-9 NAVSEA 5252.237-9106 SUBSTITUTION OF PERSONNEL (SEP 1990)**

(a) The Contractor agrees that a partial basis for award of this contract is the list of key personnel proposed. Accordingly, the Contractor agrees to assign to this contract those key persons whose resumes were submitted with the proposal necessary to fulfill the requirements of the contract. No substitution shall be made without prior notification to and concurrence of the Contracting Officer in accordance with this requirement.

(b) All proposed substitutes shall have qualifications equal to or higher than the qualifications of the person to be replaced. The Contracting Officer shall be notified in writing of any proposed substitution at least forty-five (45) days, or ninety (90) days if a security clearance is to be obtained, in advance of the proposed substitution. Such notification shall include: (1) an explanation of the circumstances necessitating the substitution; (2) a complete resume of the proposed substitute; and (3) any other information requested by the Contracting Officer to enable him/her to judge whether or not the Contractor is maintaining the same high quality of personnel that provided the partial basis for award.

**H-10 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

SCHEDULE

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.

SCHEDULE**SECTION I - CONTRACT CLAUSES****SECTION I-1 - CLAUSES INCORPORATED BY REFERENCE****I. FEDERAL ACQUISITION REGULATION (48 CFR CHAPTER 1) CLAUSES:****FAR****SOURCE****TITLE AND DATE**

52.202-1	DEFINITIONS (JUL 2004)
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 2003)
52.204-2	SECURITY REQUIREMENTS (AUG 1996)
52.204-4	PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER (AUG 2000)
52.204-7	CENTRAL CONTRACT REGISTRATION (OCT 2003)
52.209-6	PROTECTING THE GOVERNMENT'S INTEREST WHEN SUBCONTRACTING WITH CONTRACTORS DEBARRED, SUSPENDED, OR PROPOSED FOR DEBARMENT (JUL 1995)
52.211-5	MATERIAL REQUIREMENTS (AUG 2000)

SCHEDULE

<b><u>FAR</u></b> <b><u>SOURCE</u></b>	<b><u>TITLE AND DATE</u></b>
52.211-15	DEFENSE PRIORITY AND ALLOCATION REQUIREMENT (SEP 1990)
52.215-2	AUDIT AND RECORDS--NEGOTIATION (JUN 1999)
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)
52.215-14 Alt I	INTEGRITY OF UNIT PRICES - ALTERNATE I (OCT 1997)
52.215-15	PENSION ADJUSTMENTS AND ASSET REVERSIONS (OCT 2004)
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)
52.216-26	PAYMENTS OF ALLOWABLE COSTS BEFORE DEFINITIZATION (DEC 2002)
52.219-8	UTILIZATION OF SMALL BUSINESS CONCERNS (MAY 2004)
52.219-9 2002) ALT II	SMALL BUSINESS SUBCONTRACTING PLAN (JAN 2002) AND ALTERNATE II (OCT 2001)
52.219-16	LIQUIDATED DAMAGES--SUBCONTRACTING PLAN (JAN 1999)

SCHEDULE**FAR  
SOURCE****TITLE AND DATE**

52.219-25	SMALL DISADVANTAGED BUSINESS PARTICIPATION PROGRAM-DISADVANTAGED STATUS AND REPORTING (OCT 1999)
52.222-1	NOTICE TO THE GOVERNMENT OF LABOR DISPUTES (FEB 1997)
52.222-3	CONVICT LABOR (JUN 2003)
52.222-4	CONTRACT WORK HOURS AND SAFETY STANDARDS ACT--OVERTIME COMPENSATION (SEP 2000)
52.222-19	CHILD LABOR-COOPERATION WITH AUTHORITIES AND REMEDIES (JUN 2004)
52.222-20	WALSH-HEALEY PUBLIC CONTRACTS ACT (DEC 1996)
52.222-21	PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)
52.222-26	EQUAL OPPORTUNITY (APR 2002)
52.222-29	NOTIFICATION OF VISA DENIAL (JUN 2003)
52.222-35	EQUAL OPPORTUNITY FOR DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (DEC 2001)
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)
52.223-5	POLLUTION PREVENTION AND RIGHT-TO-KNOW AND ALT I AND II INFORMATION (AUG 2003)
52.223-6	DRUG-FREE WORKPLACE (MAY 2001)
52.223-11	OZONE-DEPLETING SUBSTANCES (MAY 2001)

SCHEDULE

<u>FAR</u> <u>SOURCE</u>	<u>TITLE AND DATE</u>
52.223-12	REFRIGERATION EQUIPMENT AND AIR CONDITIONERS (MAY 1995)
52.223-14	TOXIC CHEMICAL RELEASE REPORTING (AUG 2003)
52.225-8	DUTY-FREE ENTRY (FEB 2000)
52.225-13	RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (DEC 2003)
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)
52.227-12	PATENT RIGHTS--RETENTION BY THE CONTRACTOR (LONG FORM) (JAN 1997)
52.228-7	INSURANCE--LIABILITY TO THIRD PERSONS (MAR 1996)
52.230-2	COST ACCOUNTING STANDARDS (APR 1998)
52.230-6	ADMINISTRATION OF COST ACCOUNTING STANDARDS (NOV 1999)
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.)
52.232-22	LIMITATION OF FUNDS (APR 1984) (Applies if this contract contains incrementally funded line items.)



SCHEDULE**FAR  
SOURCE****TITLE AND DATE**

52.232-23 and Alt I	ASSIGNMENT OF CLAIMS (JAN 1986) AND ALTERNATE I (JAN 1986)
52.232-25 and Alt I	PROMPT PAYMENT (OCT 2003) AND ALTERNATE I (FEB 2002)
52.232-33	PAYMENT BY ELECTRONIC FUNDS TRANSFER-- CENTRAL CONTRACTOR REGISTRATION (OCT 2003)
52.233-1 and Alt I	DISPUTES (JUL 2002) AND ALTERNATE I (DEC 1991)
52.233-3 and Alt I	PROTEST AFTER AWARD - ALTERNATIVE I (JUN 1985)
52.233-4	APPLICABLE LAW FOR BREACH OF CONTRACT CLAIM (OCT 2004)
52.237-2	PROTECTION OF GOVERNMENT BUILDINGS, EQUIPMENT, AND VEGETATION (APR 1984)
52.237-3	CONTINUITY OF SERVICES (JAN 1991)
52.239-1	PRIVACY OR SECURITY SAFEGUARDS (AUG 1996)
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) (JUN 2003)
52.242-13	BANKRUPTCY (JUL 1995)

SCHEDULE**FAR**  
**SOURCE****TITLE AND DATE**

52.243-2 and Alt II and Alt V	CHANGES--COST-REIMBURSEMENT (AUG 1987) AND ALTERNATE II (APR 1984) AND ALTERNATE V (APR 1984)
52.243-6	CHANGE ORDER ACCOUNTING (APR 1984)
52.244-5	COMPETITION IN SUBCONTRACTING (DEC 1996)
52.245-18	SPECIAL TEST EQUIPMENT (FEB 1993)
52.246-23	LIMITATION OF LIABILITY (FEB 1997)
52.246-24	LIMITATION OF LIABILITY--HIGH VALUE ITEMS (FEB 1997)
52.246-25	LIMITATION OF LIABILITY--SERVICES (FEB 1997)
52.247-1	COMMERCIAL BILL OF LADING NOTATIONS (APR 1984)
52.248-1	VALUE ENGINEERING (FEB 2000)
52.249-6	TERMINATION (COST REIMBURSEMENT) (MAY 2004)
52.249-14	EXCUSABLE DELAYS (APR 1984)
52.253-1	COMPUTER GENERATED FORMS (JAN 1991)

