

AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (A5 CFR 350)		RATING DO-A2	PAGE OF PAGES 1 78																																																																																
2. CONTRACT (Proc. Inst. Ident.) NO. N00024-06-C-5422		3. EFFECTIVE DATE SEE BLOCK 20C.		4. REQUISITION/PURCHASE REQUEST/PROJECT NO. N00024-06-NR-48000																																																																																	
5. ISSUED BY NAVAL SEA SYSTEMS COMMAND BUYER/SYMBOL: L. Dwayne Weaver/2541 1333 ISAAC HULL AVENUE, S.E. STOP 2040 WASHINGTON NAVY YARD, DC 20376-2040 PHONE: (202) 781-3959		CODE N00024	6. ADMINISTERED BY (If other than Item 5) DCMA NAVAL SYSTEMS OPERATIONS 1 FEDERAL STREET, M/S AE-2-W CAMDEN, NJ 08102-1013 ATTN: MS. LINDA DOLAN																																																																																		
7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code) RAYTHEON COMPANY 1847 WEST MAIN ROAD PORTSMOUTH, RI 02871-1087 DUNS No: 0459537128			8. DELIVERY [X] FOB ORIGIN [] OTHER (See below)																																																																																		
			9. DISCOUNT FOR PROMPT PAYMENT n/a																																																																																		
			10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN:		ITEM See Section B																																																																																
CODE 94404	FACILITY CODE		11. SHIP TO/MARK FOR See SECTION F - Deliveries or Performance																																																																																		
12. PAYMENT WILL BE MADE BY DFAS-Columbus Center DFAS-CO/BUNKER HILL DIVISION P.O. Box 182077 Columbus, OH 43218-2077			13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION [X] 10 U.S.C. 2304(c)(1) [] 41 U.S.C. 253(c)(1)																																																																																		
14. ACCOUNTING AND APPROPRIATION DATA See attached Financial Accounting Data Sheets			15. TOTAL AMOUNT OF CONTRACT) \$21,500,000																																																																																		
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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE																																																																																					
17. [X] CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return 2 copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)			18. [] AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number _____, including the additions or changes made by you with additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any 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) L. J. Doucet Senior Contracts Manager			20A. NAME OF CONTRACTING OFFICER L. DWAYNE WEAVER																																																																																		
19B. NAME OF CONTRACTOR		19C. DATE SIGNED	20A. UNITED STATES OF AMERICA		20C. DATE SIGNED																																																																																
BY <i>L. J. Doucet</i> (Signature of person authorized to sign)		4/28/06	BY <i>L. Dwayne Weaver</i> (Signature of Contracting Officer)		28 APR 2006																																																																																

SCHEDULE**SECTION B – SUPPLIES OR SERVICES AND PRICES/COSTS****LETTER CONTRACT (FIXED-PRICE) (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 Firm-Fixed-Price for Items 0001 through 0009 and 0013 in no event to exceed \$21,500,000. Until this contract is definitized, the Not-To-Exceed Ceiling Price for this letter contract is allocated to individual line items set forth below. Pricing for Option Items 0010 through 0012 shall be negotiated separately.

<u>ITEM</u>	<u>SUPPLIES/SERVICES</u>	<u>QTY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>AMOUNT</u>
0001	LHA 6 MK 73 Equipment Production (SCN) (See NOTE C)				
0001AA	MK 73 MOD 3 ORDALT Kits	2	EA		
0001AB	MK 73 MOD 3 ORDALT INCO Spares	1	LOT		
0002	LHA 6 MK 57 MOD 12 NSSMS ORDALT for LHA Ships (SCN) (See NOTE C)				
0002AA	MK 30 MOD 0 IRPs	2	EA		
0002AB	MK 34 MOD 1 SLC	2	EA		
0002AC	MK 57 MOD 12 INCO Kit	1	LOT		
0003	LHA 6 MK 29 ESSM ORDALT Production (SCN) (See NOTE C)				
0003AA	MK 29 MOD 4 ESSM ORDALT Kits	2	EA		
0003AB	MK 29 MOD 4 ESSM ORDALT Kits INCO Spares	1	LOT		
0004	CVN 70 MK 73 Equipment Production (OPN) (See NOTE C)				
0004AA	MK 73 MOD 3 ORDALT Kits	4	EA		
0004AB	MK 73 MOD 3 ORDALT INCO Spares	1	LOT		(b)(4)
0005	CVN 70 MK 57 MOD 13 NSSMS ORDALT for CV/ CVN Ships (OPN) (See NOTE C)				
0005AA	MK 30 MOD 0 IRPs	4	EA		
0005AB	MK 34 MOD 1 SLC	2	EA		
0005AC	MK 57 MOD 13 INCO Kit	1	LOT		
0006	CVN 70 MK 29 ESSM ORDALT Production (OPN) (See NOTE C)				
0006AA	MK 29 MOD 4 ESSM ORDALT Kits	2	EA		
0006AB	MK 29 MOD 4 ESSM ORDALT Kits INCO Spares	1	LOT		
0007	CVN 74 MK 29 ESSM ORDALT Production (OPN) (See NOTE C)				
0007AA	MK 29 MOD 4 ESSM ORDALT Kits	2	EA		
0007AB	MK 29 MOD 4 ESSM ORDALT Kits INCO Spares	1	LOT		

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ITEM	SUPPLIES/SERVICES	QTY	UNIT	UNIT PRICE	AMOUNT
0008	CVN 68 MK 29 ESSM ORDALT Production (OPN) (See NOTE C)				
0008AA	MK 29 MOD 4 ESSM ORDALT Kits	2	EA		
0008AB	MK 29 MOD 4 ESSM ORDALT Kits INCO Spares	1	LOT		
0009	LHD 7 SLC MK 34 MOD 0 ORDALT Kit (OPN) (See NOTE C)				
0009AA	MK 34 MOD 0 SLC	2	EA		
0009AB	MK 57 MOD 12 INCO Kit	2	LOT		
0010	CVN 75 MK 73 Equipment Production (OPN) (OPTION – See NOTE A)				
0010AA	MK 73 MOD 3 ORDALT Kits	4	EA	\$TBD	\$TBD
0010AB	MK 73 MOD 3 ORDALT INCO Spares	1	LOT	\$TBD	\$TBD
0011	CVN 75 MK 57 MOD 13 NSSMS ORDALT for CV/CVN Ships (OPN). (OPTION – See NOTE A)				
0011AA	MK 30 MOD 0 IRPs	4	EA	\$TBD	\$TBD
0011AB	MK 34 MOD 1 SLC	2	EA	\$TBD	\$TBD
0011AC	MK 57 MOD 13 INCO Kit	1	LOT	\$TBD	\$TBD
0012	CVN 75 MK 29 ESSM ORDALT Production (OPN) (OPTION – See NOTE A)				
0012AA	MK 29 MOD 4 ESSM ORDALT Kits	2	EA	\$TBD	\$TBD
0012AB	MK 29 MOD 4 ESSM ORDALT Kits INCO Spares	1	LOT	\$TBD	\$TBD
0013	Data for Items 0001 through 0012 and 0014 (See DD Form 1423, Exhibit A attached hereto) (See NOTE B)				NSP
0014	Provisioned Items Orders		See	SECTION C	

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

NOTE B – The Navy is required to obtain pricing information for data provided under this contract. Offeror shall complete the "Price Group" and "Estimated Total Price" blocks of each data item on the Contract Data Requirements List(s), attached hereto.

NOTE C - This letter contract contains Not-To-Exceed Firm Fixed Price line items. At definitization of the letter contract, the parties agree to establish firm fixed pricing, for each specific ship hull, encompassing all FFP requirements for LHA 6, LHD 7, CVN 68, CVN 70 and CVN 74. In the event FFP options for CVN 75 requirements are definitized, a separate firm fixed price for CVN 75 shall be established at that time. Until definitization, the Limitation of Government Liability for this letter contract established under FAR 52.216-24 is allocated to individual line items as set forth in the table below.

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CLIN/SLIN	Not-to-Exceed Amount	Limitation of Government Liability
0001AA	\$	(b)(4)
0001AB	\$	
0002AA	\$	
0002AB	\$	
0002AC	\$	
0003AA	\$	
0003AB	\$	
0004AA	\$	
0004AB	\$	
0005AA	\$	
0005AB	\$	
0005AC	\$	
0006AA	\$	
0006AB	\$	
0007AA	\$	
0007AB	\$	
0008AA	\$	
0008AB	\$	
0009AA	\$	
0009AB	\$	
Total	\$ 21,500,000	\$ 10,748,000

CLAUSES INCORPORATED IN FULL TEXT**B-1 CONTRACT TYPE SUMMARY FOR PAYMENT OFFICE (FIXED PRICE)
(NAVSEA) (FEB 1997)**

This entire contract is fixed price.

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B-2 EXPEDITING CONTRACT CLOSEOUT (NAVSEA) (DEC 1995)

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

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

B-3 REFUNDS (SPARES AND SUPPORT EQUIPMENT) (NAVSEA) (SEP 1990)

(a) In the event that the price of a spare part or item of support equipment delivered under this contract significantly exceeds its intrinsic value, the Contractor agrees to refund the difference. Refunds will only be made for the difference between the intrinsic value of the item at the time an agreement on price was reached and the contract price. Refunds will not be made to recoup the amount of cost decreases that occur over time due to productivity gains (beyond economic purchase quantity considerations) or changes in market conditions.

(b) For purposes of this requirement, the intrinsic value of an item is defined as follows:

(1) If the item is one which is sold or is substantially similar or functionally equivalent to one that is sold in substantial quantities to the general public, intrinsic value is the established catalog or market price, plus the value of any unique requirements, including delivery terms, inspection, packaging, or labeling.

(2) If there is no comparable item sold in substantial quantities to the general public, intrinsic value is defined as the price an individual would expect to pay for the item based upon an economic purchase quantity as defined in FAR 52.207-4, plus the value of any unique requirements, including delivery terms, inspection, packaging or labeling.

(c) At any time up to two years after delivery of a spare part or item of support equipment, the Contracting Officer may notify the Contractor that based on all information available at the time of the notice, the price of the part or item apparently exceeds its intrinsic value.

(d) If notified in accordance with paragraph (c) above, the Contractor agrees to enter into good faith negotiations with the Government to determine if, and in what amount, the Government is entitled to a refund.

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(e) If agreement pursuant to paragraph (d) above cannot be reached, and the Navy's return of the new or unused item to the Contractor is practical, the Navy, subject to the Contractor's agreement, may elect to return the item to the Contractor. Upon return of the item to its original point of Government acceptance, the Contractor shall refund in full the price paid. If no agreement pursuant to paragraph (d) above is reached, and return of the item by the Navy is impractical, the Contracting Officer may, with the approval of the Head of the Contracting Activity, issue a Contracting Officer's final decision on the matter, subject to Contractor appeal as provided in the "DISPUTES" clause (FAR 52.233-1).

(f) The Contractor will make refunds, as required under this requirement, in accordance with instructions from the Contracting Officer.

(g) The Contractor shall not be liable for a refund if the Contractor advised the Contracting Officer in a timely manner that the price it would propose for a spare part or item of support equipment exceeded its intrinsic value, and with such advice, specified the estimated proposed price, the estimated intrinsic value and known alternative sources or item, if any, that can meet the requirement.

(h) This requirement does not apply to any spare parts or items of support equipment whose price is determined through adequate price competition. This requirement also does not apply to any spare part or item of support equipment with a unit price in excess of \$100,000; or in excess of \$25,000 if the Contractor submitted, and certified the currency, accuracy and completeness of, cost or pricing data applicable to the item.

