

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE V	PAGE OF PAGES 1   5
2. AMENDMENT/MODIFICATION NO. 03	3. EFFECTIVE DATE 09-Dec-2010	4. REQUISITION/PURCHASE REQ. NO. N00024-11-MR-55094	5. PROJECT NO. (If applicable) N/A
6. ISSUED BY Naval Sea Systems Command (NAVSEA) BUILDING 197, ROOM 5w-27301333 ISAAC HULL AVENUE SE WASHINGTON NAVY YARD DC 20376-2040	CODE N00024	7. ADMINISTERED BY (If other than Item 6) DCMA TACTICAL WHEELED VEHICLES CHICAGO 1523 WEST CENTRAL ROAD, BLDG. 203 ARLINGTON HEIGHTS IL 60005-2451	CODE S1403A

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State, and Zip Code) Alion - IPS Corporation 10 West 35th Street Chicago IL 60616	9A. AMENDMENT OF SOLICITATION NO.
	9B. DATED (SEE ITEM 11)
	10A. MODIFICATION OF CONTRACT/ORDER NO. N00178-04-D-4066-EH06
	10B. DATED (SEE ITEM 13) 17-Dec-2009
CAGE CODE 3UWB7	FACILITY CODE 035274158

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers  is extended,  is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning one (1) copy of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)  
SEE SECTION G

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

(*)	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
<input type="checkbox"/>	
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<input type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
<input checked="" type="checkbox"/>	D. OTHER (Specify type of modification and authority) FAR 43.103(b)

E. IMPORTANT: Contractor  is not,  is required to sign this document and return \_\_\_ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)  
SEE PAGE 2

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		BY /s/ (Signature of Contracting Officer)	09-Dec-2010

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## GENERAL INFORMATION

The purpose of this modification 03 to Task Order N00178-04-D-4066 EH06 is to

- 1) Exercise Option CLINs 4100 and 6100 and establish SLINs 4100 01, 4100 02, 4100 03, 4100 04, 4100 05, 6100 01, 6100 02, 6100 03, 6100 04 and 6100 05
- 2) Transfer ceiling from CLIN 4001 to 4000 for overrun from base year and fund SLIN 4000 01
- 3) Incrementally fund SLINs 4100 01, 4100 02, 4100 03, 4100 04, 4100 05, 6100 01, 6100 02, 6100 03, 6100 04 and 6100 05
- 4) Update the Period of Performance for CLINs 4100 and 6100

Accordingly, said Task Order is modified as follows:

1) Under Section B, Supplies and Services:

a) Establish SLINs 4100 01, 4100 02, 4100 03, 4100 04, 4100 05, 6100 01, 6100 02, 6100 03, 6100 04 and 6100 05 as follows:

SLIN	Description	Amount
4100 01	Option Year 1 - YEAR 2: SHIPS AM Support (NOTES A & B)	
4100 02	Option Year 1 - YEAR 2: SHIPS AM Support (NOTES A & B)	
4100 03	Option Year 1 - YEAR 2: SHIPS AM Support for DDG 1000 (NOTES A & B)	
4100 04	Option Year 1 - YEAR 2: SHIPS AM Support (NOTES A & B)	
4100 05	Option Year 1 - YEAR 2: SHIPS AM Support (NOTES A & B)	
6100 01	ODCs in support of Option Year 1 - YEAR 2 Labor CLINs (NOTES B and F)	
6100 02	ODCs in support of Option Year 1 - YEAR 2 Labor CLINs (NOTES B and F)	
6100 03	ODCs in support of DDG1000 - Option Year 1 - YEAR 2 Labor CLINs (NOTES B and F)	
6100 04	ODCs in support of Option Year 1 - YEAR 2 Labor CLINs (NOTES B and F)	
6100 05	ODCs in support of Option Year 1 - YEAR 2 Labor CLINs (NOTES B and F)	

b) Transfer ceiling from CLIN 4001 to 4000 for overrun from base year and fund SLIN 4000 01 as follows:

From:

	<u>CLIN</u>	<u>Target Cost</u>	<u>Target Fee</u>	<u>Cost + Fee</u>
	4001			
<b>Transfer</b>	From			
<b>Ceiling</b>	By			
	To			

To:

	<u>CLIN</u>	<u>Target Cost</u>	<u>Target Fee</u>	<u>Cost + Fee</u>

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	4000			
<b>Ceiling</b>	From			
	By			
	To			

Funding:

	<u>CLIN</u>	<u>Target Cost</u>	<u>Target Fee</u>	<u>Cost + Fee</u>
	4000			
<b>Funding</b>	From			
	By			
	To			

c) Incrementally fund SLINs 4100 01, 4100 02, 4100 03, 4100 04, 4100 05, 6100 01, 6100 02, 6100 03, 6100 04 and 6100 05 as follows:

	<u>SLIN</u>	<u>Target Cost</u>	<u>Target Fee</u>	<u>Cost + Fee</u>
	4100 01			
<b>Funding</b>	From			
	By			
	To			

	<u>SLIN</u>	<u>Target Cost</u>	<u>Target Fee</u>	<u>Cost + Fee</u>
	4100 02			
<b>Funding</b>	From			
	By			
	To			

	<u>SLIN</u>	<u>Target Cost</u>	<u>Target Fee</u>	<u>Cost + Fee</u>
	4100 03			
<b>Funding</b>	From			
	By			
	To			

	<u>SLIN</u>	<u>Target Cost</u>	<u>Target Fee</u>	<u>Cost + Fee</u>
	4100 04			
<b>Funding</b>	From			
	By			
	To			

	<u>SLIN</u>	<u>Target Cost</u>	<u>Target Fee</u>	<u>Cost + Fee</u>
	4100 05			
<b>Funding</b>	From			
	By			
	To			

	<u>SLIN</u>	<u>Est. Cost</u>
	6100 01	

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<b>Funding</b>	From	
	By	
	To	

	<b>SLIN</b>	<b>Est. Cost</b>
	6100 02	
<b>Funding</b>	From	
	By	
	To	

	<b>SLIN</b>	<b>Est. Cost</b>
	6100 03	
<b>Funding</b>	From	
	By	
	To	

	<b>SLIN</b>	<b>Est. Cost</b>
	6100 04	
<b>Funding</b>	From	
	By	
	To	

	<b>SLIN</b>	<b>Est. Cost</b>
	6100 05	
<b>Funding</b>	From	
	By	
	To	

3) Under Section F, update the POP for CLINs 4100 and 6100 to be 12/10/10 to 12/9/2011.