SCHEDULE**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	PROHIBITION ON PERSONS CONVICTED OF FRAUD OR OTHER DEFENSE-CONTRACT RELATED FELONIES (MAR 1999)
252.203-7002	DISPLAY OF DOD HOTLINE POSTER (DEC 1991)
252.204-7000	DISCLOSURE OF INFORMATION (DEC 1991)
252.204-7003	CONTROL OF GOVERNMENT PERSONNEL WORK PRODUCT (APR 1992)
252.204-7004	ALTERNATE A (NOV 2003)
252.204-7005	ORAL ATTESTATION OF SECURITY RESPONSIBILITIES (NOV 2001)
252.205-7000	PROVISION OF INFORMATION TO COOPERATIVE AGREEMENT HOLDERS (DEC 1991)
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)
252.223-7002	SAFETY PRECAUTIONS FOR AMMUNITION AND EXPLOSIVES (MAY 1994)
252.223-7003	CHANGE IN PLACE OF PERFORMANCE--AMMUNITION AND EXPLOSIVES (DEC 1991)

SCHEDULE

<u>DFARS SOURCE</u>	<u>TITLE AND DATE</u>
252.223-7004	DRUG-FREE WORK FORCE (SEP 1988)
252.223-7006	PROHIBITION OF STORAGE AND DISPOSAL OF TOXIC AND HAZARDOUS MATERIALS (APR 1993)
252.225-7001	BUY AMERICAN ACT AND BALANCE OF PAYMENTS PROGRAM (APR 2003)
252.225-7002	QUALIFYING COUNTRY SOURCES AS SUBCONTRACTORS (APR 2003)
252.225-7004	REPORTING OF CONTRACT PERFORMANCE OUTSIDE THE UNITED STATES (APR 2003)
252.225-7012	PREFERENCE FOR CERTAIN DOMESTIC COMMODITIES (JUN 2004)
252.225-7013	DUTY-FREE ENTRY (JAN 2004)
252.225-7014 and Alt I	PREFERENCE FOR DOMESTIC SPECIALTY METALS (APR 2003) AND ALTERNATE I (APR 2003)
252.225-7015	RESTRICTION ON ACQUISITION OF HAND OR MEASURING TOOLS (APR 2003)
252.225-7016	RESTRICTION ON ACQUISITION OF BALL OR ROLLER BEARINGS (MAY 2004)
252.225-7019	RESTRICTION OF ACQUISITION OF ANCHOR AND MOORING CHAIN (APR 2003)
252.225-7022	RESTRICTION ON ACQUISITION OF POLYACRYLONITRILE (PAN) BASED CARBON FIBER (APR 2003)
252.225-7025	RESTRICTION ON ACQUISITION OF FORGINGS (APR 2003)
252.225-7031	SECONDARY ARAB BOYCOTT OF ISRAEL (APR 2003)
252.226-7001	UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES, AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS (OCT 2003)

SCHEDULE

<u>DFARS SOURCE</u>	<u>TITLE AND DATE</u>
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)
252.227-7015	RIGHTS IN TECHNICAL DATA--COMMERCIAL ITEMS (NOV 1995)
252.227-7016	RIGHTS IN BID OR PROPOSAL INFORMATION (JUN 1995)
252.227-7019	VALIDATION OF ASSERTED RESTRICTIONS--COMPUTER SOFTWARE (JUN 1995)
252.227-7025	LIMITATIONS ON THE USE OR DISCLOSURE OF GOVERNMENT-FURNISHED INFORMATION MARKED WITH RESTRICTIVE LEGENDS (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 (APR 1984)
252.227-7037	VALIDATION OF RESTRICTIVE MARKINGS ON TECHNICAL DATA (SEP 1999)
252.231-7000	SUPPLEMENTAL COST PRINCIPLES (DEC 1991)
252.232-7003	ELECTRONIC SUBMISSION OF PAYMENT REQUESTS (JAN 2004)
252.235-7011	FINAL SCIENTIFIC OR TECHNICAL REPORT (SEP 1999)
252.239-7000	PROTECTION AGAINST COMPROMISING EMANATIONS (DEC 1991)
252.242-7000	POSTAWARD CONFERENCE (DEC 1991)

SCHEDULE

<u>DFARS SOURCE</u>	<u>TITLE AND DATE</u>
252.242-7003	APPLICATION FOR U.S. GOVERNMENT SHIPPING DOCUMENTATION/INSTRUCTIONS (DEC 1991)
252.242-7004	MATERIAL MANAGEMENT AND ACCOUNTING SYSTEM (DEC 2000)
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)

SCHEDULE**SECTION I-2 - CLAUSES INCORPORATED IN FULL TEXT****FAR 52.215-8 ORDER OF PRECEDENCE—UNIFORM CONTRACT (OCT 1997)**

Any inconsistency in this solicitation or contract shall be resolved by giving precedence in the following order:

- (a) The Schedule (excluding the specifications).
- (b) Representations and other instructions.
- (c) Contract clauses.
- (d) Specification and attachments located in Section J. The following items take precedence, in descending order of precedence:

- 1. Operational Requirements Document
- 2. Specified Performance Document (SPD)
- 3. Tiered specifications that flow down from the SPD.
- 4. Design-Build-Process Specification
- 5. All other attachments in Section J.
- 6. Other specifications.

**FAR 52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)**

- (a) The Contractor shall make the following notification 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;

SCHEDULE

(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).

**FAR 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS (OCT 1997) AND ALTERNATE II (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 in 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



SCHEDULE

(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 may provide, at a minimum, information on prices at which the same item or similar items have 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-priced 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.

SCHEDULE

(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 contract award (except for unpriced actions), the Contractor shall submit a Certificate of Current Cost or Pricing Data, as prescribed by FAR 15.406-2.

(c) When the proposal is submitted, also submit one copy each to: (1) the Administrative Contracting Officer, and (2) the Contract Auditor.

**52.216-24 LIMITATION OF GOVERNMENT LIABILITY (APR 1984)**

(a) In performing this contract, the Contractor is not authorized to make expenditures or incur obligations exceeding \_\_\_\_\_ dollars.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is \_\_\_\_\_ dollars.

**FAR 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>
0002	31 December 2006
0005AA	31 December 2005
0005AB	30 December 2006
0005AC	30 December 2007
0005AD	30 December 2008
0005AE	30 December 2009
0007	31 December 2006

SCHEDULE

(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 seven (7) 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

SCHEDULE

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.

**52.222-39 NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES (DEC 2004)**

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

"United States" means the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, and Wake Island.