SCHEDULE

SECTION C – DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

PART 1 – CONTRACT LINE ITEM DESCRIPTION

ITEMS 0001AA, 0004AA and, if Option is exercised, 0010AA– MK 73 MOD 3 ORDALT Kit Production

The contractor shall procure, fabricate, assemble, inspect, test and deliver MK 73 MOD 3 Solid State Transmitter) ORDALT kits in accordance with drawing PLG743799-2 and Attachment A.

ITEMS 0001AB, 0004AB and, if Option is exercised, 0010AB – MK 73 MOD 3 ORDALT Installation and Check-Out (INCO) Spares

The contractor shall procure, fabricate, assemble, inspect, test and deliver MK 73 MOD 3 Transmitter Solid State ORDALT Installation and Check-out parts in accordance with P/N H330653-1, Attachment A and Attachment B.

ITEMS 0002AA, 0002AB, 0005AA, 0005AB, if Option is exercised, 0011AA and 0011AB – MK 57 MOD 12/13 NSSMS ORDALT for CV/CVN/LHA Ships

The Contractor shall procure, fabricate, assemble, inspect, test, document, and deliver MK 30 MOD 0 Integrated Radar Processor (IRP) in accordance with P/N 6023177 Rev- and ESSM Upgraded System/Launcher Controller (SLC) MK 34 MOD 1 in accordance with P/N 6023221-2 Rev- and Attachment A.

ITEMS 0002AC, 0005AC, 0009AB, if Option is exercised, 0011AC - MK 57 MOD 12/13 NSSMS ORDALT INCO Spares

The Contractor shall procure, fabricate, assemble, inspect, test and deliver MK 57 MOD 12/13 NSSMS ORDALT INCO Spares in accordance with Attachment A and Attachment B.

ITEMS 0003AA, 0006AA, 0007AA, 0008AA, and, if Option is exercised, 0012AA – MK 29 MOD 4 GMLS ESSM ORDALT Kit

The Contractor shall procure, fabricate, assemble, inspect, test, and deliver MK 29 GMLS ESSM ORDALT Kits in accordance with P/N PLH362666-1 Rev- and Attachment A.

ITEMS 0003AB, 0006AB, 0007AB, 0008AB, and, if Option is exercised, 0012AB - MK 29 MOD 4 GMLS ESSM ORDALT Kit INCO Spares

The Contractor shall fabricate, assemble, inspect, test and deliver MK 29 MOD 4 GMLS ESSM ORDALT Kit INCO Spares in accordance with Attachment A and Attachment B.

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ITEM 0009AA – SLC MK 34 MOD 0 Equipment Production

The Contractor shall fabricate, assemble, inspect, test and deliver System/Launcher Controller (SLC) MK 34 MOD 0 in accordance with P/N 6023221 Rev- and Attachment A.

ITEM 0013 - DATA FOR ITEMS 0001-0012 and 0014

Data shall be prepared in accordance with the Contract Data Requirements List (CDRL), DD Form 1423, Exhibit A, attached hereto.

ITEM 0014 - PROVISIONED ITEMS ORDERS (NAVSEA) (APR 1999)

(a) General. The Contractor agrees that it will furnish the supplies or services ordered by the Government in accordance with the procedures specified herein. Orders will be placed by the Contracting Officer, Provisioning Activity or Administrative Contracting Officer as unilateral or bilateral modifications to this contract on SF 30, Amendment of Solicitation/Modification of Contract. Any amounts shown in Section B at time of award of the initial contract for each provisioned line item are estimated amounts only and are subject to upward or downward adjustment by the issuing activity. If no amounts are shown, funding will be obligated before or at time of order issuance. It is understood and agreed that the Government has no obligation under this contract to issue any orders hereunder.

(b) Priced Orders. For each proposed order, the Contractor agrees that it will submit such cost or pricing data as the Contracting Officer may require. Promptly thereafter, the Contractor and the Contracting Officer shall negotiate the price and delivery schedule for the proposed order. Upon execution and receipt of the priced order, the Contractor shall promptly commence the work specified in the order.

(c) Unpriced Orders. Whenever the Contracting Officer determines that urgent demands or requirements prevent the issuance of a priced order, he/she may issue an unpriced order. Such order may be unilateral or bilateral and shall establish a limitation of Government liability, a maximum ceiling amount, and a schedule for definitization, as described in subparagraph (e)(2) below. Upon request the Contractor shall submit a maximum ceiling amount proposal before the unpriced order is issued. The maximum ceiling amount is the maximum price at which the order may be definitized. The Contractor shall begin performing the unpriced order upon receipt, except as provided in paragraph (d) below. The clause entitled "CONTRACT DEFINITIZATION" (DFARS 252.217-7027) shall be included in any unpriced order.

(d) Rejection of Unilateral Orders. The Contractor may reject any unilateral order if the Contractor determines that it cannot feasibly perform the order, or if the Contractor does not concur with the maximum ceiling amount. However, each unilateral order shall be deemed to

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have been accepted by the Contractor unless within fifteen days of issuance of the order, the Contractor notifies the Contracting Officer in writing of its rejection of the order.

(e) Definitization of Undefined Orders. (1) The Contractor agrees that following the issuance of an undefinitized order, it will promptly begin negotiating with the Contracting Officer the price and terms of a definitive order that will include: (A) all clauses required by regulation on the date of the order; (B) all clauses required by law on the date of execution of the definitive order; and, (C) any other mutually agreeable clauses, terms and conditions. No later than sixty (60) days after the undefinitized order is issued, the Contractor agrees to submit a cost proposal with sufficient data to support the accuracy and derivation of its price; and, when required by FAR, cost or pricing data. If additional cost information is available prior to the conclusion of negotiations, the Contractor shall provide that information to the Contracting Officer. The price agreed upon shall be set forth in a bilateral modification to the order. In no event shall the price exceed the maximum ceiling amount specified in the undefinitized order.

(2) Each undefinitized order shall contain a schedule for definitization which shall include a target date for definitization and dates for submission of a qualifying proposal, beginning of negotiations and, if appropriate, submission of make-or-buy and subcontracting plans and cost or pricing data. Submission of a qualifying proposal in accordance with the definitization schedule is a material element of the order. The schedule shall provide for definitization of the order by the earlier of:

(i) a specified target date which is not more than 180 days after the issuance of the undefinitized order. However, that target date may be extended by the Contracting Officer for up to 180 days after the Contractor submits a qualifying proposal as defined in DFARS 217.7401; or

(ii) the date on which the amount of funds expended by the Contractor under the undefinitized order exceed fifty percent (50%) of the order's maximum ceiling amount, except as provided in subparagraph (f)(3) below.

(3) If agreement on a definitive order is not reached within the time provided pursuant to subparagraph (e)(2) above, the Contracting Officer may, with the approval of the Head of the Contracting Activity, determine a reasonable price in accordance with Subpart 15.8 and Part 31 of the FAR, and issue a unilateral order subject to Contractor appeal as provided in the "DISPUTES" clause (FAR 52.233-1). In any event, the Contractor shall proceed with completion of the order, subject to the "LIMITATION OF GOVERNMENT LIABILITY" clause (FAR 52.216-24).

(f) Limitation of Government Liability. (1) Each undefinitized order shall set forth the limitation of Government liability, which shall be the maximum amount that the Government will be obligated to pay the Contractor for performance of the order until the order is definitized. The Contractor is not authorized to make expenditures or incur obligations exceeding the limitation of Government liability set forth in the order. If such expenditures are made, or if such obligations are incurred, they will be at the Contractor's sole risk and expense. Further, the

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limitation of Government liability shall be the maximum Government liability if the order is terminated. The "LIMITATION OF GOVERNMENT LIABILITY" clause shall be included in any undefinitized order.

(2) Except for undefinitized orders for Foreign Military Sales; purchases of less than \$25,000; special access programs; and Congressionally-mandated long-lead procurements; and except as otherwise provided in subparagraph (f)(3) below, the limitation of Government liability shall not exceed fifty percent (50%) of the ceiling amount of an undefinitized order. In the case of orders within these excepted categories, however, the procedures set forth herein shall be followed to the maximum extent practical.

(3) If the Contractor submits a qualifying proposal (as defined in DFARS 217.7401) to definitize an order before the Government has obligated fifty percent (50%) of the ceiling amount, the Contracting Officer may increase the limitation of Government liability to up to seventy-five percent (75%) of the maximum ceiling amount or up to seventy-five percent (75%) of the price proposed by the Contractor, whichever is less.

(4) If at any time the Contractor believes that its expenditure under an undefinitized order will exceed the limitation of Government liability, the Contractor shall so notify the Contracting Officer, in writing, and propose an appropriate increase in the limitation of Government liability of such order. Within thirty (30) days of such notice, the Contracting Officer will either (i) notify the Contractor in writing of such appropriate increase, or (ii) instruct the Contractor how and to what extent the work shall be continued; provided, however, that in no event shall the Contractor be obligated to proceed with work on an undefinitized order beyond the point where its costs incurred plus a reasonable profit thereon exceed the limitation of Government liability, and provided also that in no event shall the Government be obligated to pay the Contractor any amount in excess of the limitation of Government liability specified in any such order prior to establishment of firm prices.

(g) Initial Spares. The limitations set forth in paragraph (c) and subparagraphs (e)(2), (f)(2) and (f)(3) do not apply to undefinitized orders for the purchase of initial spares.

(h) Terminal Date for Placement of Orders. The Contractor shall not be obligated to accept any orders placed hereunder beyond 180 days after delivery of the last end item.

(i) Segregation of Costs. The Contractor shall segregate the costs of performance of each undefinitized order from the cost of any other work performed by the Contractor.

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PART 2 – GENERAL REQUIREMENTS

C-2.1 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-2.2 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

NOTE: Assignment of serial numbers shall be in accordance with the NATO SEASPARROW Project Directive No. 0011 and the NATO SEASPARROW Surface Missile System CM Plan.

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C-2.3 INFORMATION AND DATA FURNISHED BY THE GOVERNMENT - ALTERNATE II (NAVSEA) (MAY 1993)

(a) NAVSEA Form 4340/2 or Attachment C, as applicable, Government Furnished Information, attached hereto, incorporates by listing or specific reference, all the data or information which the Government has provided or will provide to the Contractor except for -

(1) The specifications set forth in Attachment C, and

(2) Government specifications, including drawings and other Government technical documentation which are referenced directly or indirectly in the specifications set forth in Attachment C and which are applicable to this contract as specifications, and which are generally available and provided to Contractors or prospective Contractors upon proper request, such as Federal or Military Specifications, and Standard Drawings, etc.

(b) Except for the specifications referred to in subparagraphs (a)(1) and (2) above, the Government will not be obligated to provide to the Contractor any specification, drawing, technical documentation or other publication which is not listed or specifically referenced in NAVSEA Form 4340/2 or Attachment C, as applicable, notwithstanding anything to the contrary in the specifications, the publications listed or specifically referenced in NAVSEA Form 4340/2 or Attachment C, as applicable, the clause entitled "GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS)" (FAR 52.245-2), or "GOVERNMENT PROPERTY (COST-REIMBURSEMENT, TIME-AND-MATERIAL, OR LABOR-HOUR CONTRACTS)" (FAR 52.245-5), as applicable, or any other term or condition of this contract.

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

(i) delete, supersede, or revise, in whole or in part, data listed or specifically referenced in NAVSEA Form 4340/2 or Attachment C, as applicable; or

(ii) add items of data or information to NAVSEA Form 4340/2 or Attachment C, as applicable; or

(iii) establish or revise due dates for items of data or information in NAVSEA Form 4340/2 or Attachment C, as applicable.

(2) If any action taken by the Contracting Officer pursuant to subparagraph (c)(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 "CHANGES" clause of this contract.

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C-2.4 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): 0001 through 0009 and, if options are exercised, Items 0010 through 0012

C-2.5 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:

(1) 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.

(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.

