

SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS

CLIN	SUPPLIES OR SERVICES	ESTIMATED COST	BASE FEE	AWARD/ INCENTIVE FEE	ESTIMATED COST PLUS FEE
0001	Management and Engineering Services to complete the AEGIS LEAP Intercept Program/SM-3 Interceptor Program (ALI/SM-3). Completion shall include the fabrication, assembly, integration, testing and delivery of SM-3 AURs and hardware units for test. (See NOTE C)				
0001AA	(SM-3 BMDO FY98 Funds)				
0002	Data for Items 0001, 0003 and 0004 (See NOTE A)				NSP
0003	Fabricate, assemble, integrate, test, and deliver SM-3 AURs and hardware units for test.				
0004	Procure Long Lead Material (LLM) to support efforts required to fabricate, test and deliver CTV/GTV SM-3 flight rounds for the AEGIS LEAP Intercept (ALI) Program (LLM funds transferred from 96-C-5301) (See NOTES B and C)				

- NOTE A: The Offeror shall complete the "Price Group" and "Estimated Total Price" blocks of each data item on Exhibit A, DD Form 1423, "Contract Data Requirements List (CDRL)," attached hereto. This item is not separately priced. The price is to be included in the cost of Items 0001 and 0003.
- NOTE B: The cost and fee amounts shown above reflect the amount of funding that has been obligated under this contract to fund the acquisition of Long Lead Material. These amounts will not be increased under this contract. Any additional material costs are to be incurred under CLIN 0001.
- NOTE C: The purpose of this note is to notify all parties that the Procuring Contracting Officer (PCO) approves of Standard Missile Company's (SMCo's) initial subcontracts with Hughes Missile Systems Company (HMSC) and Raytheon Electronic Systems (RES) which are associated with execution of this contract (N00024-98-C-5364). Cost and price analyses of the proposals and negotiations with RES and HMSC were performed by the Naval Sea Systems Command. Additional analysis and negotiations by SMCo should not be required. PCO approval is limited to the initial subcontracts established between SMCo and both HMSC and RES at the time of contract award. This approval does not apply to any future subcontract proposals submitted by either HMSC or RES.

START OF CONTRACT PERFORMANCE

As stated in SECTION C of the contract [REDACTED] All funding obligated under Technical Instruction - 301 that is associated with the scope of work under this completion contract must be incurred or otherwise committed prior to incurring costs under this completion contract. This does not apply to CLIN 0004, Long Lead Material.

LIMITATION OF COST OR LIMITATION OF FUNDS LANGUAGE

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

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 close-out. 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.

PAYMENTS OF FEE(S) (COMPLETION) (NAVSEA) (MAY 1993) (APPLICABLE TO CLIN 0001)

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

(b) The Government shall make payments to the Contractor, subject to and in accordance with the clause in this contract entitled "FIXED FEE" (FAR 52.216-8) or "INCENTIVE FEE", (FAR 52.216-10), as applicable. Such payments shall be equal to

percent of the allowable cost of each invoice submitted by and payable to the Contractor pursuant to the clause of this contract entitled "ALLOWABLE COST AND PAYMENT" (FAR 52.216-7), subject to the withholding terms and conditions of the "FIXED FEE" or "INCENTIVE FEE" clause, as applicable (percentage of fee is based on fee dollars divided by estimated cost dollars, including facilities capital cost of money). Total fee(s) paid to the Contractor shall not exceed the fee amount(s) set forth in this contract.

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

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

PAYMENTS OF FEE(S) (COMPLETION) (NAVSEA) (MAY 1993) (APPLICABLE TO CLIN 0004)

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

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

fee(s) paid to the Contractor shall not exceed the fee amount(s) set forth in this contract.

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

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

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

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

(b) The Contractor shall submit invoices and any necessary supporting documentation, in an original and 4 copies, to the contract auditor at the following address: TBD unless delivery orders are applicable, in which case invoices will be segregated by individual order and submitted to the address specified in the order. In addition, an information copy shall be submitted to the Contracting Officer Representative (COR) identified in Section G. Following verification, the contract auditor will forward the invoice to the designated payment office for payment in the amount determined to be owing, in accordance with the applicable payment (and fee) clause(s) of this contract.

(c) Invoices requesting interim payments shall be submitted no more than once every two weeks, unless another time period is specified in the Payments clause of this contract. For indefinite delivery type contracts, interim payment invoices shall be submitted no more than once every two weeks for each

delivery order. There shall be a lapse of no more than 60 calendar days between performance and submission of an interim payment invoice.