(b) Except as provided in paragraph (e) of this clause, during the term of this contract, the Contractor shall post a notice, in the form of a poster, informing employees of their rights concerning union membership and payment of union dues and fees, in conspicuous places in and about all its plants and offices, including all places where notices to employees are customarily posted. The notice shall include the following information (except that the information pertaining to National Labor Relations Board shall not be included in notices posted in the plants or offices of carriers subject to the Railway Labor Act, as amended (45 U.S.C. 151-188)).

Notice to Employees

Under Federal law, employees cannot be required to join a union or maintain membership in a union in order to retain their jobs. Under certain conditions, the law permits a union and an employer to enter into a union-security agreement requiring employees to pay uniform periodic dues and initiation fees. However, employees who are not union members can object to the use of their payments for certain purposes and can only be required to pay their share of union costs relating to collective bargaining, contract administration, and grievance adjustment.

If you do not want to pay that portion of dues or fees used to support activities not related to collective bargaining, contract administration, or grievance adjustment, you are entitled to an appropriate reduction in your payment. If you believe that you have been required to pay dues or fees used in part to support activities not related to collective bargaining, contract administration, or grievance adjustment, you may be

SCHEDULE

entitled to a refund and to an appropriate reduction in future payments.

For further information concerning your rights, you may wish to contact the National Labor Relations Board (NLRB) either at one of its Regional offices or at the following address or toll free number:

National Labor Relations Board  
Division of Information  
1099 14th Street, N.W.  
Washington, DC 20570  
1-866-667-6572  
1-866-316-6572 (TTY)

To locate the nearest NLRB office, see NLRB's website at <http://www.nlr.gov>

(c) The Contractor shall comply with all provisions of Executive Order 13201 of February 17, 2001, and related implementing regulations at 29 CFR Part 470, and orders of the Secretary of Labor.

(d) In the event that the Contractor does not comply with any of the requirements set forth in paragraphs (b), (c), or (g), the Secretary may direct that this contract be cancelled, terminated, or suspended in whole or in part, and declare the Contractor ineligible for further Government contracts in accordance with procedures at 29 CFR part 470, Subpart B-- Compliance Evaluations, Complaint Investigations and Enforcement Procedures. Such other sanctions or remedies may be imposed as are provided by 29 CFR Part 470, which implements Executive Order 13201, or as are otherwise provided by law.

(e) The requirement to post the employee notice in paragraph (b) does not apply to--

(1) Contractors and subcontractors that employ fewer than 15 persons;

(2) Contractor establishments or construction work sites where no union has been formally recognized by the Contractor or certified as the exclusive bargaining representative of the Contractor's employees;

(3) Contractor establishments or construction work sites located in a jurisdiction named in the definition of the United States in which the law of that jurisdiction forbids enforcement of union-security agreements;

(4) Contractor facilities where upon the written request of the Contractor, the Department of Labor Deputy Assistant Secretary

SCHEDULE

for Labor-Management Programs has waived the posting requirements with respect to any of the Contractor's facilities if the Deputy Assistant Secretary finds that the Contractor has demonstrated that--

(i) The facility is in all respects separate and distinct from activities of the Contractor related to the performance of a contract; and

(ii) Such a waiver will not interfere with or impede the effectuation of the Executive order; or

(5) Work outside the United States that does not involve the recruitment or employment of workers within the United States.

(f) The Department of Labor publishes the official employee notice in two variations; one for contractors covered by the Railway Labor Act and a second for all other contractors. The Contractor shall--

(1) Obtain the required employee notice poster from the Division of Interpretations and Standards, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N-5605, Washington, DC 20210, or from any field office of the Department's Office of Labor-Management Standards or Office of Federal Contract Compliance Programs;

(2) Download a copy of the poster from the Office of Labor-Management Standards website at <http://www.olms.dol.gov>; or

(3) Reproduce and use exact duplicate copies of the Department of Labor's official poster.

(g) The Contractor shall include the substance of this clause in every subcontract or purchase order that exceeds the simplified acquisition threshold, entered into in connection with this contract, unless exempted by the Department of Labor Deputy Assistant Secretary for Labor-Management Programs on account of special circumstances in the national interest under authority of 29 CFR 470.3(c). For indefinite quantity subcontracts, the Contractor shall include the substance of this clause if the value of orders in any calendar year of the subcontract is expected to exceed the simplified acquisition threshold.

Pursuant to 29 CFR Part 470, Subpart B--Compliance Evaluations, Complaint Investigations and Enforcement Procedures, the Secretary of Labor may direct the Contractor to take such action in the enforcement of these regulations, including the imposition of sanctions for noncompliance with respect to any such subcontract or purchase order. If the Contractor becomes involved in litigation with a subcontractor or vendor, or is threatened with such involvement, as a result of such direction, the Contractor may request the United States, through the

SCHEDULE

Secretary of Labor, to enter into such litigation to protect the interests of the United States.

52.234-1 INDUSTRIAL RESOURCES DEVELOPED UNDER DEFENSE  
PRODUCTION ACT TITLE III (DEC 1994)

(a) Definitions. "Title III industrial resource" means materials, services, processes, or manufacturing equipment (including the processes, technologies, and ancillary services for the use of such equipment) established or maintained under the authority of Title III, Defense Production Act (50 U.S.C. App. 2091-2093.).

"Title III project contractor" means a contractor that has received assistance for the development or manufacture of an industrial resource under 50 U.S.C. App. 2091-2093, Defense Production Act.

(b) The Contractor shall refer any request from a Title III project contractor for testing and qualification of a Title III industrial resource to the Contracting Officer.

(c) Upon the direction of the Contracting Officer, the Contractor shall test Title III industrial resources for qualification. The Contractor shall provide the test results to the Defense Production Act Office, Title III Program, located at Wright Patterson Air Force Base, Ohio 45433-7739.

(d) When the Contracting Officer modifies the contract to direct testing pursuant to this clause, the Government will make an equitable adjustment in the contract for the costs of testing and qualification of the Title III industrial resource.

(e) The Contractor agrees to insert the substance of this clause, including paragraph (e), in every subcontract issued in performance of this contract.

**52.243-7 NOTIFICATION OF CHANGES (APR 1984)**

(a) Definitions. "Contracting Officer," as used in this clause, does not include any representative of the Contracting Officer.

"Specifically Authorized Representative (SAR)," as used in this clause, means any person the Contracting Officer has so designated by written notice (a copy of which shall be provided to the Contractor) which shall refer to this subparagraph and shall be issued to the designated representative before the SAR exercises such authority.

SCHEDULE

(b) Notice. The primary purpose of this clause is to obtain prompt reporting of Government conduct that the Contractor considers to constitute a change to this contract. Except for changes identified as such in writing and signed by the Contracting Officer, the Contractor shall notify the Administrative Contracting Officer in writing promptly, within 15 calendar days from the date that the Contractor identifies any Government conduct (including actions, inactions, and written or oral communications) that the Contractor regards as a change to the contract terms and conditions. On the basis of the most accurate information available to the Contractor, the notice shall state --

(1) The date, nature, and circumstances of the conduct regarded as a change;

(2) The name, function, and activity of each Government individual and Contractor official or employee involved in or knowledgeable about such conduct;

(3) The identification of any documents and the substance of any oral communication involved in such conduct;

(4) In the instance of alleged acceleration of scheduled performance or delivery, the basis upon which it arose;

(5) The particular elements of contract performance for which the Contractor may seek an equitable adjustment under this clause, including --

(i) What contract line items have been or may be affected by the alleged change;

(ii) What labor or materials or both have been or may be added, deleted, or wasted by the alleged change;

(iii) To the extent practicable, what delay and disruption in the manner and sequence of performance and effect on continued performance have been or may be caused by the alleged change;

(iv) What adjustments to contract price, delivery schedule, and other provisions affected by the alleged change are estimated; and

(6) The Contractor's estimate of the time by which the Government must respond to the Contractor's notice to minimize cost, delay or disruption of performance.