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(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-2.6 QUALITY REQUIREMENTS

The Contractor's Quality Assurance Program shall be in accordance with ISO 9001:2000 Quality Systems - Model for quality assurance design, development, production, installation, and servicing.

C-2.7 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.

C-2.8 CONFIGURATION MANAGEMENT (NAVSEA) (APR 2004)

(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. The Contractor shall prepare a Configuration Management Plan in accordance with the requirements of the contract for approval by the Government.

(2) Whenever a situation arises wherein the Contractor cannot comply with a baseline document, 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 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 in accordance with the Contract Data Requirements List (CDRL), and as described in paragraphs (c) through (f) below.

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(c) Engineering Change Proposals (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 should be submitted 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 (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 cost and scheduling impact, ship class impact, and consequences if disapproved. All existing drawings 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 Requirement List (CDRL), 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 attached to facilitate change action in the event the Non-Engineering Change Proposal (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 (RFD) or Request for Waiver (RFW), 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 Contracting Officer, 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

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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.

(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.

C-2.9 PARTS AND MATERIAL QUALIFICATION

Items furnished under this contract shall consist of qualified parts and materials as described by the drawings and specifications of this contract, whether or not such drawings and specifications are incorporated directly or by reference. For the purpose of this clause, those parts that have been previously qualified under prior NATO SEASPARROW contracts shall be considered as qualified for use under this contract.

Specification Control Drawings do not restrict suppliers to either the original supplier or those listed thereon, provided that new vendors not listed thereon before they are qualified must supply samples which either: (1) meet the qualification requirements stated on the Specification Control Drawing, or (2) if none are stated, then the Contractor must meet the Quality Assurance Provisions of the applicable Specification Control Drawing to which the item is procured.

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Orders may be placed with suppliers concurrently with and subject to satisfactory completion of the prescribed qualification tests.

For the purpose of demonstrating compliance, test data obtained from equivalent or more stringent tests will be accepted to the extent that it can be shown to be valid for the application, unless such qualification is realized or waived by NSPO in writing.

The Contractor shall maintain proof-of-qualification records on all parts and materials throughout the production phase and for a period of two years following delivery of the final item under this contract.

Once qualification status is attained, said qualification shall remain effective throughout the NSSMS program or until such qualifications status is specifically recalled for cause.

Whenever a MIL-PR-38535 device is specified in a drawing and is not available (either not manufactured or not available in time to support manufacturing schedules) the vendor equivalent high reliability device, screened to the requirements of MIL-STD-883C w/Notice 2, 31 Dec 84, Method 5004, Class B, may be used. In the event the MIL-STD-883C w/Notice 2 part is not available, the Contractor is granted permission to use the highest reliability commercial part available. An equitable price adjustment may be made to the contract price.

C-2.10 SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)

(a) Definitions.

(i) A "zero-tier reference" is a specification, standard, or drawing that is cited in the contract (including its attachments).

(ii) A "first-tier reference" is either: (1) a specification, standard, or drawing cited in a zero-tier reference, or (2) a specification cited in a first-tier drawing.

(b) Requirements.

All zero-tier and first-tier references, as defined above, are mandatory for use. All lower tier references shall be used for guidance only.

C-2.11 UPDATING SPECIFICATIONS AND STANDARDS (NAVSEA) (AUG 1994)

If, during the performance of this or any other contract, the contractor believes that any contract contains outdated or different versions of any specifications or standards, the contractor may request that all of its contracts be updated to include the current version of the applicable specification or standard. Updating shall not affect the form, fit or function of any deliverable item or increase the cost/price of the item to the Government. The contractor should submit update requests to the

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Procuring Contracting Officer with copies to the Administrative Contracting Officer and cognizant program office representative for approval. The contractor shall perform the contract in accordance with the existing specifications and standards until notified of approval/disapproval by the Procuring Contracting Officer. Any approved alternate specifications or standards will be incorporated into the contract.

C-2.12 GOVERNMENT ACCESS

Authorized representatives of the Government may have access to the Contractor's and Subcontractor's facilities upon reasonable notice or in case of emergency.

C-2.13 GUIDELINES FOR THE DISCLOSURE OF CLASSIFIED ESSM-RELATED INFORMATION

In the performance of this contract, it is anticipated that U.S. industries will require the disclosure and transfer of unclassified and classified information related to the ESSM Program. Actual disclosure or transfer of such information is subject to the approval of export licenses by the U.S. Government. Guidelines for the release of information associated with the ESSM Program can be found in Navy IPO letter of 5 June 1998.

C-2.14 PATENT AND DATA LICENSES

(a) Definitions

The following definitions, extracted from Section X of the Memorandum of Understanding (MOU) between the Participating Governments, shall apply where appearing throughout this contract:

(1) "Technical information" includes experimental and test data, specifications, designs, processes, techniques, inventions whether patentable or not, and any other relevant technical data, in whatever form presented and whether or not copyrighted.

(2) "Defense purpose" refers to manufacture and use in any part of the world by or for the armed forces of a Government, and in the case of a Participating Government includes the furnishing of assistance by it on a grant basis to non-participating Governments and international organizations for mutual defense purposes.

(3) "Patents" include utility patents, design patents, registered designs and other similar protection.

(4) "First actually reduced to practice" refers to the demonstration or the operability of an invention for its intended purpose in some physical form.

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(5) "Defense sales" refers to sales by a Participating Government or its Contractors to non-participating governments for their defense purposes.

(6) "Foreground information" is that technical information generated in the course of or under this cooperative project and includes any invention or discovery, whether or not patentable, conceived or first actually reduced to practice in the course of or under this project.

(7) "Background information" is that technical information necessary to or useful in the project generated (a) in Government Establishments or (b) by Contractors employed to work on the project to the extent that such information pertains to the specific tasks undertaken by such Contractors under the project, but not generated under the project.

NOTE: For the purpose of this contract, "Participating Governments" shall consist of nations signatory to the MOU and the accession agreements thereto.

(b) Modification of FAR 52.227-12 "Patent Rights Retention by the Contractor" (Long Form Clause) (June 1989)

(1) After paragraph (b) of the "Patents Rights Retention by Contractor" clause, add the following subparagraphs:

(i) any of the nations participating in the NATO SEASPARROW Program, on a non-exclusive, irrevocable, royalty-free basis equivalent to that granted to the U.S. Government, for defense purposes, as that term is defined in the Memorandum of Understanding for the International Development of the NSSMS.

(ii) any of the aforesaid participating nations, or their designated Contractors, on fair and reasonable terms for the purposes of defense sales.

(2) At the end of paragraph (b), add the following:

Except as provided in paragraph (b)(1) of this clause the Contractor does not grant or agree to grant any license to practice or have practiced any Subject Invention for the purpose of defense sales.

(c) Background Patents

Upon request of the U.S. Government the Contractor agrees to grant to any nation participating in the NATO SEASPARROW program or its designated Contractor, upon fair and reasonable terms, a license to Practice any invention in which the Contractor now has rights, or hereafter acquires rights. Such license to be of sufficient scope to permit the aforesaid nation to utilize for defense purposes the results of the work performed under this contract, including the right to utilize the technical data delivered under this contract for the aforesaid purposes.

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(d) Modification of DFARS 252.227-7013, "Rights in Technical Data and Computer Software."

Add the following paragraphs (m) and (n) to DFARS 252.227-7013, "Rights in Technical Data and Computer Software (Oct 1988)".

(m) The contractor hereby grants a copyright license identical in scope and terms to that granted under paragraph (e)(1) to each nation participating in the aforesaid NATO SEASPARROW Program except that such license is limited to defense purposes as defined in the aforesaid Memorandum of Understanding.

(n) Notwithstanding any of the provisions of this clause the Contractor may restrict the use of any of the technical data furnished under this contract to any of the nations participating in the NATO SEASPARROW Program to that nation's defense purposes as that term is defined in the Memorandum of Understanding for the Development of the NATO SEASPARROW Surface Missile System provided each piece of technical data so restricted is marked with the following legend in which is inserted the number of the prime contract under which the technical data is to be delivered and the name of the Contractor or subcontractor:

"Furnished under United States Government Contract N00024-98-C-5414. This data shall not be used for other than the defense purposes of the nations participating in the NATO SEASPARROW Program without the express permission of the NSPO in writing." This legend shall be marked on any reproduction hereof in whole or in part.

The Contractor agrees upon request, to grant to any of the nations participating in the NATO SEASPARROW Program, or to their designated contractors, a license on fair and reasonable terms to use any technical data marked with either or both of the foregoing legends for defense purposes to the extent the right to restrict such use is retained in accordance with the terms of this contract, for defense sales, as those terms are defined in aforesaid Memoranda of Understanding.

C-2.15 STANDARD REPAIR PROCEDURE

The following Standard Repair Procedures (SRP's) are authorized for use under this contract for Raytheon IDS Manufacturing only. The SRP's are not authorized to be flowed down to subcontractors/vendors.

<u>SRP NO.</u>	<u>TITLE</u>
058W	Repair Procedure for Printed Circuit Boards (dated 14 June 1989)

SRP's used shall be of the current revision approved by Raytheon IDS DCMA personnel. DCMA is authorized to approve any changes or revoke any of the above listed SRPs at any time, at no additional cost or delay to the Government.

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C-2.16 PERMITS AND RESPONSIBILITIES (NAVSEA) (SEP 1990)

The Contractor shall, without additional expense to the Government, be responsible for obtaining any necessary licenses and permits, and for complying with any applicable Federal, State, and Municipal laws, codes, and regulations, in connection with any movement over the public highways of overweight/overdimensional materials.

C-2.17 ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE (NAVSEA) (JUN 1994)

(a) Performance under this contract may require that the Contractor have access to technical data, computer software, or other sensitive data of another party who asserts that such data or software is proprietary. If access to such data or software is required or to be provided, the Contractor shall enter into a written agreement with such party prior to gaining access to such data or software. The agreement shall address, at a minimum, (1) access to, and use of, the proprietary data or software exclusively for the purposes of performance of the work required by this contract, and (2) safeguards to protect such data or software from unauthorized use or disclosure for so long as the data or software remains proprietary. In addition, the agreement shall not impose any limitation upon the Government or its employees with respect to such data or software. A copy of the executed agreement shall be provided to the Contracting Officer. The Government may unilaterally modify the contract to list those third parties with which the Contractor has agreement(s).

(b) The Contractor agrees to: (1) indoctrinate its personnel who will have access to the data or software as to the restrictions under which access is granted; (2) not disclose the data or software to another party or other Contractor personnel except as authorized by the Contracting Officer; (3) not engage in any other action, venture, or employment wherein this information will be used, other than under this contract, in any manner inconsistent with the spirit and intent of this requirement; (4) not disclose the data or software to any other party, including, but not limited to, joint venturer, affiliate, successor, or assign of the Contractor; and (5) reproduce the restrictive stamp, marking, or legend on each use of the data or software whether in whole or in part.

(c) The restrictions on use and disclosure of the data and software described above also apply to such information received from the Government through any means to which the Contractor has access in the performance of this contract that contains proprietary or other restrictive markings.

(d) The Contractor agrees that it will promptly notify the Contracting Officer of any attempt by an individual, company, or Government representative not directly involved in the effort to be performed under this contract to gain access to such proprietary information. Such notification shall include the name and organization of the individual, company, or Government representative seeking access to such information.

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(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-2.18 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 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. It is agreed that, to the extent that any such data is computer software by virtue of its delivery in digital form, the Government will be licensed to use that digital-form with exactly the same rights and limitations as if the data had been delivered as hard copy.