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

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

(e) A DD Form 250, "Material Inspection and Receiving Report",
☐ is required with each invoice submittal.
☒ is required as specified under Section E.
☐ is not required.

(f) A Certificate of Performance
☐ shall be provided with each invoice submittal.
☒ is not required.

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

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

DETERMINATION OF AWARD FEE (Maximum 8% of estimated cost)

1. Award Fee

In addition to the base fee and schedule incentive fee defined elsewhere under SECTION B, the Contractor may earn Award Fee, as determined by the Fee Determining Official (FDO) in accordance with procedures specified below. The Government's purpose in granting Award Fee is to motivate the Contractor and reward its performance in achieving the program objectives specified in this contract and in discharging related contract obligations.

By way of overseeing the Contractor's performance, the Government will continuously monitor the manner in which the Contractor is proceeding to attain program objectives as specified in this contract and in discharging related contract obligations. The areas on which particular weight will be placed in evaluating the Contractor's performance are stipulated in Paragraph 5.

2. Fee Determining Official and Evaluation Board

- a. Program Executive Officer, Theater Air Defense (Fee Determining Official);
- b. Program Manager, STANDARD Missile Program Management Office (Chairman);
- c. Deputy Program Executive Officer, Theater Air Defense;
- d. Systems Engineering Head, Program Executive Office, Theater Air Defense;
- e. Division Director, Program Executive Office, Theater Air Defense (PEO TAD-B), Theater Ballistic Missile Defense Division;
- f. Deputy Program Manager/Technical Director, STANDARD Missile Program Management Office (Deputy Chairman);
- g. Procuring Contracting Officer (PCO);
- h. Commanding Officer, Administrative Contracting Officer (ACO) (Representative), Towson, MD;

3. Award Fee Evaluation Procedure

Evaluation by the Award Fee Board will be based on the following:

- (1) an assessment by the Contractor of its performance during the period relative to the award fee criteria listed below;
- (2) other inputs as may be available to the Board (e.g., oral and written reports as considered necessary, from key representatives from various organizations as determined by the Board Chairman).

Within thirty (30) working days after the end of the evaluation period, the Contractor shall submit its assessment of performance during the evaluation period in accordance with Exhibit A1 DD Form 1423, "Contract Data Requirements List (CDRL)." The Contractor's assessment of its performance during the period shall be clear, concise, measurable and directly correspond to the requirements of this provision. It should be structured to permit direct correlation with the Evaluation Criteria established for the period. The Contractor's assessment should address only events

occurring during the evaluation period except for those outside the period that must be addressed for clarity and completeness. Additionally, as discussed in paragraph 5.a.(1)(c), the Contractor's submission will contain the Contractor's plans and emphasis areas for the succeeding period to be evaluated in accordance with the requirements of this provision. The Government shall put forth its best efforts to conduct the Contractor Award Fee evaluation within 45 days after receipt of the Contractor's self assessment.

The FDO shall, based on the recommendation of the Evaluation Board and any other pertinent information known, determine the amount of Award Fee which will be paid to the Contractor for its work during the past period. The Government shall put forth its best efforts to provide award fee due to the Contractor in a timely manner.

The FDO will provide the fee determination in writing to the Procuring Contracting Officer (PCO), setting forth the fee, the rationale and justification therefore, requesting the PCO to issue a contract modification formally establishing the award fee for the period. The FDO's determination shall be final and the Contracting Officer shall issue a unilateral modification to the contract to provide for the award fee earned. Award fee not earned in any given evaluation period will not be awarded in any subsequent award fee evaluation period.

4. Finality of Fee Determination Official's Determination

Determinations of the FDO with respect to the amount of the award fee to be paid to the Contractor are final and shall not be subject to the clause of this contract entitled "DISPUTES" (FAR 52.233-1). The parties expressly agree that the determination of the FDO are not subject to review under the Contract Disputes Act of 1978 (P.L. 95-563).