4) Under Section J, List of Attachments, add Attachment 05: Financial Accounting Data Sheet for modification 03.

A conformed copy of this Task Order is attached to this modification for informational purposes only.

The Line of Accounting information is hereby changed as follows:

The total amount of funds obligated to the task is hereby increased from \_\_\_\_\_ by \_\_\_\_\_

CLIN/SLIN	Type Of Fund	From (\$)	By (\$)	To (\$)
400001	SCN			
410001	SCN			
410002	SCN			
410003	SCN			
410004	OPN			
410005	SCN			
610001	SCN			

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610002	SCN		
610003	SCN		
610004	OPN		
610005	SCN		

The total value of the order is hereby increased from . . . . . by . . . . . to . . . . .

CLIN/SLIN	From (\$)	By (\$)	To (\$)
4000			
4001			
4100			
6100			

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**SECTION B SUPPLIES OR SERVICES AND PRICES**

CLIN - SUPPLIES OR SERVICES

For Cost Type Items:

Item	Supplies/Services Qty	Unit	Target Cost	Target Fee	CPIF	
4000	BASE YEAR - Year 1: SHIPS AM Support (NOTE A) (TBD) Max Fee Min Fee Government Overrun Share Line 65.0 Government Underrun Share Line 65.0					
400001	BASE YEAR - Year 1: SHIPS AM Support (NOTE A) (SCN)					
400002	BASE YEAR - Year 1: SHIPS AM Support (NOTE A) (SCN)					
400003	BASE YEAR - Year 1: DDG1002 SHIPS AM Support (NOTE A) (SCN)					
400004	BASE YEAR - Year 1: SHIPS AM Support (NOTE A) (OPN)					
400005	BASE YEAR - Year 1: SHIPS AM Support (NOTE A) (SCN)					
4001	BASE YEAR - Year 1: Surge Requirements for SHIPS AM Support (NOTES A, B and E) (TBD) Max Fee Min Fee Government Overrun Share Line 65.0 Government Underrun Share Line 65.0					
400101	BASE YEAR - Year 1: Surge Requirements for SHIPS AM Support (NOTES A, B and E) (RDT&E)					
Item	Supplies/Services Qty	Unit	Est.Cost	Base Fee	Award Fee	CPAF
4002	BASE YEAR - Year 1: Award Fee related to CLIN 4000 (NOTES B and D) (TBD) Option					
4003	BASE YEAR - Year 1: Award Fee					

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related to Surge  
Option CLIN 4001  
(NOTES B and D)  
(SCN)

400301 BASE YEAR - Year  
1: Award Fee  
related to Surge  
Option CLIN 4001  
(NOTES B and D.  
(RDT&E)

4004 Data-Applicable  
to CLIN 4000- Not  
Separately Priced

Item	Supplies/Services Qty	Unit Target Cost	Target Fee	CPIF
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4100	Option Year 1 - YEAR 2: SHIPS AM Support (NOTES A and B) (TBD) Max Fee Min Fee Government Overrun Share Line	65.0		
	Government Underrun Share Line	65.0		

410001 Option Year 1 -  
YEAR 2: SHIPS AM  
Support (NOTES A  
& B) (SCN)

410002 Option Year 1 -  
YEAR 2: SHIPS AM  
Support (NOTES A  
& B) (SCN)

410003 Option Year 1 -  
YEAR 2: SHIPS AM  
Support for  
DDG1000 (NOTES A  
& B) (SCN)

410004 Option Year 1 -  
YEAR 2: SHIPS AM  
Support (NOTES A  
& B) (OPN)

410005 Option Year 1 -  
YEAR 2: SHIPS AM  
Support (NOTES A  
& B) (SCN)

4101	Option Year 1 - YEAR 2: Surge Requirements for SHIPS AM Support (NOTES A, B and E) (TBD) Option Max Fee Min Fee Government Overrun Share Line	65.0		
	Government Underrun Share Line	65.0		

Item	Supplies/Services Qty	Unit Est.Cost	Base Fee	Award Fee	CPIF
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4102	Option Year 1 - YEAR 2: Award Fee related to Labor Option CLIN 4100				
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(NOTES B and D)  
(TBD)  
Option

4103 Option Year 1 -  
YEAR 2: Award Fee  
related to Labor  
Option CLIN 4101  
(NOTES B and D)  
(TBD)  
Option

4104 Data- Applicable  
to CLIN 4100- Not  
Separately Priced

Item	Supplies/Services Qty	Unit Target Cost	Target Fee	CPIF
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4200	Award Term 1 - YEAR 3: SHIPS AM Support (NOTES A and C) (TBD) Option Max Fee Min Fee Government Overrun Share Line	65.0		
	Government Underrun Share Line	65.0		

4201	YEAR 3: Surge Requirements for SHIPS AM Support (NOTES A, B and E) (TBD) Option Max Fee Min Fee Government Overrun Share Line	65.0		
	Government Underrun Share Line	65.0		

Item	Supplies/Services Qty	Unit Est.Cost	Base Fee	Award Fee	CPIF
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4202	Award Term 1 - YEAR 3: Award Fee related to CLIN 4200 (NOTES C and D) (TBD) Option				
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4203	YEAR 3: Award Fee related to Surge Option CLIN 4201 (NOTES B and D) (TBD) Option				
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4204	Data- Applicable to CLIN 4200- Not Separately Priced.				
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Item	Supplies/Services Qty	Unit Target Cost	Target Fee	CPIF
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4300	Award Term 2 - YEAR 4: SHIPS AM Support (NOTES A and C) (TBD) Option Max Fee			
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Min Fee  
Government Overrun Share Line 65.0  
Government Underrun Share Line 65.0