(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

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

C-2.19 DATE/TIME PROCESSING REQUIREMENT--INFORMATION TECHNOLOGY (NAVSEA) (JUN 2000)

- (a) All information technology (IT), whether commercial or noncommercial, delivered under this contract that will be required to perform date/time processing involving dates subsequent to December 31, 1999, shall be Year 2000 compliant if properly installed, operated, and maintained in accordance with the contract specifications and applicable documentation. If the contract requires that specific deliverables operate together as a system, this requirement shall apply to those deliverables as a system.
- (b) "Information Technology" or "IT," as used in this requirement, means "information technology" as that term is defined at FAR 2.101, and further including those items that would otherwise be excluded by paragraph (c) of that definition. "Year 2000 compliant" (as defined at FAR 39.002) means that the IT accurately processes date/time data (including), but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other IT, used in combination with the IT being delivered, properly exchanges date/time data with it. The "proper exchange" of date/time data shall be in accordance with the interface requirements specification(s) of the contract.
- (c) For line item deliverables which are commercial items (as defined at FAR 2.101), and which include commercial IT, the terms and conditions of the standard commercial warranty covering such commercial IT shall apply in addition to, and to the extent such terms and conditions are consistent with, this requirement. Any applicable commercial warranty shall be incorporated into this contract by attachment.
- (d) Notwithstanding any provision to the contrary in any other warranty of this contract, or in the absence of any such warranty(ies), the remedies available to the Government under this requirement shall include those provided in the Inspection clause(s) of this contract. Nothing in this requirement shall be construed to limit any rights or remedies the Government may otherwise have under this contract.
- (e) Unless specified elsewhere in the contract, the Contractor will also deliver to the Government a report summarizing any Year 2000 compliance testing that was performed, and the results thereof.
- (f) The remedies available to the Government for noncompliance with this requirement shall remain available until 31 January 2001, or one hundred eighty (180) days after acceptance of the last deliverable IT item under this contract (including any option exercised hereunder), whichever is later.

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C-2.20 PARTS OBSOLECENCE (applicable to Items 0001 through 0009, and if Options are exercised, Items 0010 through 0012)

The contractor has proposed inclusion of contract provisions addressing parts obsolescence similar to clauses incorporated in previous contracts for this equipment. The contractor's proposal for definitization of this letter contract shall address all known obsolescence issues with the goal of including impacts known at the time of price agreement within the definitive negotiated price for this contract. Upon definitization of this letter contract, the Government is willing to include appropriate parts obsolescence coverage and this clause will be updated to reflect the agreed upon clause for parts obsolescence.

C-2.21 ITEM IDENTIFICATION AND VALUATION (applicable to Items 0001 through 0009, 0013, 0014 and if Options are exercised, Items 0010 through 0012)

Items to be provided under the definitive contract resulting from this letter contract are subject to the requirements of DFARS 252.211-7003 in effect at time of contract award. The parties agree that item identification is required for items to be delivered at the Contract Line Item (CLIN) and Contract SubLine Item (SLIN) level, however, remaining item identification requirements for this contract are not fully defined at the time of award of this letter contract and will be further defined during the negotiation and definitization process for this contract.

Additionally, items to be delivered as INCO spares kits require identification at the SLIN level set forth in Section B of this contract. Attachment B of this contract includes itemized lists of parts included in the INCO spares kits. Exhibit Line Item numbers used in Attachment B are for information only in order to provide an itemized list of parts included at the INCO Kit level. At the time of award of this letter contract, the Government is not aware of any separate or further item identification required for individual parts included in any INCO spares kit described in Attachment B. .

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SECTION D – PACKAGING AND MARKING

Item(s) 0001 through 0009 and, if options are exercised, Items 0010 through 0012 - Supplies shall be prepared for shipment in accordance with Military Specification MIL-E-17555H (Level A). Marking and packaging shall be in accordance with MIL-STD-129P Change 3 dated 29 OCT 2004 with the exception of bar coding for hardware manufactured by foreign suppliers.

Item 0013 - All unclassified data shall be prepared for shipment in accordance with best commercial practice.

Classified reports, data, and documentation shall be prepared for shipment in accordance with National Industrial Security Program Operating Manual (NISPOM), DOD 5220.22-M dated January 1995 with change 1 dated 31 July 1997 and change 2 dated 1 May 2000 and, when applicable, NISPOM Supplement 1 dated February 1995.

Item 0014 - The supplies furnished hereunder shall be cleaned, preserved, packaged, packed and marked in accordance with the instructions provided by the Contracting Officer, Provisioning Activity, or ACO. When not otherwise specified, spare and repair parts shall be packaged to ensure protection against corrosion, deterioration, physical, and electrical damage during shipment from the Contractor to the point of delivery.

CLAUSES INCORPORATED IN FULL TEXT

D-1 IDENTIFICATION MARKING OF PARTS - ALTERNATE I (NAVSEA) (DEC 2005)

(a) 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 not manufactured to Government specifications shall be marked in accordance with generally accepted commercial practice.

(2) Parts manufactured to Government specifications shall be marked as follows:

(i) Electrical Parts - that is, all parts in electrical equipments and electrical parts when used in equipments which are not electrical in nature (e.g., electric controls and motors in a hydraulic system) - shall be identified and marked in accordance with MIL-STD-1285D dated 7 September 2004, or, where MIL-STD-1285D does not cover such a part, in accordance with MIL-

SCHEDULE

STD-130M dated 2 December 2005. Requirements of MIL-STD-1686C dated 25 October 1995 for Electrostatic Discharge Control shall be addressed.

(ii) Electronic Parts - that is, all parts in electronic equipments and electronic parts when used in equipments which are not electronic in nature (e.g., electronic fuel controls in some engines) - shall be identified and marked in accordance with Requirement 67 of MIL-HDBK-454A dated 3 November 2000. Requirements of MIL-STD-1686C for Electrostatic Discharge Control shall be addressed.

(iii) Parts other than electrical or electronic parts (as described above) shall be identified and marked in accordance with MIL-STD-130L.

(b) 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) - ALTERNATE I (NAVSEA) (DEC 2005)

(a) Marking. Shipments, shipping containers and palletized unit loads shall be marked in accordance with MIL-STD-129P with change 3 dated 29 October 2004.

(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 in accordance with the above cited MIL-STD. 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 or material, the packing list(s) shall identify the assorted items.

Where DD Form 1348-1 or DD Form 1348-1A is applicable and an 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. Refer to the above cited MIL-STD for marking of assorted (related-unrelated) items.

SCHEDULE

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) contract dollar amount
- (4) whether the contract was competitively or non-competitively awarded
- (5) sponsor:

(Name of Individual Sponsor)

(Name of Requiring Activity)

(City and State)

SCHEDULE

SECTION E – INSPECTION AND ACCEPTANCE

Items 0001AA, 0004AA and, if OPTION is exercised, 0010AA - Inspection and acceptance of successful completion of testing of the MK73 MOD 3 Solid State Transmitter ORDALT Kit in accordance with the MK73 MOD3 ORDALT Kit Acceptance Test Procedures Update (Data Bank number MK73-00024.35, CDRL H002 from contract N00024-99-C-5460, Item 0211) shall be accomplished by the NSPO designated representative or DCMA representative at Raytheon or at a source subcontractor's facility on DD Form 250.

Items 0001AB, 0004AB and, if OPTION is exercised, 0010AB – The material delivered hereunder will be inspected by DCMA Raytheon or his duly authorized representative at the Contractor's plant or at a source subcontractor's facility. Acceptance shall be accomplished based upon physical count and inspection by the NSPO designated representative or DCMA representative at Raytheon or at a source subcontractor's facility on DD Form 250.

Items 0002AA, 0002AB, 0005AA, 0005AB, 0009AA and, if OPTION is exercised, 0011AA-0011AB - Inspection and acceptance of successful completion of testing of the MK 30 MOD 0 IRP and MK 34 MOD 1 SLC in accordance with the Contractor Generated / Government approved MK 30 MOD 0 IRP and MK 34 MOD 1 SLC Test Procedure N103231, Appendix F (Factory Test Set Procedure) shall be accomplished by the NSPO designated representative or DCMA representative at Raytheon or at a source subcontractor's facility on DD Form 250.

Items 0002AC, 0005AC, 0009AB and, if OPTION is exercised, 0011AC – The material delivered hereunder will be inspected by DCMA Raytheon or his duly authorized representative at the Contractor's plant or at a source subcontractor's facility. Acceptance shall be accomplished based upon physical count and inspection by the NSPO designated representative or DCMA representative at Raytheon or at a source subcontractor's facility on DD Form 250.

Items 0003AA, 0006AA, 0007AA, 0008AA and, if OPTION is exercised, 0012AA - The material delivered hereunder will be inspected by DCMA Raytheon or his duly authorized representative at the Contractor's plant or at a source subcontractor's facility. Acceptance shall be accomplished based upon physical count and inspection by the NSPO designated representative or DCMA representative at Raytheon or at a source subcontractor's facility on DD Form 250.

Items 0003AB, 0006AB, 0007AB, 0008AB and, if OPTION is exercised, 0012AB – The material delivered hereunder will be inspected by DCMA Raytheon or his duly authorized representative at the Contractor's plant or at a source subcontractor's facility. Acceptance shall be accomplished based upon physical count and inspection by the NSPO designated representative or DCMA representative at Raytheon or at a source subcontractor's facility on DD Form 250.

Item 0013 - Inspection and acceptance of all data shall be as specified on the attached Contract Data Requirements List(s), DD Form 1423.

Item 0014 - Inspection and acceptance of parts ordered hereunder shall be as established in each Provisioned Item Order (PIO). Unless otherwise stated in the PIO, parts shall be inspected and accepted at source by a representative of the Contract Administrative Office.

SCHEDULE

CLAUSES INCORPORATED BY REFERENCE

<u>FAR SOURCE</u>	<u>TITLE AND DATE</u>
52.246-2	Inspection of Supplies—Fixed Price (Aug 1996)
52.246-4	Inspection of Services—Fixed Price (Aug 1996)
52.246-16	Responsibility for Supplies (Apr 1984)

CLAUSES INCORPORATED IN FULL TEXT

E-1 GOVERNMENT SOURCE INSPECTION

Government Source Inspection is authorized under this contract for subcontractors in the United States and Territories and Canada. For European subcontracts, the National Quality Assurance Representatives (NQARs) are designated as resident monitoring agents for the NSPO. Inspection services performed by NQARs shall be performed solely for the benefit of the Government, and shall not constitute inspections for the purpose of acceptance, unless and until, authenticated by the Contract Administration Office designated herein. Any communication, advice, interpretation or decision of said representative shall be for information or advisory purposes only and an adoption of such communication, advice, interpretation or decision shall be purely voluntary on the part of the Contractor. For the purpose of this provision, the Contractor shall give timely notice (at least five (5) working days) to NQARs prior to the performance by the Contractor or the subcontractors of all tasks and inspection requirements to be performed pursuant to the contractor's QAP, FPAI, or other inspection requirements of the Contractor.

E-2 COST OF QUALITY DATA (NAVSEA) (MAY 1995)

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

E-3 INSPECTION AND TEST RECORDS (NAVSEA) MAY 1995)

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

SCHEDULE

E-4 QUALITY IN SOFTWARE DEVELOPMENT AND PRODUCTION (NAVSEA) (MAY 1995)

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

- (a) All deliverable software
- (b) All deliverable software that is included as part of deliverable hardware or firmware.
- (c) Non deliverable software (commercially available or user-developed) used for development, fabrication, testing, or acceptance of deliverable software or hardware (includes automated fabrication, test, and inspection/acceptance equipment software and software design, test, and inspection tools).
- (d) Commercially available, reusable, or Government software designated as part of a deliverable item.