5. Evaluation Categories and Factors

The Contractor's performance will be evaluated using the categories and factors identified below.

a. ALI Cost Performance, Period Objective Achievement, Flight Test Success

(1) Evaluation Factors

The Award Fee pool evaluation factors are not independent entities but are interdependent; in addition to addressing each of the pool evaluation categories individually, consideration may be given in the Award Fee evaluation to the Contractor's performance in balancing/trading off the evaluation factors for the overall benefit to the program. The weights assigned to each of the

evaluation factors and subfactors may be modified from time to time unilaterally by the Government, provided the Government notifies the Contractor prior to the start of the first affected evaluation period. In the absence of said notification, the Award Fee weighting of evaluation factors will remain as specified herein. The alterations described above shall not change the total potential Award Fee available specified in this provision, subject to the limitations described in paragraph 6 of this clause, nor change the Award Fee earned by the Contractor in any completed evaluation period. The weighting applicable to each Award Fee period is summarized as follows:

	Award Fee Period				
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
ALI Cost Performance	50%	45%	25%	20%	25%
Period Objectives	50%	55%	40%	20%	10%
Successful Flight Test	0%	0%	35%	60%	65%

(a) Subfactor: ALI Cost Performance

First 4 months of Period 1

For the first four months of the first award fee period only (JAN - 30 APR 1998), cost and schedule performance as reflected in the Cost Performance Reports (CPRs) will not be considered. Instead, the completeness of the Contractor's Cost Performance System will be considered.

Last 4 months of Period 1 - Period 5

The Board will assess the Contractor's demonstrated ability to successfully conduct the ALI Program within cost budgets as measured by the Cost Performance Index. The Evaluation Board will evaluate cost-effectiveness based on consideration of the Cost Performance Index (CPI). CPI is defined as the budgeted cost of work performed (BCWP) divided by the actual cost of work performed (ACWP), for the award fee period as reported in the Contractor's CPR's. A score of "0" for this subfactor will be applicable to any period where the CPI is below .65; a period CPI of .95 or above is required to obtain maximum award fee for this subfactor as defined within this provision. Scores within this range shall be determined for each evaluation period as follows:

<u>CPI</u>	<u>Adjective Rating</u>
CPI = or > .95	Outstanding
.85 < CPI < .95	Good
.75 < CPI < .85	Satisfactory
.65 < CPI < .75	Marginal

(b) Subfactor: Period Objective Achievement

The Contractor shall submit for PMS422 approval a plan detailing the Contractor's strategies, emphases and objectives for the upcoming evaluation period thirty (30) days after contract award (for the first period) and thirty (30) days prior to the beginning of each subsequent period. This plan shall identify specific program objectives which demonstrate a thorough understanding of Government concerns for the period. The period objectives shall include items such as technical SM-3 planned achievements including planned tests and results; risk management/assessment and reduction plans; and evaluation of systems engineering process discipline. The risk management system and systems engineering process shall follow the established Contractor processes, using the risk register and Systems Engineering Management Plan (SEMP). The Government will review and either approve or provide comment within twenty (20) days after receipt of Contractor submittal. A Program Management Team meeting shall be convened within 15 days of comment submittal to resolve all outstanding issues with program objectives. If a set of objectives is not approved by PMS422 within twenty (20) days after Government comment is provided to the Contractor, the objectives shall be established by PMS422 unilaterally and provided to the Contractor.

Contractor performance as it relates to the achievement of either the approved objective plan (or the objectives established in accordance with the above described procedures) shall be evaluated. In addition, the board will evaluate the implementation of the plans and processes addressed in Systems Engineering Management Plan (SEMP) and any subsequent Government-approved updates. Schedule performance will be based on Contractor compliance with the program Integrated Master Schedule (IMS).

(c) Subfactor: Flight Test Success

The Contractor's accomplishment of flight test objectives will be evaluated for each identified flight test event occurring within the evaluation period by the Award Fee Evaluation Board.

The Award Fee for a flight test event shall be based primarily on an evaluation of the Contractor's achievement of primary flight objectives as defined in the Government Mission Readiness Document and material which the Contractor may present to the Award Fee panel.

Secondarily, the Contractor will be evaluated on:

- (i) The effectiveness of Contractor test planning, execution and data collection to meet mission objectives;

(ii) The effectiveness of the Contractor's results reporting and analyses for the mission;

(iii) The capability of the Contractor's simulations to confirm the performance demonstrated and explain any anomalies seen in the flight;


The evaluation will consider Contractor performance as it relates to any "no-tests" that occur during the evaluation period.

To achieve a "Satisfactory" or above rating, the flight test event must demonstrate successful performance in most primary flight objectives with test planning and range preparation resulting in the collection of required data, responsive Contractor test reporting and analyses and satisfactory correlation to pretest performance predictions enabling subsequent analyses to determine causes and corrections for anomalies seen in the flight.