4301 YEAR 4: Surge for  
SHIPS AM Support  
(NOTES A, B and  
E) (TBD)  
Option  
Max Fee  
Min Fee  
Government Overrun Share Line 65.0  
Government Underrun Share Line 65.0

Item	Supplies/Services Qty	Unit Est.Cost	Base Fee	Award Fee	CPAF
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4302 Award Term 2 -  
YEAR 4: Award Fee  
related to CLIN  
4300 (NOTES C and  
D) (TBD)  
Option

4303 YEAR 4: Award Fee  
related to Option  
Surge CLIN 4301  
(NOTES B and D)  
(TBD)  
Option

4304 Data- Applicable  
to CLIN 4300- Not  
Separately  
Priced.

Item	Supplies/Services Qty	Unit Target Cost	Target Fee	CPIF
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4400 Award Term 3 -  
YEAR 5: SHIPS AM  
Support (NOTES A  
and C) (TBD)  
Option  
Max Fee  
Min Fee  
Government Overrun Share Line 65.0  
Government Underrun Share Line 65.0

4401 YEAR 5: SURGE for  
SHIPS AM Program  
Support (NOTES A,  
B, and E) (TBD)  
Option  
Max Fee  
Min Fee  
Government Overrun Share Line 65.0  
Government Underrun Share Line 65.0

Item	Supplies/Services Qty	Unit Est.Cost	Base Fee	Award Fee	CPAF
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4402 Award Term 3 -  
YEAR 5: Award Fee  
related to CLIN  
4400 (NOTES C and  
D) (TBD)  
Option

4403 YEAR 5: Award Fee  
related to Surge  
Option CLIN 4401  
(NOTES B and D)

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(TBD)  
Option

4404 Data- Applicable  
to CLIN 4400- Not  
Separately  
Priced.

For ODC Items:

Item	Supplies/Services Qty	Unit Est. Cost
6000	ODCs in support of Base Year - YEAR 1 Labor CLINs (NOTE F) (TBD)	
600001	ODCs in support of Base Year - YEAR 1 Labor CLINs (NOTE F) (SCN)	
600002	ODCs in support of Base Year - YEAR 1 Labor CLINs (NOTE F) (SCN)	
600003	ODCs in support of SLIN 400003 (SCN)	
600004	ODCs in support of Base Year - YEAR 1 Labor CLINs (NOTE F) (OPN)	
600005	ODCs in support of Base Year - YEAR 1 Labor CLINs (NOTE F) (SCN)	
6004		\$0.00
6100	ODCs in support of Option Year 1 - YEAR 2 Labor CLINs (NOTES B and F) (TBD)	
610001	ODCs in support of Option Year 1 - YEAR 2 Labor CLINs (NOTES B and F) (SCN)	
610002	ODCs in support of Option Year 1 - YEAR 2 Labor CLINs (NOTES B and F) (SCN)	
610003	ODCs in support of DDG1000 - Option Year 1 -	

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YEAR 2 Labor  
CLINs (NOTES B  
and F) (SCN)

610004 ODCs in support  
of Option Year 1  
- YEAR 2 Labor  
CLINs (NOTES B  
and F) (OPN)

610005 ODCs in support  
of Option Year 1  
- YEAR 2 Labor  
CLINs (NOTES B  
and F) (SCN)

6200 ODCs in support  
of Award Term 1 -  
Year 3 Labor  
CLINs (NOTES C  
and F) (TBD)  
Option

6300 ODCs in support  
of Award Term 2 -  
Year 4 Labor  
CLINs (NOTES C  
and F) (TBD)  
Option

6400 ODCs in support  
of Award Term 3 -  
Year 5 Labor  
CLINs (NOTES C  
and F) (TBD)  
Option

**NOTES:**

**NOTE A: LEVEL OF EFFORT**

For Labor Items, Offerors shall propose the labor hours specified in Section B to perform the requirements of the Statement of Work for the period of performance specified in SECTION F. The PAYMENT OF FEE(S) (LEVEL OF EFFORT) clause applies to these Items.

**NOTE B: OPTION**

Option Item to which the OPTION clause in SECTION I applies and which is to be supplied only if and to the extent said Option is exercised.

**NOTE C: AWARD TERM**

Award Term Item to which the AWARD TERM clause in SECTION H applies and which is to be supplied only if and to the extent said Item is earned, retained and awarded in accordance with the AWARD TERM PLAN provided in SECTION H. Notwithstanding the word "Option" which appears in the Section B CLIN description or elsewhere in this Task Order, for Award Term Items, Award Terms are not "Option" Items.

**NOTE D: AWARD FEE**

Award Fee Item to which the AWARD FEE clause found in this SECTION B applies and which is to be awarded only if and to the extent said Item is earned in accordance with the aforementioned clause. Offerors are instructed that the maximum Award Fee amount allowed on this Task Order shall not exceed [redacted] of Target Cost (excluding ODCs) and therefore Offerors shall not propose an Award Fee amount greater than [redacted] of Target Cost (excluding ODCs). A proposed Award Fee greater than [redacted] will render an Offeror's proposal as non-responsive/ineligible for award. These Items shall not be priced to include man-hours or an Estimated Cost or Base Fee, only an Award Fee amount. In addition, the "CPAF" column is "Award Fee Only" for the purpose of Award Fee Items.

**NOTE E: SURGE**

If, as a result of unforeseen Program circumstances, it is determined that an increased level of effort is required, the Government reserves the right to exercise a "surge" Option CLIN for additional work under the Task Order. The Contracting Officer may exercise this Surge Option Item by providing written notice to the Contractor at least 60 calendar days prior to exercise of the surge Option Item. In the event the Government does elect to exercise the Surge Option Item, the appropriate ceiling and level of effort (man-hours) may be realigned under the appropriate

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Labor CLIN(s). The Government further stipulates that award of an Award Term does not include award of the Surge Option Item unless the Surge Option is exercised for that Award Term period. Surge Option Items are to be priced at 30 man-years per year.

**NOTE F: ODC**

The Government estimates ODCs inclusive of travel costs for this Task Order to be no more than \$500,000 each year. This estimate must be included in Section B of the offer for each ODC CLIN. Other ODC amounts proposed by an Offeror shall be included in said CLINs and explained in the narrative rationale provided by the Offeror in their cost proposal. These Items are non-fee bearing CLINs and shall be priced as cost-only. Non-fee bearing refers to fee (i.e., profit), not allowable indirect costs or burdens.