E-4 QUALITY MANAGEMENT SYSTEM REQUIREMENTS (NAVSEA) (APR 2004)

Quality Management System Requirements. The Contractor shall provide and maintain a quality management system that, as a minimum, adheres to the requirements of ANSI/ISO/ASQ 9001-2000 Quality Management Systems and supplemental requirements imposed by this contract. The quality management system procedures, planning, and all other documentation and data that comprise the quality management system shall be made available to the Government for review. Existing quality documents that meet the requirements of this contract may continue to be used. The Government may perform any necessary inspections, verifications, and evaluations to ascertain conformance to requirements and the adequacy of the implementing procedures. The Contractor shall require of subcontractors a quality management system achieving control of the quality of the services and/or supplies provided. The Government reserves the right to disapprove the quality management system or portions thereof when it fails to meet the contractual requirements.

SCHEDULE

SECTION F – DELIVERIES OR PERFORMANCE

Item(s) 0001 through 0009 and, if options are exercised, Items 0010 through 0012 - All supplies hereunder shall be delivered free of expense to the Government in accordance with instructions specified in the clause hereof entitled "F.O.B. ORIGIN" (FAR 52.247-29) at or near the Contractor's plant, for shipment at Government expense (normally on Government bill(s) of lading) in accordance with the Shipping Instruction Data, NAVSEA 4336/1, attached hereto. Final destinations will be designated in consignment instructions issued prior to the time of delivery. Sixty (60) days prior to inspection and acceptance by the Government, the Contractor shall make written request for shipping instructions to the NATO SEASPARROW Project Office, Code N-121 with a copy to N-20/24.

The Contractor shall not ship directly to a military air or water port terminal without authorization by the cognizant Contract Administration Office.

Item 0013 - All data to be furnished under this contract shall be delivered prepaid to the destination(s) and at the time(s) specified on the Contract Data Requirements List(s), DD Form 1423.

Item 0014 - Parts shall be delivered in accordance with the delivery schedule established in each PIO. Unless otherwise stated in the PIO, parts shall be delivered free of expense to the Government in accordance with instructions specified in the clause entitled "F.O.B. ORIGIN" (FAR 52.247-29) at or near the Contractor's plant for shipment at Government expense (normally on Government bill(s) of lading).

CLAUSES INCORPORATED BY REFERENCE

<u>FAR SOURCE</u>	<u>TITLE AND DATE</u>
52.242-15	Stop-Work Order (Aug 1989)
52.242-17	Government Delay of Work (Apr 1984)
52.247-29	F.O.B. Origin (Jun 1988)
52.247-52	Clearance and Documentation Requirements—Shipments to DOD Air or Water Terminal Transshipment Points (Feb 2006)
52.247-55	F.O.B. Point for Delivery of Government-Furnished Property (Jun 2003)
52.247-58	Loading, Block and Bracing of Freight Car Shipments (Apr 1984)

SCHEDULE

- 52.247-61 F.O.B. Origin—Minimum Size of Shipments (Apr 1984)
- 52.247-65 F.O.B. Origin, Prepaid Freight—Small Package Shipments
(Jan 1991)

F-1 CLAUSES INCORPORATED IN FULL TEXT

52.211-16 VARIATION IN QUANTITY (APR 1984)

(a) A variation in the quantity of any item called for by this contract will not be accepted unless the variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified in paragraph (b) below.

(b) The permissible variation shall be limited to:

0% Percent increase

0% Percent decrease

This increase or decrease shall apply to all items.

SCHEDULE

SECTION G – CONTRACT ADMINISTRATION DATA

Enter below the address (street and number, city, county, state and zip code) of the Contractor's facility which will administer the contract if such address is different from the address shown on the SF 26 or SF 33, as applicable.

**PURCHASING OFFICE
REPRESENTATIVE:**

COMMANDER
ATTN: L. Dwayne Weaver
NAVAL SEA SYSTEMS COMMAND 02541
1333 ISAAC HULL AVENUE SE STOP MS 2040
WASHINGTON NAVY YARD DC 20376 2040
Telephone No. (202) 781-3959
Fax No. Call first
Email Address: Dwayne.Weaver@navy.mil

**CONTRACTING OFFICER'S
REPRESENTATIVE:**

NATO SEASPARROW.PROJECT OFFICE
ATTN: Ms. B. L. LaFleur, Code N-121
727 SOUTH 23rd STREET
ARLINGTON, VA 22202-3429
Telephone No. (703) 607-7200
Fax No. 142
Email Address: LaFleurBL@natoscasparrow.org

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

252.204-7006 BILLING INSTRUCTIONS (OCT 2005)

When submitting a request for payment, the Contractor shall—

- (a) Identify the contract line item(s) on the payment request that reasonably reflect contract work performance; and
- (b) Separately identify a payment amount for each contract line item included in the payment requests.

Line Item Specific: Single Funding. There is only one source of funding for the contract line item (i.e., one ACRN), the payment office will make payment using the ACRN funding of the line item being funded.

SCHEDULE

ADMINISTRATION OF PERFORMANCE BASED PAYMENTS

Payment Events and Amounts

Payments will be made for the events and at the amounts shown in the Attachment K, Performance Based Payments.

Upon completion of each of the events, Raytheon shall submit to the ACO (as directed by FAR 32.1007(a)) a request for payment as described below. The events identified are cumulative as defined in FAR 32.1004 (a)(2).

SCHEDULE

SECTION H – SPECIAL CONTRACT REQUIREMENTS

<u>H#</u>	<u>NUMBER</u>	<u>TITLE</u>
H-1	NAVSEA 5252.202-9101	ADDITIONAL DEFINITIONS (MAY 1993)
H-2	NAVSEA 5252.245-9108	GOVERNMENT-FURNISHED PROPERTY (PERFORMANCE) (SEP 1990)
H-3	NAVSEA 5252.245-9109	GOVERNMENT-FURNISHED PROPERTY (INCORPORATION) (SEP 1990)
H-4	NAVSEA 5252.245-9111	RENT-FREE USE OF GOVERNMENT PRODUCTION AND RESEARCH PROPERTY (AS IS) (SEP 1990)
H-5	NAVSEA 5252.227-9113	GOVERNMENT-INDUSTRY DATA EXCHANGE PROGRAM (AUG 1997)

H-1 NAVSEA 5252.202-9101 ADDITIONAL DEFINITIONS (MAY 1993)

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

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

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

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

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

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

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

SCHEDULE

H-2 NAVSEA 5252.245-9108 GOVERNMENT-FURNISHED PROPERTY (PERFORMANCE) (SEP 1990)

The Government will provide only that property set forth below, notwithstanding any term or condition of this contract to the contrary. Upon Contractor's written request to the cognizant Technical Program Manager, via the cognizant Contract Administration Office, the Government will furnish the following for use in the performance of this contract:

See Attachment G

H-3 NAVSEA 5252.245-9109 GOVERNMENT-FURNISHED PROPERTY (INCORPORATION) (SEP 1990)

The Government will provide only that property set forth below, notwithstanding any term or condition of this contract to the contrary. Upon Contractor's written request to the cognizant Technical Program Manager, via the cognizant Contract Administration Office, the Government will furnish the following for incorporation in the equipment to be delivered under Item(s) 0001 through 0009 and, if Options are exercised, Items 0010 through 0012 of this contract:

See Attachment H

H-4 NAVSEA 5252.245-9111 RENT-FREE USE OF GOVERNMENT PRODUCTION AND RESEARCH PROPERTY (AS IS) (SEP 1990)

(a) The Contractor may use on a rent-free basis, as necessary for the performance of this contract, Government production and research property (as defined in FAR 45.301) accountable under Contract(s) N00024-02-C-5422, N00024-99-C-5460, N00024-01-C-5493, N00024-03-C-5441, N00024-04-C-5455, N00024-00-G-5480 Order 0005, and under facilities contracts W31P4Q-05-E-0002 (Patriot) and W31P4Q-05-E-0001 (Hawk). The said property shall be governed by the terms and conditions of the contract(s) under which it is accountable. No representation or warranty is made by the Government as to the fitness or suitability of said property for its intended use under this contract; it being understood and agreed that the said property is being made available for use under this contract on an "as is" basis in accordance with the clause entitled "GOVERNMENT PROPERTY FURNISHED 'AS IS'" (FAR 52.245-19).

(b) If the Government limits or terminates the Contractor's authority to use the above referenced property and the Government's action affects the Contractor's ability to perform this contract, then an equitable adjustment shall be made in accordance with the terms and conditions of the "CHANGES" clause of this contract; provided, however, that if the limitation or termination is due to failure by the Contractor to perform its obligations under the above referenced contract(s), the Contractor shall be entitled only to such adjustment as the Contracting Officer determines to be appropriate under the circumstances.

SCHEDULE

H-5 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>

SECTION I – CONTRACT CLAUSES

SECTION I-1 – CLAUSES INCORPORATED BY REFERENCE

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

<u>SOURCE</u>	<u>TITLE AND DATE</u>
52.202-1	Definitions (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 (Sep 2005)
52.204-2	Security Requirements (Aug 1996)
52.204-4	Printed/Copied Double-Sided on Recycled Paper (Aug 2000)
52.204-7	Central Contractor Registration (Oct 2003)
52.209-6	Protecting the Governments Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (Jan 2005)
52.211-5	Material Requirements (Aug 2000)
52.211-15	Defense Priority and Allocation Requirement (Sep 1990)
52.215-2	Audit and Records—Negotiation (Jun 1999)
52.215-8	Order of Precedence—Uniform Contract Format (Oct 1997)

Fixed-Price Supply (Negotiated) – February 1, 2006

Updated through FAC 2005-8 and DFARS Change Notice 20051220

<u>SOURCE</u>	<u>TITLE AND DATE</u>
52.215-10	Price Reduction for Defective Cost or Pricing Data (Oct 1997)
52.215-11	Price Reduction for Defective Cost or Pricing Data—Modifications (Oct 1997)
52.215-12	Subcontractor Cost or Pricing Data (Oct 1997)
52.215-13	Subcontractor Cost or Pricing Data—Modifications (Oct 1997)
52.215-14	Integrity of Unit Prices (Oct 1997) (Applies if contract award is based on full and open competition.)
52.215-14 and Alt I	Integrity of Unit Prices (Oct 1997) and Alternate I (Oct 1997) (Applies if contract award was not based on full and open competition.)
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 (Jul 2005)
52.219-4	Notice of Price Evaluation Preference for HubZone Small Business Concerns (Jan 1999)
52.219-8	Utilization of Small Business Concerns (May 2004)
52.219-9 and Alt II	Small Business Subcontracting Plan (Jul 2005) and Alternate II (Oct 2001)
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 (Jul 2005)
52.222-19	Child Labor—Cooperation with Authorities and Remedies (Jan 2006)
52.222-20	Walsh-Healey Public Contracts Act (Dec 1996)
52.222-21	Prohibition on Segregated Facilities (Feb 1999)

52.222-26	Equal Opportunity (Apr 2002) If this contract is for Hurricane Katrina Relief Efforts, OFCCP class deviation dated September 9, 2005 applies.
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) If this contract is for Hurricane Katrina Relief Efforts, OFCCP class deviation dated September 9, 2005 applies.
52.222-36	Affirmative Action for Workers with Disabilities (Jun 1998) If this contract is for Hurricane Katrina Relief Efforts, OFCCP class deviation dated September 9, 2005 applies.
52.222-37	Employment Reports on Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (Dec 2001)
52.223-6	Drug-Free Workplace (May 2001)
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 (Mar 2005)
52.227-1	Authorization and Consent (Jul 1995)
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)
52.229-3	Federal, State, and Local Taxes (Apr 2003)
52.229-4	Federal, State, and Local Taxes (State and Local Adjustments (Apr 2003)
52.230-2	Cost Accounting Standards (Apr 1998)
52.230-3	Disclosure and Consistency of Cost Accounting Practices (Apr 1998)