(c) Continued performance. Following submission of the notice required by paragraph (b) of this clause, the Contractor shall diligently continue performance of this contract to the maximum extent possible in accordance with its terms and conditions as construed by the Contractor, unless the notice reports a direction of the Contracting Officer or a communication



SCHEDULE

from a SAR of the Contracting Officer, in either of which events the Contractor shall continue performance; provided, however, that if the Contractor regards the direction or communication as a change as described in paragraph (b) of this clause, notice shall be given in the manner provided. All directions, communications, interpretations, orders and similar actions of the SAR shall be reduced to writing promptly and copies furnished to the Contractor and to the Contracting Officer. The Contracting Officer shall promptly countermand any action which exceeds the authority of the SAR.

(d) Government response. The Contracting Officer shall promptly, within 30 calendar days after receipt of notice, respond to the notice in writing. In responding, the Contracting Officer shall either --

(1) Confirm that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance;

(2) Countermand any communication regarded as a change;

(3) Deny that the conduct of which the Contractor gave notice constitutes a change and when necessary direct the mode of further performance; or

(4) In the event the Contractor's notice information is inadequate to make a decision under subparagraphs (d)(1), (2), or (3) of this clause, advise the Contractor what additional information is required, and establish the date by which it should be furnished and the date thereafter by which the Government will respond.

(e) Equitable adjustments.

(1) If the Contracting Officer confirms that Government conduct effected a change as alleged by the Contractor, and the conduct causes an increase or decrease in the Contractor's cost of, or the time required for, performance of any part of the work under this contract, whether changed or not changed by such conduct, an equitable adjustment shall be made --

(i) In the contract price or delivery schedule or both; and

(ii) In such other provisions of the contract as may be affected.

(2) The contract shall be modified in writing accordingly. In the case of drawings, designs or specifications which are defective and for which the Government is responsible, the equitable adjustment shall include the cost and time

SCHEDULE

extension for delay reasonably incurred by the Contractor in attempting to comply with the defective drawings, designs or specifications before the Contractor identified, or reasonably should have identified, such defect. When the cost of property made obsolete or excess as a result of a change confirmed by the Contracting Officer under this clause is included in the equitable adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of the property. The equitable adjustment shall not include increased costs or time extensions for delay resulting from the Contractor's failure to provide notice or to continue performance as provided, respectively, in paragraphs (b) and (c) of this clause.

Note: The phrases "contract price" and "cost" wherever they appear in the clause, may be appropriately modified to apply to cost-reimbursement or incentive contracts, or to combinations thereof.

**FAR 52.244-2 SUBCONTRACTS - (Aug 1998) AND ALTERNATE I (AUG 1998)**

(a) Definitions. As used in this clause-

"Approved purchasing system" means a Contractor's purchasing system that has been reviewed and approved in accordance with Part 44 of the Federal Acquisition Regulation (FAR)

"Consent to subcontract" means the Contracting Officer's written consent for the Contractor to enter into a particular subcontract.

"Subcontract" means any contract, as defined in FAR Subpart 2.1, entered into by a subcontractor to furnish supplies or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

(b) This clause does not apply to subcontracts for special test equipment when the contract contains the clause at FAR 52.245-18, Special Test Equipment.

(c) When this clause is included in a fixed-price type contract, consent to subcontract is required only on unpriced contract actions (including unpriced modifications or unpriced delivery

SCHEDULE

orders), and only if required in accordance with paragraph (d) (or (e) or this clause.

(d) If the contractor does not have an approved purchasing system, consent to subcontract is required for any subcontract that--

(1) Is of the cost-reimbursement, time-and-materials, or labor-hour type; or

(2) Is fixed-price and exceeds-

(i) For a contract awarded by the Department of Defense, the Coast Guard, or the national Aeronautics and Space Administration, the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of the contract; or

(ii) For contracts awarded by a civilian agency other than the Coast Guard and the National Aeronautics and Space Administration, either the simplified acquisition threshold or 5 percent of the total estimated cost of the contract.

(e) If the Contractor has an approved purchasing system, the Contractor nevertheless shall obtain the Contracting Officer's written consent before placing the following subcontracts:

(1) subcontracts to be placed with [REDACTED]

(2) subcontracts or interdivisional work orders over \$500,000 for any product(s) to be procured from a company, other than United Defense, that is owned and controlled by United Defense.

(3) subcontract contract modifications addressing work scope changes with a value that exceeds both \$1M and 10% of the subcontract value (before modification) .

(4) subcontracts with a subcontractor different from that who was proposed to perform planned work exceeding a total price of \$500,000.

(f)(1) The Contractor shall notify the Contracting Officer reasonably in advance of placing any subcontract or modification

SCHEDULE

thereof for which consent is required under paragraph (c), (d), or (e) of this clause, including the following information:

(i) A description of the supplies or services to be subcontracted.

(ii) Identification of the type of subcontract to be used.

(iii) Identification of the proposed subcontractor.

(iv) The proposed subcontract price.

(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 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 the subcontractor; and the effect of any such defective data on the total price negotiated;

SCHEDULE

(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 a summary of all trade-off possibilities considered.

(f)(2) If the Contractor has an approved purchasing system and consent is not required under paragraph (c), (d), or (e) of this clause, the Contractor nevertheless shall notify the Contracting Officer reasonably in advance of entering into any (i) cost-plus-fixed-fee subcontract, or (ii) fixed-price subcontract that exceeds the greater of the simplified acquisition threshold or 5 percent of the total estimated cost of this contract. The notification shall include the information required by paragraphs (f)(1)(i) through (f)(1)(iv) of this clause.

(g) 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 allowability of any cost under this contract; or

(3) To relieve the Contractor of any responsibility for performing this contract.

(h) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in FAR 15.404-4(c)(4)(i).

(i) 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.

SCHEDULE

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

(k) Paragraphs (d) and (f) of this clause do not apply to the following subcontracts, which were evaluated during negotiations:

**52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (JUL 2004)**

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

"Commercial item," has the meaning contained in Federal Acquisition Regulation 2.101, 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 (MAY 2004) (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.

SCHEDULE**52.245-5 GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS) (JUN 2003) (DEVIATION - DAR Tracking Number 99-00008, 13 July 1999)**

(a) Government-furnished property.

(1) The term "Contractor's managerial personnel," as used in paragraph (g) of this clause, means any of the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of--

(i) All or substantially all of the Contractor's business;

(ii) All or substantially all of the Contractor's operation at any one plant, or separate location at which the contract is being performed; or

(iii) A separate and complete major industrial operation connected with performing this contract.