As provided for under paragraph 5 of this provision, a Government Contractor Team may revise period weighting prior to the start of the first affected evaluation period. In addition, the Government may elect to unilaterally reallocate award fee dollars among periods especially if flight test schedules are modified.

(2) Schedule of Award Fee

It is planned that the Award Fee reviews will occur in accordance with the following schedule:

<u>Award Fee No.</u>	<u>Evaluation period</u>	<u>Award Fee Max. Amount</u>	<u>Award Fee Earned</u>	<u>%</u>
1	1/98 - 8/98		TBD	TBD
2	9/98 - 2/99		TBD	TBD
3	3/99 - 8/99		TBD	TBD
4	9/99 - 4/00		TBD	TBD
5	5/00 - 3/01		TBD	TBD

Adjective Rating

Applicable Percentage Range of Allowable Award Fee Pool

OUTSTANDING	90 - 100
GOOD	80 - 89
SATISFACTORY	70 - 79
MARGINAL	55 - 69

Any score below 55 is considered to reflect unsatisfactory performance. The Contractor will not receive any Award Fee for a score below 55.

6. In no event shall the sum of the potential award fee dollars shown under paragraph 5.a.(2) for current and prior period(s) (if any) exceed the sum of all dollars identified in this contract under the potential award fee column of Provision NAVSEA 5252.232-9104 in SECTION H entitled "ALLOTMENT OF FUNDS - ALTERNATE I (MAY 1993)." In the event that potential award fee dollars shown under "ALLOTMENT OF FUNDS" provision are insufficient to cover the potential award fee amount shown under paragraph 5.a.(2) for a given evaluation period or event, the Procuring Contracting Officer (PCO) may unilaterally reduce the potential award fee for that period or event by the amount not allotted to the contract. The PCO shall restore this potential award fee amount to any later evaluation period(s) should adequate funding (potential award fee) later be allotted to the contract.

DETERMINATION OF SCHEDULE INCENTIVE FEE (Maximum of [REDACTED] of Estimated Cost)

1. In addition to the base fee and award fee defined elsewhere under Section B, the Contractor shall be entitled to receive schedule incentive fees for achieving schedule milestones specified under this provision. All indicated dates are at the end of the calendar month. Incentive pools are established for flight test round delivery, hardware delivery, and for completion of two control test vehicle firings and three guidance test vehicle firings. If the Government elects to modify the contract to delete flights, based on successful accomplishment of prior flights, the Government will give due consideration to prior Contractor performance and equitably adjust the contract in the contract modification with the understanding that foregone incentive fee associated with the deleted flights was a result of prior Contractor accomplishments. Other than this provision, the achievement of scheduled accomplishments addressed below shall not be modified, relaxed, or otherwise adjusted except for changes directly resulting from Government-caused interruption which must be acknowledged in writing by the PCO referencing this provision. Even those grounds that might otherwise give rise to an equitable adjustment in the delivery schedule of the contract for the hardware covered, or any other delivery required by the contract, shall not be basis for adjustment to the schedule dates specified in this provision. The Government may, however, elect to extend or modify the schedules specified in this provision should events dictate. Circumstances such as configuration or test plan changes and/or studies required to analyze test failures or anomalies may be cause for such action.

a. Flight Test Schedule Incentive (maximum of [REDACTED] of estimated cost)

The amount of this incentive fee shall be determined by the date of the actual accomplishment of each of the events defined below:

Flight Test Hardware Schedule

<u>Event No.</u>	<u>Event</u>	<u>Latest RFI Date</u>
1.	Delivery of CTV-4	11/99
2.	Delivery of GTV-1	3/00
3.	Delivery of GTV-2	6/00
4.	Delivery of GTV-3	9/00

In order to receive any schedule incentive associated with flight test hardware, the associated event must be accomplished no later than the date specified above for each test vehicle and the subsequent flight test must be completed satisfactorily. An unsatisfactory flight test is defined as a flight test which must be repeated. No schedule incentive fee associated with a CTV or GTV will be awarded if the test of that round is repeated or if the flight test event is deemed to be less than satisfactory as defined under paragraph 5a(1)(c) of the Section B provision entitled "DETERMINATION OF AWARD FEE".

Definition of event accomplishment is the determination of the Ready-For-Issue (RFI) date which meets all the following criteria:

- 1) successful completion of all acceptance testing;
- 2) a MCP data package is provided which is certified as being complete by a PMS422 designated representative; and
- 3) certification obtained at the MCP that the test hardware is flight ready.