52.230-6	Administration of Cost Accounting Standards (Apr 2005)
52.232-1	Payments (Apr 1984)
52.232-8	Discounts for Prompt Payment (Feb 2002)
52.232-9	Limitation on Withholding of Payments (Apr 1984)
52.232-11	Extras (Apr 1984)
52.232-16	Progress Payments (Apr 2003) (NOT APPLICABLE if Performance Based Payments under FAR 52.232-32 are invoked for this contract) (The date by which the payment office will make progress payments is the <u>30th</u> day after the billing office receives a proper progress payment request.)
52.232-17	Interest (Jun 1996)
52.232-23 and Alt I	Assignment of Claims (Jan 1986) and Alternate I (Apr 1984)
52.232-25	Prompt Payment (Oct 2003)
52.232-33	Payments by Electronic Funds Transfer—Central Contractor Registration (Oct 2003)
52.233-1 and Alt I	Disputes (July 2002) and Alternate I (Dec 1991)
52.233-3	Protest After Award (Aug 1996)
52.233-4	Applicable Law for Breach of Contract Claim (Oct 2004)
52.242-1	Notice of Intent to Disallow Costs (Apr 1984) (Applies if this is a fixed-price incentive or price redeterminable contract.)
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)

52.243-1 and Alt II	Changes—Fixed-Price (Aug 1987) and Alternate II (Apr 1984)
52.243-6	Change Order Accounting (Apr 1984)
52.244-5	Competition in Subcontracting (Dec 1996)
52.246-23	Limitation of Liability (Feb 1997)
52.246-24	Limitation of Liability—High Value Items (Feb 1997)
52.246-25	Limitation of Liability—Services (Feb 1997)
52.247-1	Commercial Bill of Lading Notations (Apr 1984)
52.247-68	Report of Shipment (RESHIP) (Feb 2006)
52.248-1	Value Engineering (Feb 2000) (Applies if this contract equals or exceeds \$100,000.)
52.249-1	Termination for Convenience of the Government (Fixed-Price) (Short Form) (Apr 1984) (Applies if this contract is \$100,000 or less.)
52.249-2	Termination for Convenience of the Government (Fixed-Price) (May 2004) (Applies if this contract exceeds \$100,000.)
52.249-8	Default (Fixed-Price Supply and Service) (Apr 1984)
52.253-1	Computer Generated Forms (Jan 1991)

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

<u>SOURCE</u>	<u>TITLE AND DATE</u>
252.203-7001	Prohibition on Persons Convicted of Fraud or Other Defense-Contract Related Felonies (Dec 2004)
252.203-7002	Display of DOD Hotline Poster (Dec 1991) (Applies if this contract exceeds \$5,000,000.)
252.204-7000	Disclosure of Information (Dec 1991)
252.204-7003	Control of Government Personnel Work Product (Apr 1992)
252.204-7004	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) (Applies if this contract exceeds \$1,000,000.)
252.209-7004	Subcontracting with Firms that are Owned or Controlled by the Government of a Terrorist Country (Mar 1998)
252.211-7000	Acquisition Streamlining (Dec 1991)
252.215-7000	Pricing Adjustments (Dec 1991)
252.215-7002	Cost Estimating System Requirements (Oct 1998)
252.219-7003	Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan (DOD Contracts) (Apr 1996)
252.223-7004	Drug-Free Work Force (Sep 1988)
252.225-7001	Buy American Act and Balance of Payments Program (Jun 2005)
252.225-7002	Qualifying Country Sources as Subcontractors (Apr 2003)
252.225-7004	Report of Intended Performance Outside the United States and Canada-Submission of Award (Jun 2005) (Applies if this contract exceeds \$10 million.)
252.225-7012	Preference for Certain Domestic Commodities (Jun 2004)
<u>252.225-7013</u>	<u>Duty-Free Entry (Jun 2005)</u>

252.225-7014 and Alt I	Preference for Certain Domestic Specialty Metals (Jun 2005) and Alternate I (Apr 2003)
252.225-7015	Restriction on Acquisition of Hand or Measuring Tools (Jun 2005)
252.225-7016	Restriction on Acquisition of Ball or Roller Bearings (Jun 2005)
252.225-7022	Restriction on Acquisition of Polyacrylonitrile (PAN) Based Carbon Fiber (Jun 2005)
252.225-7025	Restriction on Acquisition of Forgings (Jun 2005)
252.225-7031	Secondary Arab Boycott of Israel (Jun 2005)
252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (Sep 2004)
252.227-7013	Rights in Technical Data—Noncommercial Items (Nov 1995)
252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (Jun 1995)
252.227-7016	Rights in Bid or Proposal Information (Jun 1995)
252.227-7019	Validation of Asserted Restrictions—Computer Software (Jun 1995)
252.227-7027	Deferred Ordering of Technical Data or Computer Software (Apr 1988)
252.227-7030	Technical Data—Withholding of Payment (Mar 2000)
252.227-7037	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)
252.232-7004	DOD Progress Payment Rates (Oct 2001)
252.232-7010	Levies on Contract Payments (Sep 2005)
252.242-7003	Application for U.S. Government Shipping Documentation/Instructions (Dec 1991)
252.242-7004	Material Management and Accounting System (Nov 2005) <u>(Applies if this contract provides progress payments, unless it is set aside</u>

exclusively for a small, small disadvantaged or women-owned small business concern.)

252.243-7001	Pricing of Contract Modifications (Dec 1991)
252.243-7002	Requests for Equitable Adjustments (Mar 1998)
252.244-7000	Subcontracts for Commercial Items and Commercial Components (DOD Contracts) (Nov 2005)
252.245-7001	Reports of Government Property (May 1994)
252.246-7000	Material Inspection and Receiving Report (Mar 2003)
252.246-7001	Warranty of Data (Dec 1991)
252.249-7002	Notification of Anticipated Contract Termination or Reduction (Dec 1996)

SECTION I-2 – CLAUSES INCORPORATED IN FULL TEXT

52.215-19 NOTIFICATION OF OWNERSHIP CHANGES (OCT 1997)

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

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

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

(b) The Contractor shall--

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

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

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

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

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

52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS (OCT 1997) 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 at FAR 15.403-4 on the date of the agreement on price or the date of the award, whichever is later, the Contractor may submit a written request for exception by submitting the information described in the following subparagraphs. The Contracting Officer may require additional supporting information, but only to the extent necessary to determine whether an exception should be granted, and whether the price is fair and reasonable--

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

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

If—

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

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

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

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

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

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

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

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

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

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

(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 \$10,748,000 dollars.

(b) The maximum amount for which the Government shall be liable if this contract is terminated is \$10,748,000 dollars.

52.217-7 OPTION FOR INCREASED QUANTITY--SEPARATELY PRICED LINE ITEM (MAR 1989) (NAVSEA VARIATION I) (SEP 1990)

The Government may require the delivery of the numbered line item(s)/subline item(s), identified in the Schedule as an option item(s), in the quantity and at the price(s) stated in the Schedule. 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, in whole or in part up to the total quantity specified in the option item, whether or not it has exercised other options. Option(s) shall be exercised, if at all, by written or telegraphic notice(s) signed by the Contracting Officer and sent within the time(s) specified below:

ITEM(S)

LATEST OPTION EXERCISE DATE

0010 through 0012

31 December 2007

52.223-9 ESTIMATE OF PERCENTAGE OF RECOVERED MATERIAL CONTENT FOR EPA-DESIGNATED PRODUCTS (AUG 2000)

(a) *Definitions.* As used in this clause--, means a Government requirement for testing or other quality assurance demonstration that must be completed before award.

“Postconsumer material” means a material or finished product that has served its intended use and has been discarded for disposal or recovery, having completed its life as a consumer item.

“Recovered material” means waste materials and by-products recovered or diverted from solid waste, but the term does not include those materials and by-products generated from, and commonly reused within, an original manufacturing process.

(b) The Contractor, on completion of this contract, shall--

(1) Estimate the percentage of the total recovered material used in contract performance, including, if applicable, the percentage of postconsumer material content; and

(2) Submit this estimate to Commanding Officer, Naval Facilities Engineering Service Center, Code 424 CA, 1100 23rd Avenue, Port Hueneme, CA 93043-4370.

52.232-32 PERFORMANCE-BASED PAYMENTS (FEB 2002)

(a) Amount of payments and limitations on payments. Subject to such other limitations and conditions as are specified in this contract and this clause, the amount of payments and limitations on payments shall be specified in the contract's description of the basis for payment.

(b) Contractor request for performance-based payment. The Contractor may submit requests for payment of performance-based payments not more frequently than monthly, in a form and manner acceptable to the Contracting Officer. Unless otherwise authorized by the Contracting Officer, all performance-based payments in any period for which payment is being requested shall be included in a single request, appropriately itemized and totaled. The Contractor's request shall contain the information and certification detailed in paragraphs (l) and (m) of this clause.

(c) Approval and payment of requests.

(1) The Contractor shall not be entitled to payment of a request for performance-based payment prior to successful accomplishment of the event or performance criterion for which payment is requested. The Contracting Officer shall determine whether the event or performance criterion for which payment is requested has been successfully accomplished in accordance with the terms of the contract. The Contracting Officer may, at any time, require the Contractor to substantiate the successful performance of any event or performance criterion which has been or is represented as being payable.

(2) A payment under this performance-based payment clause is a contract financing payment under the Prompt Payment clause of this contract and not subject to the interest penalty provisions of the Prompt Payment Act. The designated payment office will pay approved requests on the 14th day after receipt of the request for performance-based payment. However, the designated payment office is not required to provide payment if the Contracting Officer requires substantiation as provided in paragraph (c)(1) of this clause, or inquires into the status of an event or performance criterion, or into any of the conditions listed in paragraph (e) of this clause, or into the Contractor certification. The payment period will not begin until the Contracting Officer approves the request.

(3) The approval by the Contracting Officer of a request for performance-based payment does not constitute an acceptance by the Government and does not excuse the Contractor from performance of obligations under this contract.

(d) Liquidation of performance-based payments.

(1) Performance-based finance amounts paid prior to payment for delivery of an item shall be liquidated by deducting a percentage or a designated dollar amount from the delivery payment. If the performance-based finance payments are on a delivery item basis, the liquidation amount for each such line item shall be the percent of that delivery item price that was previously paid under performance-based finance payments or the designated dollar amount. If the performance-based finance payments are on a whole contract basis, liquidation shall be by either predesignated liquidation amounts or a liquidation percentage.

(2) If at any time the amount of payments under this contract exceeds any limitation in this contract, the Contractor shall repay to the Government the excess. Unless otherwise determined by the Contracting Officer, such excess shall be credited as a reduction in the unliquidated performance-based payment balance(s), after adjustment of invoice payments and balances for any retroactive price adjustments.

(e) Reduction or suspension of performance-based payments. The Contracting Officer may reduce or suspend performance-based payments, liquidate performance-based payments by deduction from any payment under the contract, or take a combination of these actions after finding upon substantial evidence any of the following conditions:

(1) The Contractor failed to comply with any material requirement of this contract (which includes paragraphs (h) and (i) of this clause).

(2) Performance of this contract is endangered by the Contractor's --

- (i) Failure to make progress; or
- (ii) Unsatisfactory financial condition.

(3) The Contractor is delinquent in payment of any subcontractor or supplier under this contract in the ordinary course of business.

(f) Title.

(1) Title to the property described in this paragraph (f) shall vest in the Government. Vestiture shall be immediately upon the date of the first performance-based payment under this contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract

(2) "Property," as used in this clause, includes all of the following described items acquired or produced by the Contractor that are or should be allocable or properly chargeable to this contract under sound and generally accepted accounting principles and practices:

(i) Parts, materials, inventories, and work in process;

(ii) Special tooling and special test equipment to which the Government is to acquire title under any other clause of this contract;

(iii) Nondurable (i.e., noncapital) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment and other similar manufacturing aids, title to which would not be obtained as special tooling under subparagraph (f)(2)(ii) of this clause; and

(iv) Drawings and technical data, to the extent the Contractor or subcontractors are required to deliver them to the Government by other clauses of this contract.