**CLAUSES INCORPORATED IN FULL TEXT:**

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

This entire Task Order is cost type.

Note: Upon award, the successful Offeror's proposed Maximum Incentive Fee, Target Fee, and Award Fee percentages, if less than the solicitation stated thresholds, will be incorporated in the below clause and in FAR clause 52.216-10 INCENTIVE FEE in Section I.

**DETERMINATION OF FEE(S) (APPLICABLE TO ALL LABOR CLINS)**

**(a) FEES PAYABLE**

(1) There are two fee(s) payable under this Task Order, a cost incentive fee in accordance with FAR 52.216-10 INCENTIVE FEE (MAR 1997) and an award fee in accordance with the AWARD FEE portion of this clause. These fees are exclusive (separate) of one another and shall be calculated as follows:

(i) Cost Incentive Fee. The cost incentive fee payable shall be calculated in accordance with FAR 52.216-10 as follows:

- a. Target Fee. A Target Fee of **three and fifty one-hundredths percent (3.50%)** of Target Cost is payable if the total allowable cost incurred is equal to Target Cost.
- b. Maximum Fee. The Target Fee shall *increase* by thirty-five cents (\$.35) for every dollar that the total allowable cost incurred is *less than* Target Cost up to five and seventy-one one-hundredths percent (5.71%) below Target Cost for a Maximum Fee of **five and fifty one-hundredths percent (5.50%)** of Target Cost. The Maximum Fee is payable if the total allowable cost incurred is less than Target Cost by five and seventy-one one-hundredths percent (5.71%) or at ninety-four and twenty-nine one-hundredths percent (94.29%) of Target Cost.
- c. Minimum Fee. The Target Fee shall *decrease* by thirty-five cents (\$.35) for every dollar that the total allowable cost *exceeds* Target Cost until the total allowable cost reaches one hundred ten and zero one-hundredths percent (110.00%) of Target Cost at a Minimum Fee of **zero and zero one-hundredths percent (0.00%)** of Target Cost. The Minimum Fee of zero and zero one-hundredths percent (0.00%) is payable if the total allowable cost incurred exceeds Target Cost by ten and zero one-hundredths percent (10.00%) or at one hundred ten and zero one-hundredths percent (110.00%) of Target Cost.
- d. In no event shall the Cost Incentive Fee payable under this Task Order be greater than the Maximum Fee of five and fifty one-hundredths percent (5.50%) of the Target Cost or less than the Minimum Fee of zero and zero one-hundredths percent (0.00%) of the Target Cost.

(ii) Award Fee. The award fee payable shall be calculated as follows:

- a. General. Pursuit of the award fee shall not come at the expense of the overall effort. The Contractor's performance must be satisfactory in order to be eligible for award fee.
- b. Maximum Fee. The Maximum Award Fee payable shall not exceed **five and fifty one-hundredths percent (5.50%)** of Target Cost. In no event shall the Award Fee payable under this provision be greater than five and five one-hundredths percent (5.50%) of Target Cost.
- c. Fee Determination. The payable Award Fee shall be recommended by the Award Fee Review Board (AFRB) and determined by the Fee Determining Official (FDO) (PEO SHIPS AM). This determination and the methodology established herein for determining the Award Fee amount earned are unilateral decisions made solely at the discretion of the Government.

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d. Payment of Award Fee. The Contractor shall be paid the determined Award Fee amount, if any, upon submittal of a proper invoice or voucher to the cognizant Payment Office, together with a copy of the unilateral modification to the Task Order authorizing payment of such fee as determined by the Government. The invoice shall show the amount of Award Fee determined payable at the Contract Line Item Number (CLIN)/Sub-Line Item Number (SLIN) level, which shall be based upon the allowable costs (exclusive of any fees and FCCM) incurred by the Contractor during the Evaluation Period. The invoice must cite the appropriate accounting data in order for payment to be achieved and be submitted in accordance with the invoicing instructions provided in SECTION G of this Task Order.

(iii) Total Fees. The total fees payable for the Cost Incentive Fee and the Award Fee are calculated as described in paragraphs (i) and (ii) above. Each of these fees are exclusive of one another and shall be calculated separately. In no event shall the Total Fees payable under this Task Order be greater than Eleven and Zero One-Hundredths Percent (11.00%) of Target Cost, the combined total of Maximum Cost Incentive Fee at 5.50% and Maximum Award Fee Pool of 5.50%.

(2) The *final* target cost, target fee and Award Fee pool amounts shall be based upon the actual level of effort the contractor provides as explained in the following paragraphs.

LABOR ITEMS	LABOR HOURS	TARGET COST	TARGET FEE (3.50%)	AWARD FEE POTENTIAL (5.50%)	TOTAL TARGET COST/AWARD AMOUNT
4000 (CY2009)	TBD	\$TBD	\$TBD	\$TBD	\$TBD
Rate/Hr (CY2009)	BLANK	\$TBD	\$TBD (FEE PER HR)	\$TBD (FEE PER HOUR)	BLANK
4001 (CY2009)	TBD	\$TBD	\$TBD	\$TBD	\$TBD
Rate/Hr (CY2009)	BLANK	\$TBD	\$TBD (FEE PER HR)	\$TBD (FEE PER HOUR)	BLANK
4100 (CY2010)	TBD	\$TBD	\$TBD	\$TBD	\$TBD
Rate/Hr (CY2010)	BLANK	\$TBD	\$TBD (FEE PER HR)	\$TBD (FEE PER HOUR)	BLANK
etc.					

(i) The *final* CPIF target cost for CLIN 4000 and (if and to the extent Options are exercised) Option CLIN(s) 4001, 4100, 4101, 4201, 4301, and 4401, and (if Award Terms are awarded) CLIN(s) 4200, 4300, and 4400 shall be determined by multiplying the allowable hours worked, including subcontractor hours, under the CLIN by the rate/hour in the target cost column including cost of money, in the preceding table.