The MCP data package shall include, as a minimum, the following:

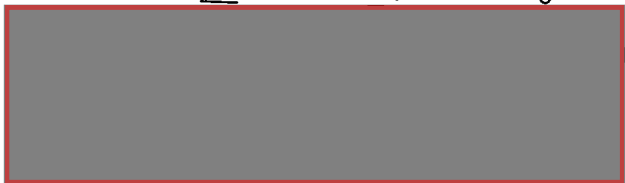
- 1) Acceptance test reports for the Missile Round & AUR based on tests conducted using the SM-3 Test Equipment suite in accordance with the Contractor's engineering acceptance test plans and procedures.
- 2) Booster acceptance test report based on test data using the MK 691 Booster Test Set. The Contractor may use the Government acceptance test plans and procedures.
- 3) Complete pedigree data for each AUR hardware and software configuration item including disposition of all ECP/RFD/REV actions, and hardware usage history information.
- 4) Section (KW, G/S, TSRM, etc.) acceptance test reports. The Contractor may use their existing procedures for acceptance test reporting.

The MCP data packages for the MK 104 DTRM and canister will be provided to the Contractor. All other component data packages will be provided by the Contractor.

The PMS422 designated representative shall either certify that the MCP data package is complete or notify the Contractor of deficiencies within three (3) working days after each submittal.

If the AUR hardware is certified as ready for flight at the subsequent MCP, then the date on which the latest version of the package was presented to the PMS422 designated representative shall be the established RFI date.

The incentive amounts earned (expressed as a percentage of estimated cost) to be awarded are summarized as follows:

Event No.	Minimum Number of Days RFI Ahead of Schedule*			
	<u>90</u>	<u>60</u>	30	0
1.				
2.				
3.				
4.				

*Refers to schedule in this provision which defines the latest RFI dates for which schedule incentive fee shall be awarded.

Schedule incentive fee associated with RFI dates occurring between the bounding dates defined above will be determined as follows:




b. Hardware Schedule Incentive (maximum of [REDACTED] of estimated cost)

The amount of this incentive fee shall be determined by the date of the actual accomplishment of each of the events defined below:

<u>Event No.</u>	<u>Event Description/Verification</u>	<u>Latest Schedule Date</u>
1	Completion of IOM 3B G/S, Inert TSRM & Inert KW-4 section checkout. Verify by successful completion of ATP	7/98
2	Completion of separation test. Verify by successful completion of primary test objectives	9/98
3	Completion of live battery test. Verify by successful completion of primary test objectives	11/98
4	Complete CTV-3 G/S, Inert TSRM, Inert KW section checkout. Verify by successful completion of ATP	1/99
5	Complete WSMR TE proofing. Verify by successful test of an IOM using the TE	3/99
6	Conduct CTV-4 section G/S, Inert TSRM, Inert KW section checkout. Verify by successful completion of ATP	3/99
7	Conduct KW Hover test. Verify by successful completion of primary test objectives (KW Test Plan)	4/99
8	Conduct GTV-1 G/S, Inert TSRM, Inert KW section checkout. Verify by successful completion of ATP	10/99
9	Conduct GTV-2 G/S, Inert TSRM, Inert KW section checkout. Verify by successful completion of ATP	01/00
10	Conduct GTV-3 G/S, Inert TSRM, Inert KW section checkout. Verify by successful completion of ATP	04/00

Incentive amounts earned shall be in accordance with the following table:

Event No.	Minimum Number of Days Ahead of Above Schedule			
	<u>90</u>	<u>60</u>	<u>30</u>	<u>0</u>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Incentive fee percentages for the accomplishment of events occurring between the bounding dates will be determined by utilizing the same methodology as specified under the flight test hardware schedule incentive section of this provision. No schedule incentive fee for hardware shall be provided for any event completed after the schedule date defined above.

The date of accomplishment of the above events will be determined by PMS422 after receipt of Contractor provided evidence. The Government will notify the Contractor within three (3) working days of receipt of Contractor provided evidence if: 1) The Government concurs with the submitted completion date; or 2) The Government has established an alternate date for completion; or 3) What action(s) are required to complete the accomplishment of the event(s). If the Government determines that options (2 or 3) listed above are applicable, the date for completion of that event and all subsequent events may be renegotiated between the Government and the Contractor. The PMS422 determination shall be final notwithstanding any other term or condition of the contract or determinations made in other contexts by other Government Officials.