(3) Although title to property is in the Government under this clause, other applicable clauses of this contract (e.g., the termination or special tooling clauses) shall determine the handling and disposition of the property.

(4) The Contractor may sell any scrap resulting from production under this contract, without requesting the Contracting Officer's approval, provided that any significant reduction in the value of the property to which the Government has title under this clause is reported in writing to the Contracting Officer.

(5) In order to acquire for its own use or dispose of property to which title is vested in the Government under this clause, the Contractor must obtain the Contracting Officer's advance approval of the action and the terms. If approved, the basis for payment (the events or performance criteria) to which the property is related shall be deemed to be not in compliance with the terms of the contract and not payable (if the property is part of or needed for performance), and the Contractor shall refund the related performance-based payments in accordance with paragraph (d) of this clause.

(6) When the Contractor completes all of the obligations under this contract, including liquidation of all performance-based payments, title shall vest in the Contractor for all property (or the proceeds thereof) not --

(i) Delivered to, and accepted by, the Government under this contract; or

(ii) Incorporated in supplies delivered to, and accepted by, the Government under this contract and to which title is vested in the Government under this clause.

(7) The terms of this contract concerning liability for Government-furnished property shall not apply to property to which the Government acquired title solely under this clause.

(g) Risk of loss. Before delivery to and acceptance by the Government, the Contractor shall bear the risk of loss for property, the title to which vests in the Government under this clause, except to the extent the Government expressly assumes the risk. If any property is damaged, lost, stolen, or destroyed, the basis of payment (the events or performance criteria) to which the property is related shall be deemed to be not in compliance with the terms of the contract and not payable (if the property is part of or needed for performance), and the Contractor shall refund the related performance-based payments in accordance with paragraph (d) of this clause.

(h) Records and controls. The Contractor shall maintain records and controls adequate for administration of this clause. The Contractor shall have no entitlement to performance-based

payments during any time the Contractor's records or controls are determined by the Contracting Officer to be inadequate for administration of this clause.

(i) Reports and Government access. The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information requested by the Contracting Officer for the administration of this clause and to determine that an event or other criterion prompting a financing payment has been successfully accomplished. The Contractor shall give the Government reasonable opportunity to examine and verify the Contractor's records and to examine and verify the Contractor's performance of this contract for administration of this clause.

(j) Special terms regarding default. If this contract is terminated under the Default clause,

(1) the Contractor shall, on demand, repay to the Government the amount of unliquidated performance-based payments, and

(2) title shall vest in the Contractor, on full liquidation of all performance-based payments, for all property for which the Government elects not to require delivery under the Default clause of this contract. The Government shall be liable for no payment except as provided by the Default clause.

(k) Reservation of rights.

(1) No payment or vesting of title under this clause shall --

- (i) Excuse the Contractor from performance of obligations under this contract; or
- (ii) Constitute a waiver of any of the rights or remedies of the parties under the contract.

(2) The Government's rights and remedies under this clause --

(i) Shall not be exclusive, but rather shall be in addition to any other rights and remedies provided by law or this contract; and

(ii) Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Government.

(l) Content of Contractor's request for performance-based payment. The Contractor's request for performance-based payment shall contain the following:

- (1) The name and address of the Contractor;
- (2) The date of the request for performance-based payment;

(3) The contract number and/or other identifier of the contract or order under which the request is made;

(4) Such information and documentation as is required by the contract's description of the basis for payment; and

(5) A certification by a Contractor official authorized to bind the Contractor, as specified in paragraph (m) of this clause.

(m) Content of Contractor's certification. As required in paragraph (l)(5) of this clause, the Contractor shall make the following certification in each request for performance-based payment:

I certify to the best of my knowledge and belief that --

(1) This request for performance-based payment is true and correct; this request (and attachments) has been prepared from the books and records of the Contractor, in accordance with the contract and the instructions of the Contracting Officer;

(2) (Except as reported in writing on _____), all payments to subcontractors and suppliers under this contract have been paid, or will be paid, currently, when due in the ordinary course of business;

(3) There are no encumbrances (except as reported in writing on _____) against the property acquired or produced for, and allocated or properly chargeable to, the contract which would affect or impair the Government's title;

(4) There has been no materially adverse change in the financial condition of the contractor since the submission by the Contractor to the Government of the most recent written information dated _____; and

(5) After the making of this requested performance-based payment, the amount of all payments for each deliverable item for which performance-based payments have been requested will not exceed any limitation in the contract, and the amount of all payments under the contract will not exceed any limitation in the contract.

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 provide the Title III industrial resource to be tested and 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.

(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 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 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.

52.244-2 SUBCONTRACTS (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 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: _____

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

(2) The Contractor is not required to notify the Contracting Officer in advance of entering into any subcontract for which consent is not required under paragraph (c), (d), or (e) or 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.

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

52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (DEC 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) 52.222-39, Notification of Employee Rights Concerning Payment of Union Dues or Fees (Dec 2004) (E.O. 13201). Flow down as required in accordance with paragraph (g) of FAR clause 52.222-39).

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

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

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

**52.245-2 GOVERNMENT PROPERTY (FIXED-PRICE CONTRACTS) (MAY 2004) -
ALTERNATE I (APR 1984) (DEVIATION - DAR Tracking Number 99-O0008, 13 July
1999)**

(a) Government-furnished property.

(1) 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 any related data and information that the Contractor may request and is reasonably required for the intended use of the property (hereinafter referred to as "Government-furnished property").

(2) The delivery or performance dates for this contract are based upon the expectation that Government-furnished property suitable for use (except for property furnished "as is") 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.

(3) If Government-furnished property is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt of it, notify the Contracting Officer, detailing the facts, and, as directed by the Contracting Officer and at Government expense, either repair, modify, 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.

(4) If Government-furnished property is not delivered to the Contractor by the required time, 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 such 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 the 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 this property, if provided under any other contract or lease.

(c) Title in Government property.

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

(2) 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. However, special tooling accountable to this contract is subject to the provisions of the Special Tooling clause and is not 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.

(3) Title to each item of facilities and special test equipment acquired by the Contractor for the Government under this contract shall pass to and vest in the Government when its use in performing this contract commences or when the Government has paid for it, whichever is earlier, whether or not title previously vested in the Government.

(4) If this contract contains a provision directing the Contractor to purchase material for which the Government will reimburse the Contractor as a direct item of cost under this contract--

(i) Title to material purchased from a vendor shall pass to and vest in the Government upon the vendor's delivery of such material; and

(ii) Title to all other material shall pass to and vest in the Government upon--

(A) Issuance of the material for use in contract performance;

(B) Commencement of processing of the material or its use in contract performance; or

(C) Reimbursement of the cost of the material by the Government, whichever occurs first.

(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 this 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 industrial practice and the applicable provisions of Subpart 45.5 of the FAR.

(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.

(4) The Contractor represents that the contract price does not include any amount for repairs or replacement for which the Government is responsible. Repair or replacement of property for which the Contractor is responsible shall be accomplished by the Contractor at its own expense.

(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. (Alternate I, Apr 1984)

(1) The term "Contractor's managerial personnel," as used in this paragraph (g), means the Contractor's directors, officers, and any of the Contractor's 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 Contractor shall not be liable for loss or destruction of, or damage to, the Government property provided under this contract (or, if an educational or nonprofit organization, for expenses incidental to such loss, destruction, or damage), except as provided in subparagraphs (3) and (4) below.

(3) 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.

(4)(i) If the Contractor fails to act as provided in subdivision (g)(3)(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--

(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.

(5) 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.

(6) 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.

(7) 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 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)(7) 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 such equitable adjustment.

(8) The Contractor represents that it is not including in the price and agrees it will not hereafter include in any price to the Government any charge or reserve for insurance (including any self-insurance fund or reserve) covering 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.

(9) 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 equitably reimburse the Government, as directed by the Contracting Officer.

(10) 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 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) Government property disposal. Except as provided in paragraphs (i)(1)(i), (i)(2), and (i)(8)(i) of this clause, the Contractor shall not dispose of Government property until authorized to do so by the Plant Clearance Officer.

(1) Scrap (to which the Government has obtained title under paragraph (c) of this clause.—(i) Contractor with an approved scrap procedure.—(A) The Contractor may dispose of scrap resulting from production or testing under this contract without Government approval. However, if the scrap requires demilitarization or is sensitive property, the Contractor shall submit the scrap on an inventory disposal schedule.

(B) For scrap from other than production or testing the Contractor may prepare scrap lists in lieu of inventory schedules (provided such lists are consistent with the approved scrap procedures), except that inventory disposal schedules shall be submitted for scrap aircraft or aircraft parts and scrap that--

- (1) Requires demilitarization;
- (2) Is a classified item;
- (3) Is generated from classified items;
- (4) Contains Hazardous materials or hazardous waste;
- (5) Contains precious metals; 6
- (6) Is dangerous to the public health, safety, or welfare.

(ii) Contractor without an approved scrap procedure. The Contractor shall submit an inventory disposal schedule for all scrap.

(2) Pre-disposal requirements. When the Contractor determines that a property item acquired or produced by the Contractor, to which the Government has obtained title under paragraph (c) of this clause, is no longer needed for performance of this contract, the Contractor, in the following order of priority:

(i) May purchase the property at the acquisition costs.

(ii) Shall make reasonable efforts to return unused property to the appropriate supplier at fair market value (less, if applicable, reasonable restocking fee that is consistent with the supplier's customary practices).

(iii) Shall list, on Standard Form 1428, Inventory Disposal Schedule, property that was not purchased under paragraph (i)(2)(i) of this clause, could not be returned to a supplier, or could not be used in the performance of other Government contracts.

(3) Inventory disposal schedules.—(i) The Contractor shall use Standard Form 1428, Inventory Disposal Schedule, to identify—

(A) Government-furnished property that is no longer required for performance of this contract, provided the terms of another Government contract do not require the Government to furnish that property for performance of that contract; and

(B) Property acquired or produced by the Contractor, to which the Government has obtained title under paragraph (c) of this clause, that is no longer required for performance of that contract.

(ii) The Contractor may annotate inventory disposal schedules to identify property the Contractor wishes to purchase from the Government.

(iii) Unless the Plant Clearance Officer has agreed otherwise, or the contract requires electronic submission of inventory disposal schedules, the Contractor shall prepare separate inventory disposal schedules for--

(A) Special test equipment without commercial components;

(B) Special test equipment with commercial components;

(C) Printing equipment;

(D) Computers, components thereof, peripheral equipment, and related equipment;

(E) Precious Metals;

(F) Nonnuclear hazardous materials or hazardous wastes; or

(G) Nuclear materials or nuclear wastes.

(iv) Property with the same description, condition code, and reporting location may be grouped in single line item. The Contractor shall describe special test equipment in sufficient detail to permit an understanding of the special test equipment's intended use.

(4) Submission requirements. The Contractor shall submit inventory disposal schedules to the Plant Clearance Officer no later than—

(i) Thirty days following the Contractor's determination that a Government property item is no longer required for performance of the contract;

(ii) Sixty days, or such longer period as may be approved by the Plant Clearance Officer, following completion of contract deliveries or performance; or

(iii) One hundred twenty days, or such longer period as may be approved by the Plant Clearance Officer, following contract termination in whole or in part.

(5) Corrections. The Plant Clearance Officer may require the Contractor to correct an inventory disposal schedule or may reject a schedule if the property identified on the schedule is not accountable under this contract or is not in the quantity or condition indicated.