(2) The Government shall deliver to the Contractor, for use in connection with and under the terms of this contract, the Government-furnished property described in the Schedule or specifications, together with such related data and information as the Contractor may request and as may be reasonably required for the intended use of the property (hereinafter referred to as "Government-furnished property").

(3) The delivery or performance dates for this contract are based upon the expectation that Government-furnished property suitable for use will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet the contract's delivery or performance dates.

(4) If Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt, notify the Contracting Officer, detailing the facts, and, as directed by the Contracting Officer and at Government expense, either effect repairs or modification or return or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, the Contracting Officer shall make an equitable adjustment as provided in paragraph (h) of this clause.

SCHEDULE

(5) If Government-furnished property is not delivered to the Contractor by the required time or times, the Contracting Officer shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused the Contractor and shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(b) Changes in Government-furnished property. (1) The Contracting Officer may, by written notice, (i) decrease the Government-furnished property provided or to be provided under this contract or (ii) substitute other Government-furnished property for the property to be provided by the Government or to be acquired by the Contractor for the Government under this contract. The Contractor shall promptly take such action as the Contracting Officer may direct regarding the removal, shipment, or disposal of the property covered by this notice.

(2) Upon the Contractor's written request, the Contracting Officer shall make an equitable adjustment to the contract in accordance with paragraph (h) of this clause, if the Government has agreed in the Schedule to make such property available for performing this contract and there is any--

(i) Decrease or substitution in this property pursuant to subparagraph (b)(1) above; or

(ii) Withdrawal of authority to use property, if provided under any other contract or lease.

(c) Title. (1) The Government shall retain title to all Government-furnished property.

(2) Title to all property purchased by the Contractor for which the Contractor is entitled to be reimbursed as a direct item of cost under this contract shall pass to and vest in the Government upon the vendor's delivery of such property.

(3) Title to all other property, the cost of which is reimbursable to the Contractor, shall pass to and vest in the Government upon--

(i) Issuance of the property for use in contract performance;

(ii) Commencement of processing of the property for use in contract performance; or



SCHEDULE

(iii) Reimbursement of the cost of the property by the Government, whichever occurs first.

(4) All Government-furnished property and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this clause. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

(d) Use of Government property. The Government property shall be used only for performing this contract, unless otherwise provided in this contract or approved by the Contracting Officer.

(e) Property administration. (1) The Contractor shall be responsible and accountable for all Government property provided under the contract and shall comply with Federal Acquisition Regulation (FAR) Subpart 45.5, as in effect on the date of this contract.

(2) The Contractor shall establish and maintain a program for the use, maintenance, repair, protection, and preservation of Government property in accordance with sound business practice and the applicable provisions of FAR Subpart 45.5.

(3) If damage occurs to Government property, the risk of which has been assumed by the Government under this contract, the Government shall replace the items or the Contractor shall make such repairs as the Government directs. However, if the Contractor cannot effect such repairs within the time required, the Contractor shall dispose of the property as directed by the Contracting Officer. When any property for which the Government is responsible is replaced or repaired, the Contracting Officer shall make an equitable adjustment in accordance with paragraph (h) of this clause.

(f) Access. The Government and all its designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting the Government property.

(g) Limited risk of loss. (1) The Contractor shall not be liable for loss or destruction of, or damage to, the Government

SCHEDULE

property provided under this contract or for expenses incidental to such loss, destruction, or damage, except as provided in subparagraphs (2) and (3) below.

(2) The Contractor shall be responsible for loss or destruction of, or damage to, the Government property provided under this contract (including expenses incidental to such loss, destruction, or damage)--

(i) That results from a risk expressly required to be insured under this contract, but only to the extent of the insurance required to be purchased and maintained or to the extent of insurance actually purchased and maintained, whichever is greater;

(ii) That results from a risk that is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;

(iii) For which the Contractor is otherwise responsible under the express terms of this contract;

(iv) That results from willful misconduct or lack of good faith on the part of the Contractor's managerial personnel; or

(v) That results from a failure on the part of the Contractor, due to willful misconduct or lack of good faith on the part of the Contractor's managerial personnel, to establish and administer a program or system for the control, use, protection, preservation, maintenance, and repair of Government property as required by paragraph (e) of this clause.

(3)(i) If the Contractor fails to act as provided by subdivision (g)(2)(v) above, after being notified (by certified mail addressed to one of the Contractor's managerial personnel) of the Government's disapproval, withdrawal of approval, or nonacceptance of the system or program, it shall be conclusively presumed that such failure was due to willful misconduct or lack of good faith on the part of the Contractor's managerial personnel.

(ii) In such event, any loss or destruction of, or damage to, the Government property shall be presumed to have resulted from such failure unless the Contractor can establish by clear and convincing evidence that such loss, destruction, or damage--

SCHEDULE

(A) Did not result from the Contractor's failure to maintain an approved program or system; or

(B) Occurred while an approved program or system was maintained by the Contractor.

(4) If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor for loss or destruction of, or damage to, the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of, and be responsible for, any loss or destruction of, or damage to, the property while in the subcontractor's possession or control, except to the extent that the subcontract, with the advance approval of the Contracting Officer, relieves the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for its use in accordance with the provisions of the prime contract.

(5) The Contractor shall so notify the Contracting Officer upon loss or destruction of, or damage to, Government property provided under this contract, with the exception of low value property for which loss, damage, or destruction is reported at contract termination, completion, or when needed for continued contract performance. The Contractor shall take all reasonable action to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the affected Government property in the best possible order, and furnish to the Contracting Officer a statement of--

(i) The lost, destroyed, or damaged Government property;

(ii) The time and origin of the loss, destruction, or damage;

(iii) All known interests in commingled property of which the Government property is a part; and

(iv) The insurance, if any, covering any part of or interest in such commingled property.

(6) The Contractor shall repair, renovate, and take such other action with respect to damaged Government property as the Contracting Officer directs. If the Government property is destroyed or damaged beyond practical repair, or is damaged and

SCHEDULE

so commingled or combined with property of others (including the Contractor's) that separation is impractical, the Contractor may, with the approval of and subject to any conditions imposed by the Contracting Officer, sell such property for the account of the Government. Such sales may be made in order to minimize the loss to the Government, to permit the resumption of business, or to accomplish a similar purpose. The Contractor shall be entitled to an equitable adjustment in the contract price for the expenditures made in performing the obligations under this subparagraph (g)(6) in accordance with paragraph (h) of this clause. However, the Government may directly reimburse the loss and salvage organization for any of their charges. The Contracting Officer shall give due regard to the Contractor's liability under this paragraph (g) when making any such equitable adjustment.

(7) The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance or of any reserve covering risk of loss or destruction of, or damage to, Government property, except to the extent that the Government may have expressly required the Contractor to carry such insurance under another provision of this contract.

(8) In the event the Contractor is reimbursed or otherwise compensated for any loss or destruction of, or damage to, Government property, the Contractor shall use the proceeds to repair, renovate, or replace the lost, destroyed, or damaged Government property or shall otherwise credit the proceeds to, or equitably reimburse, the Government, as directed by the Contracting Officer.