(ii) The *final* CPIF target fee for CLIN 4000 and (if and to the extent Options are exercised) Option CLIN(s) 4001, 4100, 4101, 4201, 4301, and 4401, and (if Award Terms are awarded) CLIN(s) 4200, 4300, and 4400 shall be determined by multiplying the allowable hours worked, including subcontractor hours, under the CLIN by the rate/hr in the target fee column of the preceding table.

(iii) The share ratio for the CPIF portion of the fee structure is 65/35 (65% Government and 35% Contractor) for both underruns and overruns. The fee earned under the CPIF portion of the fee structure will be based on the total allowable cost incurred by the contractor in comparison to the *final* target cost for each of the aforementioned labor CLINs. See the Incentive Fee clause (FAR 52.216-10) in Section I of this Task Order for further information on how the target cost and target fee are determined and the fee earned is calculated.

(iv) The *final* Award Fee pool for CLIN 4002 and (if Options are exercised) 4003, 4102, 4103, 4203, 4303, and 4403, and (if Award Terms are awarded) 4202, 4302, and 4402 shall be calculated by multiplying the allowable hours worked under the CLIN by the rate/hr in the Award Fee Potential column of the preceding table. The *final* Award Fee pool amount will not be determined by the actual cost incurred but by the number of LOE hours worked at the proposed rate. The fee earned under the Award Fee portion of the fee structure will be based on the Award Fee score given by the Fee Determining Official (FDO) as stipulated in the below Award Fee Plan, paragraph (b).

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(v) Separate Target Fee and Award Fee pools have been established for CLIN 4000 and (if and to the extent Options are exercised) 4001, 4100, 4101, 4201, 4301, and 4401, and (if Award Terms are awarded) 4200, 4300, and 4400. Accordingly, the cost performance on one (or more) of the CLINs in the above table cannot be used by the Contractor to offset the cost performance on one or more of the other CLINs in the above table. For example, if the contractor underruns CLIN 4000 this underrun cannot be used by the Contractor to offset an overrun on CLIN 4001.

**(b) AWARD FEE PLAN**

(1) Organization:

*Fee Determining Official (FDO):* PEO SHIPS AM (or designee)

*Award Fee Review Board (AFRB):*

Chairman: PEO SHIPS AM (or designee)

Contracting Officer: SEA 02653 (or other Government contracting representative)

Performance Monitors: As designated by the Government in Technical Instructions

Legal Advisor: SEA 00L representative

Member: Other members as designated by the Government

(2) Responsibilities:

- Fee Determining Official (FDO):

- Approves the membership of the AFRB

- Reviews recommendations of the AFRB and determines the amount of award fee earned and payable to the contractor for each evaluation period. The FDO may accept, modify, or amend the AFRB recommendation and the award fee. When the FDO determines a fee other than that recommended by the AFRB, a written rationale will be provided for the record.

- Provides written notification to the Contracting Officer within 60 calendar days of the end of the award fee evaluation period and upon determination of the award fee amount to authorize issuance of a unilateral modification setting forth the specified award fee.

- Provides an award fee authorization letter to the contractor when authorized by the Contracting Officer. A summary evaluation, including the rating assigned to each evaluation area will be included as an attachment.

- Discusses evaluation findings with the contractor, as necessary.

- Award Fee Review Board (AFRB):

- Collects and reviews reported metrics from performance monitors and compiles a recommended rating for each evaluation factor and provides a summary evaluation to the FDO.

- Completes the summary evaluation within 60 days after the evaluation period ends.

- Contracting Officer:

- Issues a unilateral modification to the Task Order to authorize payment of the award fee within 30 calendar days of receipt of the written notification from the FDO.

- Reviews the award fee documentation and advises the FDO as to when the unilateral Task Order modification to authorize payment of performance incentive fee may be executed.

(3) Award Fee Determination Procedures:

(a) Within 30 days after the close of a rating period, the contractor shall furnish to the AFRB such information as may be required including a certified statement of costs to assist the AFRB in evaluating the contractor's performance.

(b) The AFRB may consider reports, both oral and written, from all interested parties. Within 5 working days after the award fee meeting the AFRB shall arrive at a consensus on the performance rating and advise the FDO of its recommendation including reasons, rationale and justifications therefore.

(c) Within 10 days the FDO shall provide the PCO a final performance evaluation and determination of award fee for the Task Order. The

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FDO or his duly authorized representative shall notify the contractor, via electronic mail, of the award fee determination at the same time that the award fee determination is provided to the PCO.

(d) The contractor, by written notice or electronic mail to the PCO within 5 days after receipt of the notification, may request reconsideration of the FDO's award fee determination. The Contractor's request shall include written comments on the valuation findings and conclusions, and the Contractor's opinion of its accomplishments in relation to the applicable evaluation criteria. If the contractor fails to include written comments with his request for reconsideration the Government will not reconsider the award fee determination

(e) Within 30 days the PCO shall issue a unilateral modification to the Task Order to provide for the award fee earned.

(4) Finality of the Fee Determining Official's Decision

Determinations of the FDO with respect to the amount of award fee to be paid to the contractor are final. Any changes to the award fee determination will be made at the sole discretion of the Government.

(5) Evaluation Criteria and Weight

Upon completion of the work, the AFRB will consider the Contractor's performance with respect to each of the evaluation factors. The Government reserves the right to adjust the following evaluation plan by unilateral contract modification.

Three award fee evaluation factors will be used to assess contractor performance and determine award fee under this Task Order. These factors are 1) Quality of Performance; 2) Timeliness of Performance; and 3) Cost Performance.

Factor One: Quality of Performance

Definition: Quality of Performance is characterized by the overall degree of excellence and superiority of the contractor's management, planning, personnel, small business utilization, subcontractors/vendors, safety, inter-organizational and intra-organizational communication, and data/report submissions. The contractor is expected to provide quality services applying effective and efficient use of resources and available technologies to complete task objectives. Operational efficiency and program support planning for tasks are valued characteristics of quality performance. Well trained and capable contractor interface with PEO SHIPS representatives/personnel will be a positive factor.