(6) Postsubmission adjustments. The Contractor shall provide the Plant Clearance Officer at least 10 working days advance written notice of its intent to remove a property item from an approved inventory disposal schedule. Unless the Plant Clearance Officer objects to the intended schedule adjustment within the notice period, the Contractor may make the adjustment upon expiration of the notice period.

(7) Storage--

(i) The Contractor shall store the property identified on an inventory disposal schedule pending receipt of disposal instructions. The Government's failure to provide disposal instructions within 120 days following acceptance of an inventory disposal schedule might entitle the Contractor to an equitable adjustment for costs incurred to store such property on or after the 121st day.

(ii) The Contractor shall obtain the Plant Clearance Officer's approve to remove Government property from the premises at which the property is currently located prior to receipt of final disposition instructions. If approval is granted, any costs incurred by the Contractor to transport or store the property shall not increase the price or fee of any Government contract. The storage facility shall be appropriate for assuring the property's physical safety and suitability for use. Approval does not relieve the Contractor of any liability under this contract for such property.

(8) Disposition instructions.

(i) If the Government does not provide disposition instructions to the Contractor within 45 days following acceptance of a scrap list, the Contractor may dispose of the listed scrap in accordance with the Contractor's approved scrap procedures..

(ii) The Contractor shall prepare for shipment, deliver f.o.b. origin, or dispose of Government property as directed by the Plant Clearance Officer. The Contractor shall remove and destroy any markings identifying the property as Government property prior to disposing of the Government property.

(iii) The Contracting Officer may require the Contractor to demilitarize the property prior to shipment or disposal. Any equitable adjustment incident to the Contracting Officer's direction to demilitarize Government property shall be made in accordance with paragraph (h) of this clause.

(9) Disposal proceeds. The Contractor shall credit the net proceeds from the disposal of Government property to the price or cost of work covered by this contract or to the Government as the Contracting Officer directs.

(10) Subcontractor inventory disposal schedules. The Contractor shall require a subcontractor that is using property accountable under this contract at a subcontractor-managed site to submit

inventory disposal schedules to the Contractor in sufficient time for the Contractor to comply with the requirements of paragraph (i)(4) of this clause.

(j) Abandonment of Government property--

(1) The Government will not abandon sensitive Government property without the Contractor's written consent.

(2) The Government, upon notice to the Contractor, may abandon any nonsensitive Government property in place at which time all obligations of the Government regarding such abandoned property shall cease.

(3) The Government has no obligation to restore or rehabilitate the Contractor's premises under any circumstances, however, if the Government-furnished property 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 of the United States of America 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.

52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

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

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

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

NMCARS/NMCAG clauses & provisions: <http://farsite.hill.af.mil/vfnapsa.htm>

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 Federal Acquisition Regulation Supplement (48 CFR Chapter 2) clause with an authorized deviation is indicated by the addition of "(DEVIATION)" after the name of the regulation.

252.211-7003 ITEM IDENTIFICATION AND VALUATION (JUN 2005)

(a) Definitions. As used in this clause—

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

“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, lot, or batch number, the linking together of the unique identifier data elements in order of the issuing agency code, enterprise identifier, original part, lot, or batch number, and serial number within the original part, lot, or batch 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/dpap/UID/equivalents.html>.

“DoD unique item identification” means a system of marking items delivered to DoD with unique item identifiers that have machine-readable data elements to distinguish an item from all other like and unlike items.

For items that are serialized within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier and unique serial number.

For items that are serialized within the part, lot, or batch number within the enterprise identifier, the unique item identifier shall include the data elements of the enterprise identifier, the original part, lot or batch number, and the serial number.

“Enterprise” means the entity (e.g., 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 an issuing agency.

“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;

(2) For cost-type or undefinitized 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; and

(3) For items produced under a time-and-materials contract, the Contractor's estimated fully burdened unit cost to the Government at the time of delivery.

"Issuing agency" 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) Code).

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

"Item" means a single hardware article or a single unit formed by a grouping of subassemblies, component or constituent parts.

"Lot or batch number" means an identifying number assigned by the enterprise to a designated group of items, usually referred to as either a lot or a batch, all of which were manufactured under identical conditions.

"Machine-readable" means an automatic identification 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 item creation to a class of items with the same form, fit, function, and interface.

"Parent item" means the item assembly, intermediate component, or subassembly that has an embedded item with a unique item identifier or DoD recognized unique identification equivalent.

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

“Unique item identifier” means a set of data elements marked on items that is globally unique and unambiguous.

“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/dpap/UID/uid_types.html.

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

(c) DoD unique item identification or DoD recognized unique identification equivalents.

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

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

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

Contract Line, Subline, or
Exhibit Line Item Number

Item Description

_____ None known at time of letter contract award. This Item will _____
_____ be further defined upon definitization of this contract. _____

(iii) Subassemblies, components, and parts embedded within delivered items as specified in Attachment Number _____ L _____.

(2) The concatenated unique item identifier and the component data elements of the DoD unique item identification or DoD recognized unique identification equivalent shall not change over the life of the item.

(3) Data syntax and semantics of DoD unique item identification and DoD recognized unique identification equivalents. The Contractor shall ensure that--

(i) The encoded data elements (except issuing agency code) of the unique item identifier are marked on the item using one of the following three types of data qualifiers, as determined by the Contractor:

(A) Data Identifiers (DIs) (Format 06) in accordance with ISO/IEC International Standard 15418, Information Technology – EAN/UCC Application Identifiers and ANSI MH 10 Data Identifiers and ANSI MH 10 Data Identifiers and Maintenance.

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

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

(ii) The encoded data elements of the unique item identifier conform to ISO/IEC International Standard 15434, Information Technology – Syntax for High Capacity Automatic Data Capture Media.

(4) DoD unique item identification and DoD recognized unique identification equivalents.

(i) The Contractor shall--

(A) Determine whether to serialize within the enterprise identifier or serialize within the part, lot, or batch number; and

(B) Place the data elements of the unique item identifier (enterprise identifier, serial number, and, for serialization within the part, lot or batch number only, original part, lot or batch number) on items requiring marking by paragraph (c)(1) of this clause, based on the criteria provided in the version 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) For each item that requires unique item identification under paragraph (c)(1)(i) or (ii) of this clause, in addition to the information provided as part of the Material Inspection and Receiving Report specified elsewhere in this contract, the Contractor shall report at the time of delivery, either as part of, or associated with, the Material Inspection and Receiving Report, the following information:

(1) Concatenated unique item identifier; or DoD recognized unique identification equivalent.

(2) Unique item identifier type.

(3) Issuing agency code (if concatenated unique item identifier is used).

(4) Enterprise identifier (if concatenated unique item identifier is used).

- (5) Original part number.
- (6) Lot or batch number.
- (7) Current part number (if not the same as the original part number).
- (8) Current part number effective date.
- (9) Serial number.
- (10) Government's unit acquisition cost.

(e) For embedded DoD serially managed subassemblies, components, and parts that require unique item identification under paragraph (c)(1)(iii) of this clause, the Contractor shall provide report at the time of delivery, either as part of, or associated with the Material Inspection and Receiving Report specified elsewhere in this contract; the following information:

(1) Concatenated unique item identifier or DoD recognized unique identification equivalent of the parent item delivered under a contract line, subline, or exhibit line item that contains the embedded subassembly, component, or part.

(2) Concatenated unique item identifier or DoD recognized unique identification equivalent of the embedded subassembly, component, or part.

- (3) Unique item identifier type.**
- (4) Issuing agency code (if concatenated unique item identifier is used).**
- (5) Enterprise identifier (if concatenated unique item identifier is used).**
- (6) Original part number.**
- (7) Lot or batch number.**
- (8) Current part number (if not the same as the original part number).**
- (9) Current part number effective date.**
- (10) Serial number.**
- (11) Unit of measure.*
- (12) Description.

** Once per item.

(f) The Contractor shall submit the information required by paragraphs (d) and (e) of this clause in accordance with the data submission procedures at <http://www.acq.osd.mil/dpap/UID/DataSubmission.htm>.

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

252.211-7005 SUBSTITUTIONS FOR MILITARY OR FEDERAL SPECIFICATIONS AND STANDARDS (NOV 2005)

(a) *Definition.* "SPI process," as used in this clause, means a management or manufacturing process that has been accepted previously by the Department of Defense under the Single Process Initiative (SPI) for use in lieu of a specific military or Federal specification or standard at specific facilities. Under SPI, these processes are reviewed and accepted by a Management Council, which includes representatives of the Contractor, the Defense Contract Management Command, the Defense Contract Audit Agency, and the military departments.

(b) Offerors are encouraged to propose SPI processes in lieu of military or Federal specifications and standards cited in the solicitation. A listing of SPI processes accepted at http://guidebook.dema.mil/20/guidebook_process.htm (paragraph 4.2).

(c) An offeror proposing to use an SPI process in lieu of military or Federal specifications or standards cited in the solicitation shall—

- (1) Identify the specific military or Federal specification or standard for which the SPI process has been accepted;
- (2) Identify each facility at which the offeror proposes to use the specific SPI process in lieu of military or Federal specifications or standards cited in the solicitation;
- (3) Identify the contract line items, subline items, components, or elements affected by the SPI process; and
- (4) If the proposed SPI process has been accepted at the facility at which it is proposed for use, but is not yet listed at the Internet site specified in paragraph (b) of this clause, submit documentation of Department of Defense acceptance of the SPI process.

(d) Absent a determination that an SPI process is not acceptable for this procurement, the Contractor shall use the following SPI processes in lieu of military or Federal specifications or standards:

(Offeror insert information for each SPI process)

SPI Process: _____

Facility: _____

Military or Federal Specification
or Standard: _____

Affected Contract Line Item
Number, Subline Item Number,
Component, or Element: _____

(e) If a prospective offeror wishes to obtain, prior to the time specified for receipt of offers, verification that an SPI process is an acceptable replacement for military or Federal specifications or standards required by the solicitation, the prospective offeror—

(1) May submit the information required by paragraph (d) of this clause to the Contracting Officer prior to submission of an offer; but

(2) Must submit the information to the Contracting Officer at least 10 working days prior to the date specified for receipt of offers.

252.217-7027 CONTRACT DEFINITIZATION (OCT 1998)

(a) A Firm-Fixed-Price 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 Firm-Fixed-Price proposal and cost or pricing data supporting its proposal.

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

Target Date for Definitization: 30 September 2006

Date(s) for Submission of Proposal: 31 May 2006

Beginning of Negotiations: 17 June 2006

(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.

(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 Firm-Fixed-Price in no event to exceed \$21,500,000.

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

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

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

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

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

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

(5) “Subcontractor” means a supplier, materialman, distributor, or vendor at any level below the prime contractor whose contractual obligation to perform results from, or is conditioned upon, award of the 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 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;
- (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.

(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.

SECTION J – LIST OF ATTACHMENTS

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

<u>Exhibit/Attachment</u>	<u>Title of Exhibit/Attachment</u>	<u>No. of pages</u>
EXHIBIT A	Contract Data Requirements List, DD Form 1423	25
ATTACHMENT A	Production Deliverables and Management Support Responsibilities of the Contractor	3
ATTACHMENT B	INCO Spares	6
ATTACHMENT C	Government Furnished Information	1
ATTACHMENT D	NOT USED	N/A
ATTACHMENT E	Contract Security Classification Specification, DD Form 254	2
ATTACHMENT F	Shipping Instruction Data, NAVSEA Form 4336/1	5
ATTACHMENT G	Government Furnished Property (Performance)	1
ATTACHMENT H	Government Furnished Property (Incorporation)	1
ATTACHMENT J	Financial Accounting Data Sheet(s)	2
ATTACHMENT K	Performance Based Payment Events	1
ATTACHMENT L	Subassemblies, Components and Parts requiring UID Marking	1
ATTACHMENT M	Raytheon Comprehensive Subcontracting Plan for FY 2006	26