(9) The Contractor shall do nothing to prejudice the Government's rights to recover against third parties for any loss or destruction of, or damage to, Government property. Upon the request of the Contracting Officer, the Contractor shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery. In addition, where a subcontractor has not been relieved from liability for any loss or destruction of, or damage to, Government property, the Contractor shall enforce for the benefit of the Government the liability of the subcontractor for such loss, destruction, or damage.

(h) Equitable adjustment. When this clause specifies an equitable adjustment, it shall be made to any affected contract

SCHEDULE

provision in accordance with the procedures of the Changes clause. When appropriate, the Contracting Officer may initiate an equitable adjustment in favor of the Government. The right to an equitable adjustment shall be the Contractor's exclusive remedy. The Government shall not be liable to suit for breach of contract for--

- (1) Any delay in delivery of Government-furnished property;
- (2) Delivery of Government-furnished property in a condition not suitable for its intended use;
- (3) A decrease in or substitution of Government-furnished property; or
- (4) Failure to repair or replace Government property for which the Government is responsible.

(i) Final accounting and disposition of Government property. Upon completing this contract, or at such earlier dates as may be fixed by the Contracting Officer, the Contractor shall submit, in a form acceptable to the Contracting Officer, inventory schedules covering all items of Government property not consumed in performing this contract or delivered to the Government. The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of the Government property as may be directed or authorized by the Contracting Officer. The net proceeds of any such disposal shall be credited to the cost of the work covered by this contract or paid to the Government as directed by the Contracting Officer. The foregoing provisions shall apply to scrap from Government property; provided, however, that the Contracting Officer may authorize or direct the Contractor to omit from such inventory schedules any scrap consisting of faulty castings or forgings or of cutting and processing waste, such as chips, cuttings, borings, turnings, short ends, circles, trimmings, clippings, and remnants, and to dispose of such scrap in accordance with the Contractor's normal practice and account for it as a part of general overhead or other reimbursable costs in accordance with the Contractor's established accounting procedures.

(j) Abandonment and restoration of Contractor premises. Unless otherwise provided herein, the Government--

(1) May abandon any Government property in place, at which time all obligations of the Government regarding such abandoned property shall cease; and

SCHEDULE

(2) Has no obligation to restore or rehabilitate the Contractor's premises under any circumstances (e.g., abandonment, disposition upon completion of need, or contract completion). However, if the Government-furnished property (listed in the Schedule or specifications) is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this clause may properly include restoration or rehabilitation costs.

(k) Communications. All communications under this clause shall be in writing.

(l) Overseas contracts. If this contract is to be performed outside the United States and its outlying areas, the words "Government" and "Government-furnished" (wherever they appear in this clause) shall be construed as "United States Government" and "United States Government-furnished," respectively.

**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. Also, the full text of a clause may be accessed electronically at this/these address(es):

<http://FARSITE.HILL.AF.MIL/Vfdfar1.htm>

**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 252.211-7003 ITEM IDENTIFICATION AND VALUATION (JAN 2004)**

(a) Definitions. As used in this clause—

SCHEDULE

"Automatic identification device" means a device, such as a reader or interrogator, used to retrieve data encoded on machine-readable media.

"Commonly accepted commercial marks" means any system of marking products for identification that is in use generally throughout commercial industry or within commercial industry sectors. Some examples of commonly accepted commercial marks are: EAN.UCC Global Trade Item Number; Automotive Industry Action Group B-4 Parts Identification and Tracking Application Standard, and B-2 Vehicle Identification Number Bar Code Label Standard; American Trucking Association Vehicle Maintenance Reporting Standards; Electronic Industries Alliance EIA 802 Product Marking Standard; and Telecommunications Manufacturers Common Language Equipment Identification Code.

"Concatenated unique item identifier" means-

(1) For items that are serialized within the enterprise identifier, the linking together of the unique identifier data elements in order of the issuing agency code, enterprise identifier, and unique serial number within the enterprise identifier; or

(2) For items that are serialized within the original part number, the linking together of the unique identifier data elements in order of the issuing agency code, enterprise identifier, original part number, and serial number within the part number.

"Data qualifier" means a specified character (or string of characters) that immediately precedes a data field that defines the general category or intended use of the data that follows.

"DoD recognized unique identification equivalent" means a unique identification method that is in commercial use and has been recognized by DoD. All DoD recognized unique identification equivalents are listed at <http://www.acq.osd.mil/uid>.

"DoD unique item identification" means an item with a unique item identifier that has machine-readable data elements to distinguish it from all other like and unlike items. In addition-

(1) For items that are serialized within the enterprise identifier, the unique identifier shall include the data elements of the issuing agency code, enterprise identifier, and unique serial number.

SCHEDULE

(2) For items that are serialized within the part number within the enterprise identifier, the unique identifier shall include the data elements of the issuing agency code, enterprise identifier, the original part number, and the serial number.

"Enterprise" means the entity (i.e., a manufacturer or vendor) responsible for assigning unique item identifiers to items.

"Enterprise identifier" means a code that is uniquely assigned to an enterprise by a registration (or controlling) authority.

"Government's unit acquisition cost" means—

(1) For fixed-price type line, subline, or exhibit line items, the unit price identified in the contract at the time of delivery; and

(2) For cost-type line, subline, or exhibit line items, the Contractor's estimate fully burdened unit cost to the Government for each item at the time of delivery.

"Issuing agency code" means a code that designates the registration (or controlling) authority.

"Item" means a single hardware article or unit formed by a grouping of subassemblies, component or constituent parts required to be delivered in accordance with the terms and conditions of this contract.

"Machine-readable" means an automatic information technology media, such as bar codes, contact memory buttons, radio frequency identification, or optical memory cards.

"Original part number" means a combination of numbers or letters assigned by the enterprise at asset creation to a class of items with the same form, fit, function, and interface.

"Registration (or controlling) authority" means an organization responsible for assigning a non-repeatable identifier to an enterprise (i.e., Dun & Bradstreet's Data Universal Numbering System (DUNS) Number, Uniform Code Council (UCC)/EAN International (EAN) Company Prefix, or Defense Logistics Information System (DLIS) Commercial and Government Entity (CAGE) Number).

"Serial number within the enterprise identifier" or "unique



SCHEDULE

serial number" means a combination of numbers, letters, or symbols assigned by the enterprise to an item that provides for the differentiation of that item from any other like and unlike item and is never used again within the enterprise.

"Serial number within the part number" or "serial number" means a combination of numbers or letters assigned by the enterprise to an item that provides for the differentiation of that item from any other like item within a part number assignment.

"Serialization within the enterprise identifier" means each item produced is assigned a serial number that is unique among all the tangible items produced by the enterprise and is never used again. The enterprise is responsible for ensuring unique serialization within the enterprise identifier.

"Serialization within the part number" means each item of a particular part number is assigned a unique serial number within that part number assignment. The enterprise is responsible for ensuring unique serialization within the part number within the enterprise identifier.

"Unique item identification" means marking an item with machine-readable data elements to distinguish it from all other like and unlike items.

"Unique item identifier" means a set of data marked on items that is globally unique, unambiguous, and robust enough to ensure data information quality throughout life and to support multi-faceted business applications and users.

"Unique item identifier type" means a designator to indicate which method of uniquely identifying a part has been used. The current list of accepted unique item identifier types is maintained at <http://www.acq.osd.mil/uid>.