Consideration: To the degree that the contractors' planning, resources, communications, and overall efforts result in effective, efficient and successful completion of delivery order objectives, the award fee will be greater. The converse is also true. Skillful program planning and management support efforts are also expected. To the degree that creative and innovative contractor solutions result in effective, efficient and safe execution of delivery order objectives/completion, award fee will be greater. The converse is also true. The contractor's ability to anticipate, avoid and prepare for likely as well as unforeseen problems is valued. To the degree that factors beyond the contractor's control prohibit or interfere with successful completion of task objectives, award fee will not be adversely impacted. However, the Government will consider how well the contractor is able to effectively and efficiently overcome/workaround factors beyond his control.

Factor Two: Timeliness of Performance

Definition: Timeliness of performance is characterized by the overall degree of excellence and superiority the contractor demonstrates in obtaining in-house and subcontractor resources, mobility/demobilizing resources, establishing and meeting realistic schedules, recovering from missed events and deadlines, and communication with PEO SHIPS representative(s). The contractor is expected to provide timely services which result in successful completion of objectives. Efficient use of resources and the contractor's overall ability to complete objectives/goals within schedule are valued characteristics of timely performance. Well-managed, capable, cost effective and efficient subcontractors/vendors will be a positive factor. Scheduling creativity leading to maximum efficiency and cost savings will be a positive factor.

Consideration: To the degree that the contractor's planning, resources, communications and overall efforts result in effective, efficient and successful completion of delivery order objectives, the award fee will be greater. The converse is also true. Skillful program planning and management that minimizes the impact of missed milestones and allows for efficient and effective recovery leading to successful completion of delivery order objectives are also expected. Effective and timely communication with PEO SHIPS Representative(s) on delivery order progress and immediate identification of problems are of major importance. To the degree that the contractor's efforts result in effective, efficient, timely and safe execution of delivery order objectives/completion, award fee will be greater. The converse is also true. The contractor's ability to procure/subcontract necessary resources in a timely and efficient manner is of major importance. To the degree that factors beyond the contractor's control prohibit or interfere with successful completion of task objectives, award fee will not be adversely impacted. However, Government will consider how well the contractor is able to effectively and efficiently overcome/workaround factors beyond his control.

Factor Three: Cost Performance

Definition: Of major importance in evaluating contractor cost performance will be whether actual cost experience, together with realistic cost projections, indicates that the contractor will be under, at, or over estimated costs. The contractor's cost planning and accurate reporting of costs shall be considered. Contractor efforts in achieving competitive and best commercial pricing are of major importance. The

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contractor's ability to demonstrate that equipment and other resource pricing are consistent with that afforded to best commercial customers will be a positive factor.

Consideration: Cost performance shall be judged primarily against the contractor's realistic cost performance projections and deviations from plans. To the degree that the contractor notifies PEO SHIPS Representative(s) of deviations (i.e. cost increases, cost decreases, etc.) from cost estimates/projections in a timely manner, award fee will be greater. The converse is also true. Clarity, accuracy and relativity of cost reporting shall reflect positively on assessment of contractor cost performance. Increases or decreases in cost expenditures that are the result of Government action(s) shall not be negatively credited to the contractor's performance. To the degree that contractor is able to demonstrate that best efforts are made to ensure best possible pricing on subcontracts and/or other procurements, award fee will be greater. The converse is also true. The degree that costs for equipment and other resources are inconsistent will negatively affect award fee.

**Factor Weights.** The evaluation criteria are weighted for the purpose of determining the percentage of the Award Fee available for each factor. The Award Fee payable shall be calculated using a weighted-average of the evaluation factors and their ratings. The factor weights may be changed unilaterally by the Government if notice is provided to the Contractor prior to the evaluation period in which the changed weights will apply. The Contractor may request a change in the factor weights upon written request to the Contracting Officer. It is at the Government's discretion to alter the weights upon request by the Contractor. The factor weights are as follows:

**Factor No. 1. WEIGHT: 50%**

This evaluation factor is weighted at 50% for purposes of determining the total possible Award Fee payable under this provision. Up to but no more than 50% of the total possible Award Fee is payable for this factor for the evaluation period.

**Factor No. 2. WEIGHT: 40%**

This evaluation factor is weighted at 40% for purposes of determining the total possible Award Fee payable under this provision. Up to and no more than 40% of the total possible Award Fee is payable for this factor for the evaluation period.

**Factor No. 3. WEIGHT: 10%**

This evaluation factor is weighted at 10% for purposes of determining the total possible Award Fee payable under this provision. Up to and no more than 10% of the total possible Award Fee is payable for this factor for the evaluation period.

**(6) Evaluation Periods**

Performance Ratings will be conducted in accordance with the schedule below

<b>Evaluation Period</b>	<b>Start Date</b>	<b>End Date</b>
1	Upon Award of Task Order	12 Months After Award
2	Upon Award of Option Year 1	12 Months After Award
3	Upon Award of Award Term 1	12 Months After Award
4	Upon Award of Award Term 2	12 Months After Award
5	Upon Award of Award Term 3	12 Months After Award

*\*Note: The above table will be updated with actual start/end dates upon Task Order Award.*

**(7) Ratings.** In evaluating Contractor performance for this Award Fee, the following ratings shall be used to determine the percentage of fee payable:

<b>Rating</b>	<b>Performance Rating</b>	<b>Definition of Rating</b>
Outstanding	91-100	Of exceptional merit; exemplary performance in a timely, efficient and economical manner; very minor (if any) weaknesses with no adverse effect on overall performance. No deficiencies in any area.
Excellent	75-90	Very effective performance, fully responsive to Task Order; Task Order requirements accomplished in a timely, efficient and

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		economical manner for the most part; only minor weaknesses. No deficiencies in any area.
Good	50-74	Effective performance; fully responsive to Task Order; reportable weaknesses, but with little identifiable effect on overall performance. No deficiencies in any area.
Satisfactory	<50	Meets the minimum acceptable standards; adequate results; reportable weaknesses with identifiable, but not substantial, effects on overall performance. No deficiencies in any area.
Unsatisfactory	0	Does not meet minimum acceptable standards in one or more areas; reportable deficiencies with remedial action required in one or more areas which adversely affect overall performance.

*\*Note: A performance rating of 60 or below is deemed Unsatisfactory. The Contractor shall not be entitled to an award fee for a rating of 60 or below. In the event an Unsatisfactory performance rating is given in any factor, no Award Fee shall be paid for that factor to the Contractor. Hence, an unsatisfactory rating for any factor will result in no Award Fee for that factor*

(8) Calculation of Award Fee

Award Fee Earned = (Rating/100)\*Award Fee Pool

(9) Maximum Award Fee

In no event shall the total Award Fee under this Task Order exceed 5.50% of total cost (excluding Facilities Capital Cost of Money).

(10) Payment of Award Fee

The contractor shall be paid award fee, if any, upon submittal of proper invoice or voucher to the cognizant Payment Office, together with a copy of the unilateral modification to the Task Order authorizing payment of award fee for the applicable Evaluation Period. The contractor's invoice must cite the appropriate accounting data in order for payment to be effected. There will be no interim or advance billing of award fee prior to a final determination by the FDO.

(11) Amount Available for Payment of Award Fee and Amount Earned

The following table summarizes the amount available by award fee period and the amount earned by period.

<u>Evaluation Period</u>	<u>Amount Available</u>	<u>Amount Earned</u>
1	TBD	TBD
2	TBD	TBD
3	TBD	TBD
4	TBD	TBD
5	TBD	TBD

*\*Note this table will be completed over the duration of the Task Order.*

**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.

**LIMITATION OF COST OR LIMITATION OF FUNDS LANGUAGE**

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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.

**PAYMENTS OF FEE(S) (LEVEL OF EFFORT) (NAVSEA) (MAY 1993) (APPLICABLE TO LABOR CLINs 4000, 4001, 4100, 4101, 4200, 4201, 4300, 4301, 4400, AND 4401)**

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

(b) The Government shall make payments to the Contractor, subject to and in accordance with the clause in this contract entitled "FIXED FEE" (FAR 52.216-8) or "INCENTIVE FEE", (FAR 52.216-10), as applicable. Such payments shall be equal to THREE AND FIFTY ONE-HUNDRETHS percent (3.50%) 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) The fee(s) specified in SECTION B, and payment thereof, is subject to adjustment pursuant to paragraph (g) of the special contract requirement entitled "LEVEL OF EFFORT." If the fee(s) is reduced and the reduced fee(s) is less than the sum of all fee payments made to the Contractor under this contract, the Contractor shall repay the excess amount to the Government. If the final adjusted fee exceeds all fee payments made to the contractor under this contract, the Contractor shall be paid the additional amount, subject to the availability of funds. In no event shall the Government be required to pay the Contractor any amount in excess of the funds obligated under this contract at the time of the discontinuance of work.

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

**TRAVEL COSTS - ALTERNATE I (NAVSEA) (DEC 2005) (APPLICABLE TO ODC CLINs 6000, 6100, 6200, 6300 AND 6400)**

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

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

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

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

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

**5252.249-9105 AWARD FEE DETERMINATION IN EVENT OF TERMINATION OR DISCONTINUANCE**

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

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## SECTION C DESCRIPTIONS AND SPECIFICATIONS

### A. GENERAL INFORMATION

#### 1. BACKGROUND

The mission of the PEO Ships Acquisition Management (AM) Directorate is to provide Government Furnished Equipment (GFE) and Government Furnished Information (GFI) System Acquisition Management for Team Ships. Current efforts are focused on GFE and GFI management for the DDG51 Class, DDG-1000, Littoral Combat Ship (LCS) Seaframe, Cruiser Modernization, Destroyer Modernization, LCS Mission Module program and Egyptian Fast Missile Craft (EFMC) programs. Future efforts may include GFE/GFI management for other programs as directed by Team Ships. Over the performance period of this task order, the Government anticipates that the scope of the effort will remain relatively constant with possible surges in the work effort likely.

#### 2. PURPOSE

The Contractor shall provide PEO Ships AM well-integrated and experienced support to assist the directorate in executing its responsibilities to satisfy current and future Team Ships needs for acquisition management. The Contractor shall have a clear understanding of DoD acquisition and procurement processes and be able to provide knowledge and expertise in the areas of Ship Project Directive (SPD) Execution Planning and Financial Execution, GFE Acquisition and Delivery Management, GFE Production Management, Schedule A through E Configuration Management, Program Management, as well as Business and Financial Planning and Execution and the pending Enterprise Resource Planning (ERP) implementation. Tasks will be executed in the Washington D.C. metropolitan area.

#### 3. GENERAL

The Performance Standards and Assessment Plan described below are applicable to the total scope of effort being performed under this task order.

a. Performance Standards. The following performance standards serve as a basis for determining whether or not performance outcomes have been satisfactorily achieved and the delivery of service is considered acceptable performance.

##### Performance Standards:

The delivery requirements shall be consistent with the needs of the mission as identified by the task manager.

Deliverables shall be factually accurate and complete, reflect high-quality and adhere to due dates and deadlines.

The quality of deliverables including studies and analyses, letters, minutes, and presentations shall be measured through customer feedback.

Services shall reflect senior leadership involvement and promotion of innovative

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management techniques to improve contract performance effectiveness and efficiency while controlling cost.

b. Performance Assessment Plan. The following performance assessment plan serves as a basis for assessing contractor performance.

Performance Assessment Plan:

The Contractor shall provide a monthly report of accomplishments and indicate whether or not the task manager was satisfied based upon customer feedback. The Contractor shall provide a narrative description of work accomplished during the period for each task area; problems encountered or anticipated will be detailed, appropriate recommendations made, a description of travel by task area will be provided, together with a narrative of work planned for the next reporting period. Each narrative by task area shall highlight the contractors' self-evaluation of performance.

The Contractor shall ramp up immediately upon award of a delivery order and have its support team in place and fully functioning within two weeks after contract award. During this period the Contractor will transition the PEO Ships AM Directorate from its incumbent support, as necessary. The Contractor's team shall provide Ships AM with an efficient mix of personnel utilizing an effective combination of acquisition management, financial management and technical expertise. The contractor shall demonstrate expertise in information management, data handling, and data analysis. The contractor shall demonstrate familiarity with ships currently under contract as well as planned new ship classes. The contractor shall also demonstrate experience in ship construction and weapon system development. The Contractor shall provide an adaptable, flexible team structure that is best-suited to accomplishing both planned and emergent tasks. Emphasis shall be placed on a team structure that also maximizes productivity, efficiency, and accountability. The Contractor is required to provide high-quality, timely and well-integrated support services while demonstrating the most effective use of personnel.