(b) The Contractor shall deliver all items under a contract line, subline, or exhibit line item.

(c) Unique item identification.

(1) The Contractor shall provide unique item identification marking, or a DoD recognized unique identification equivalent, for-

(i) All items for which the Government's unit acquisition cost is \$5,000 or more; and

SCHEDULE

(ii) All items for which the Government's unit acquisition cost is less than \$5,000:

Contract Line, Subline, or Exhibit Line Item Number	Item Description

(iii) Subassemblies, components, and parts embedded within items as specified in Exhibit Number \_\_\_\_\_ or Contract Data Requirements List Item Number \_\_\_\_\_.

(2) The unique item identifier and the component data elements of the unique item identifier shall not change over the life of the item.

(3) Data syntax and semantics. The Contractor shall-

(i) Mark the encoded data elements (except issuing agency code) on the item using any of the following three types of data qualifiers, as specified elsewhere in the contract:

(A) Data Identifiers (DIs) (Format 06).

(B) Application Identifiers (AIs) (Format 05), in accordance with ISO/IEC International Standard 15418, Information Technology - EAN/UCC Application Identifiers and ASC MH 10 Data Identifiers and ASC MH 10 Data Identifiers and Maintenance.

(C) Text Element Identifiers (TEIs), in accordance with the DoD collaborative solution "DD" format for use until the final solution is approved by ISO JTC1/SC 31. The DoD collaborative solution is described in Appendix D of the DoD guide to Uniquely Identifying Tangible Items, available at <http://www.acq.osd.mil/uid>; and

(ii) Use high capacity automatic identification devices in unique identification that conform to ISO/IEC International Standard 15434, Information Technology - Syntax for High Capacity Automatic Data Capture Media.

(4) Marking items.

SCHEDULE

(i) Unless otherwise specified in the contract, data elements for unique identification (enterprise identifier, serial number, and, for serialization within the part number only, original part number) shall be placed on items requiring marking by paragraph (c)(1) of this clause in accordance with the standard practice of MIL-STD-130, Identification Marking of U.S. Military Property, cited in the contract schedule.

(ii) The issuing agency code-

(A) Shall not be placed on the item; and

(B) Shall be derived from the data qualifier for the enterprise identifier.

(d) Commonly accepted commercial marks. The Contractor shall provide commonly accepted commercial marking for items that are not required to have unique identification under paragraph (c) of this clause.

(d) Material Inspection and Receiving Report. The Contractor shall provide report at the time of delivery, as part of the Material Inspection and Receiving Report specified elsewhere in this contract; the following information:

- (1) Description.\*
- (2) Unique item identifier, \*\* consisting of-
  - (i) Concatenated DoD unique item identifier; or
  - (ii) DoD recognized unique identification equivalent..
- (3) Unique item identifier type.\*\*
- (4) Issuing agency code (if DoD unique item identifier is used).\*\*
- (5) Enterprise identifier (if DoD unique item identifier is used).\*\*
- (6) Original part number.\*\*
- (7) Serial number.\*\*
- (8) Quantity shipped.\*
- (9) Unit of measure.\*

SCHEDULE

- (10) Government's unit acquisition cost.\*
- (11) Ship-to code.
- (12) Shipment date.
- (13) Contractor's CAGE code or DUNS number.
- (14) Contract number.
- (15) Contract line, subline, or exhibit line item number.\*
- (16) Acceptance code.

\*Once per contract line, subline, or exhibit line item.

\*\* Once per item.

(f) Material Inspection and Receiving Report for embedded subassemblies, components, and parts requiring unique item identification. The Contractor shall provide report at the time of delivery, as part of the Material Inspection and Receiving Report specified elsewhere in this contract; the following information:

(1) Unique item identifier of the item delivered under a contract line, subline, or exhibit line item that contains the embedded subassembly, component, or part.

(2) Unique item identifier of the embedded subassembly, component, or part, consisting of--

- (i) Concatenated DoD unique item identifier; or
- (ii) DoD recognized unique identification equivalent..

(3) Unique item identifier type.\*\*

---

(4) Issuing agency code (if DoD unique item identifier is used).\*\*

(5) Enterprise identifier (if DoD unique item identifier is used).\*\*

(6) Original part number.\*\*

(7) Serial number.\*\*

SCHEDULE

(8) Unit of measure.\*

(9) Description.

\*\* Once per item.

(g) The Contractor shall submit the information required by paragraphs (e) and (f) of this clause in accordance with the procedures at <http://www.acq.osd.mil/uid>.

(h) Subcontracts. If paragraph (c)(1)(iii) of this clause applies, the Contractor shall include this clause, including this paragraph (h), in all subcontracts issued under this contract.

**252.217-7027 CONTRACT DEFINITIZATION (OCT 1998)**

(a) A cost plus award fee contract is contemplated. The Contractor agrees to begin promptly negotiating with the Contracting Officer the terms of a definitive contract that will include (1) all clauses required by the Federal Acquisition Regulation (FAR) on the date of execution of the undefinitized contract action, (2) all clauses required by law on the date of execution of the definitive contract action, and (3) any other mutually agreeable clauses, terms, and conditions. The Contractor agrees to submit a cost plus award fee proposal and cost or pricing data supporting its proposal.

(b) The schedule for definitizing this contract action is as follows:

Proposal Submitted: [REDACTED]

Negotiations Commence: [REDACTED]

Contract Definitized: [REDACTED]

(c) If agreement on a definitive contract action to supersede this undefinitized contract action is not reached by the target date in paragraph (b) of this clause, or within any extension of it granted by the Contracting Officer, the Contracting Officer may, with the approval of the head of the contracting activity, determine a reasonable price or fee in accordance with Subpart 15.4 and Part 31 of the FAR, subject to Contractor appeal as provided in the Disputes clause. In any event, the Contractor shall proceed with completion of the contract, subject only to the Limitation of Government Liability clause.

SCHEDULE

(1) After the Contracting Officer's determination of price or fee, the contract shall be governed by--

(i) All clauses required by the FAR on the date of execution of this undefinitized contract action for either fixed-price or cost-reimbursement contracts, as determined by the Contracting Officer under this paragraph (c);

(ii) All clauses required by law as of the date of the Contracting Officer's determination; and

(iii) Any other clauses, terms, and conditions mutually agreed upon.

(2) To the extent consistent with paragraph (c)(1) of this clause, all clauses, terms, and conditions included in this undefinitized contract action shall continue in effect, except those that by their nature apply only to an undefinitized contract action.

(d) The definitive contract resulting from this undefinitized contract action will include a negotiated cost plus award fee that in no event to exceed [REDACTED]

**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. N00024-05-C-5117.

(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 252.242-7002 EARNED VALUE MANAGEMENT SYSTEM (MAR 2005)  
(Applicable to CLINs 0001 and 0003 and if options are exercised  
Items 0002 and 0007)**

(a) In the performance of this contract, the Contractor shall use an earned value management system (EVMS) that has been recognized by the cognizant Administrative Contracting Officer (ACO) as

SCHEDULE

complying with the criteria provided in DoD 5000.2-R, Mandatory Procedures for Major Defense Acquisition Programs (MDAPs) and Major Automated Information System (MAIS) Acquisition Programs.

(b) If, at the time of award, the Contractor's EVMS has not been recognized by the cognizant ACO as complying with EVMS criteria (or the Contractor does not have an existing cost/schedule control system that has been accepted by the Department of Defense), the Contractor shall apply the system to the contract and shall be prepared to demonstrate to the ACO that the EVMS complies with the EVMS criteria referenced in paragraph (a) of this clause.

(c) The Government may require integrated baseline reviews. Such reviews shall be scheduled as early as practicable and should be conducted within 180 calendar days after (1) contract award, (2) the exercise of significant contract options, or (3) the

incorporation of major modifications. The objective of the integrated baseline review is for the Government and the Contractor to jointly assess areas, such as the Contractor's planning, to ensure complete coverage of the statement of work, logical scheduling of the work activities, adequate resourcing, and identification of inherent risks.

(d) Unless a waiver is granted by the ACO, Contractor-proposed EVMS changes require approval of the ACO prior to implementation. The ACO shall advise the Contractor of the acceptability of such changes within 30 calendar days after receipt of the notice of proposed changes from the Contractor. If the advance approval requirements are waived by the ACO, the Contractor shall disclose EVMS changes to the ACO at least 14 calendar days prior to the effective date of implementation.

(e) The Contractor agrees to provide access to all pertinent records and data requested by the ACO or duly authorized representative. Access to permit Government surveillance to ensure that the EVMS complies, and continues to comply, with the criteria referenced in paragraph (a) of this clause.

(f) The Contractor shall require subcontractors who receive \$73M (FY 2000 constant dollars) in subcontracts traceable to the contract to comply with the requirements of this clause.

**252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (MAY 2002)**

(a) *Definitions.* As used in this clause—

SCHEDULE

(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 prime contract and who is performing any part of the work or other requirement of the prime contract.

(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 for 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" includes (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 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) (1) The Contractor shall use U.S.-flag vessels when transporting any supplies by sea under this contract.

(2) A subcontractor transporting supplies by sea under this contract shall use U.S.-flag vessels if-

(i) This contract is a construction contract; or

(ii) The supplies being transported are-

(A) Noncommercial items; or

(B) Commercial items that-

(1) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it subcontracts for f.o.b. destination shipment);

(2) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or

(3) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

(c) The Contractor and its subcontractors may request that the Contracting Officer authorize shipment in foreign-flag vessels, or



SCHEDULE

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 inordinately excessive or unreasonable; or
- (3) Freight charges are higher than charges to private persons for transportation of like goods.

(d) 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 schedules. 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 at 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 U.S.-flag carriers contacted. Copies of telephone notes, telegraphic and facsimile message or letters will be sufficient for this purpose.

(e) The Contractor shall, within 30 days after each shipment covered by this clause, provide the Contracting Officer and the Maritime Administration, Office of Cargo Preference, U.S. Department of Transportation, 400 Seventh Street SW, 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 steamship company.

(f) The Contractor shall 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;

SCHEDULE

(2) Ocean transportation was used and only U.S.-flag vessels were used for all ocean shipments under the 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 format:

	ITEM DESCRIPTION	CONTRACT LINE ITEMS	QUANTITY
TOTAL			

(g) 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.

(h) In the award of subcontracts for the types of supplies described in paragraph (b)(2) of this clause, the Contractor shall flow down the requirements of this clause as follows:

(1) The Contractor shall insert the substance of this clause, including this paragraph (h), in subcontracts that exceed the simplified acquisition threshold in Part 2 of the Federal Acquisition Regulation.

(2) The Contractor shall insert the substance of paragraphs (a) through (e) of this clause, and this paragraph (h), in subcontracts that are at or below the simplified acquisition threshold in Part 2 of the Federal Acquisition Regulation.

**252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA  
(MAR 2000)\***

(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.

SCHEDULE

(b) The Contractor shall include this clause, including this paragraph (b), revised as necessary to reflect the relationship of the contracting parties—

(1) In all subcontracts under this contract, if this contract is a construction contract; or

(2) If this contract is not a construction contract, in all subcontracts under this contract that are for—

(i) Noncommercial items; or

(ii) Commercial items that—

(A) The Contractor is reselling or distributing to the Government without adding value (generally, the Contractor does not add value to items that it subcontracts for f.o.b. destination shipment);

(B) Are shipped in direct support of U.S. military contingency operations, exercises, or forces deployed in humanitarian or peacekeeping operations; or

(C) Are commissary or exchange cargoes transported outside of the Defense Transportation System in accordance with 10 U.S.C. 2643.

\* May be deleted at time of award

SCHEDULE**SECTION J - LIST OF ATTACHMENTS**

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

J-1 Financial Accounting Data Sheet.

J-2 Contract Security Classification Specification, DD Form 254.

J-3 Contract Data Requirement List

J-4 Award Fee/Incentive Fee Distribution Plan  
(to be included in Section J at definitization.)

J-5 Reserved

J-6 Reserved

J-7 Production Readiness Review Requirements, 04 May 05

J-8 Guidance on Acquisition and Conversion of Product/Technical Data to Digital Form (Revision 1), 23 Oct 04

J-10 Design-Build-Process Specification, Baseline 5.2  
(to be provided 30 June 2005)

J-11 Reserved for *Shock Qualification Agreement*

J-12 DD(X) Program Modeling and Simulation Management Agreement,  
4 May 05

J-14 Live Fire Test and Evaluation Management Plan  
(to be provided 30 June 2005)

J-16 Reserved

J-17 Reserved

SCHEDULE

J-18 Reserved

J-19 Reserved

J-20 DD(X) Operational Requirements Document Delta Requirements,  
4 May 05

J-21 Reserved

J-22 Reserved

J-23 Reserved

J-24 Reserved

J-25 Reserved

J-26 Mission Readiness Review Instruction, 26 Nov 01

J-27 Data Rights and Patent Rights Assertion  
(to be provided 15 July 2005)

J-28 Reserved

J-29 Reserved

J-30 Reserved

J-31 Reserved

J-32 System Interface Control Document, Baseline 5.2  
(to be provided 30 June 2005)

J-33 Hull Line Drawings, Baseline 5.2  
(to be provided 30 June 2005)

J-34 General Arrangement Drawings, Baseline 5.2  
(to be provided 30 June 2005)

J-35 Midship Section Drawings, Baseline 5.2  
(to be provided 30 June 2005)

J-36 Deckhouse Model (3d model) and Design Artifacts, Baseline  
5.2  
(to be provided 30 June 2005)

SCHEDULE

J-37 Master Equipment List, Baseline 5.2  
(to be provided 30 June 2005)

J-38 Integrated Mass Properties Report, Baseline 5.2  
(to be provided 30 June 2005)

J-39 Combat System Equipment List Reports of Weight, Zonal  
Power, Zonal Cooling and Volume, Baseline 5.2  
(to be provided 30 June 2005)

J-40 Reserved

J-41 Reserved

J-42 Reserved

J-43 Reserved

J-44 Reserved

J-45 Reserved for *DD(X) Crew Specification*

J-46 DD(X) Program Off Ship Specification, Feb 05

J-47 Reserved

J-48 Integrated Verification Agreement, 4 May 05

J-49 Reserved

J-50 Reserved