General Requirements include:

The Contractor shall provide capability to archive and store historical documentation, that is required for performance of this task order. Storage capacity shall be a minimum of 500 square feet.

The Contractor shall have the capability to receive, log, track, and store classified documents.

The Contractor shall have an electronic mail capability and have the necessary connectivity to communicate with PEO Ships AM team members. MS Outlook mail is preferred in order to communicate and coordinate meetings and schedules with PEO Ships AM. The contractor must have the capacity to interface via electronic mail and provide Internet addresses for all employees supporting this task.

The Contractor must have access and familiarity with MS Word and PRISMS (Task 2).

The Contractor shall have the capacity to interface and access Navy websites and data repositories. All employees supporting this task are required to have access to project workspaces and document archives that are germane to the performance of this task.

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The Contractor shall provide local (within 1 mile) travel time from the Washington Navy Yard) conference rooms and associated facilities for holding Government sponsored meetings, teleconferencing, video teleconferencing and briefings for PEO Ships AM personnel. The contractor should be able to support multiple simultaneous meetings of up to 50 persons per meeting.

All data/deliverables produced under this contract will become the property of the Government.

### **SECURITY REQUIREMENTS:**

Most of the work under this contract shall be UNCLASSIFIED. A portion may be classified at the SECRET level. Additionally, all ADP positions required for database support must conform to DoD 5200.2-R requirements (especially those currently defined in Appendix C and K, Change 3, dated February 23, 1996), which identify National Agency Check guidance and ADP Position Categories. Security Requirements pertaining to "Facility" and "Personnel" are as follows:

#### Facility:

- a. Capability to store up to SECRET in secure container(s).
- b. Ability to work with SECRET material at the Contractor's facility (may be restricted room or area).
- c. Open storage of classified material is not required.
- d. Controlled access to the Contractor's facility.

#### Personnel:

- a. All personnel to be U.S. citizens
- b. Key personnel, principle and senior staff to have SECRET clearances.
- c. Junior staff and administrative staff to have CONFIDENTIAL clearances

## **4. REQUIREMENTS**

The PEO Ships AM Directorate will fund the following tasks using SCN, OPN, OM&N, RDT&E or FMS appropriations as appropriate.

### **TASK 1.1 - SHIP PROJECT DIRECTIVE (SPD) EXECUTION PLANNING AND FINANCIAL EXECUTION**

A. Provide technical input in the preparation of SPD Part I's which convey GFE management direction to all Participating Acquisition Resource Managers (PARMs) for specified ship classes. Maintain and revise SPD Part I's in accordance with PEO Ships AM direction. Assist PEO Ships AM in obtaining PARM acceptance for the SPD Part I's.

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B. Provide PEO Ships AM with technical recommendations for use in the preparation of Planning and Basic SPD Parts II and III or equivalent documentation. Part II of the SPD provides funding authority and Part III provides configuration requirements and delivery schedules for all GFE to be procured by the PARMs. SPDs are developed in accordance with approved budgets, the latest configuration baseline, approved shipbuilding profiles and contracts along with the latest ship production schedules. SPD Parts II are generated in the Program Resources – Integrated Solutions Management System (PRISMS), the NAVSEA-approved Financial Management Information System.

C. Provide technical analysis in the preparation of SPD Parts II and III based on changes to approved budgets, configuration baselines, shipbuilding profiles, shipbuilding contracts and ship production schedules. Track and report the status of all SPDs and revisions. Note: During calendar year 2008, this effort entailed approximately 400 Part II and Part III revisions.

D. Analyze SPD revision requests from the PARMs and provide recommendations for corrective action, if required.

E. Provide financial analysis in preparation for reviews with each PARM (generally twice a year) and annually as part of the SCN Execution Review. The analysis shall include comparison of current PARM requirements to the approved SCN Execution Review position, hardware balances, obligation variances, outstanding commitments, Unliquidated Obligations (ULOs)/Negative Unliquidated Obligations (NULOs), and contract close-out status.

F. Assist in contract close-out efforts with the PARMs. Provide input into the identification and prioritization of contracts with ULOs/NULOs. Note: In an average year, approximately 25 GFE contracts are closed out.

G. Utilize the Navy's official accounting system and provide status reports as requested (e.g. Unobligated Funding Status Report).

H. Assist Ships AM and associated Government customers in transitioning to Enterprise Resource Planning (ERP) processes.

## **TASK 1.2 – GFE ACQUISITION AND DELIVERY MANAGEMENT**

A. Assist in the coordination and scheduling of approximately 60 formal and informal PARM reviews annually including preparation of announcement letters, review and analysis of presentation material, preparation of meeting minutes, and the tracking and resolution of action items.

B. Review and analyze PARM acquisition plans, taking into consideration factors including planned contract award dates and production lead time, to determine the ability of the PARMs to meet the required GFE delivery dates specified in SPD Part III's and the Schedule A's of applicable shipbuilding contracts.

C. Track the status of all GFE procurements throughout the acquisition process, from prior to contract award to delivery at the shipbuilders. Communicate with the PARMs on a regular basis to maintain current Best Estimated Delivery Dates (BEDDs) for all assigned GFE. Communicate with the shipbuilders on a regular basis to maintain current Shipyard

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Preferred Dates (SYPDs) based on the latest ship production schedules. Compare and analyze BEDDs, with SYPDs, Required Delivery Dates (RDDs) from SPD Part III's and Schedule A dates from current shipbuilding contracts.

D. Identify any GFE delivery delays that could impact shipbuilder production schedules. Identify any cases where BEDDs are later than SYPDs or RDDs. Conduct risk analysis and provide recommendations to PEO Ships AM on how to mitigate delivery risk(s).

Note: During calendar year 2008 this effort entailed the delivery of approximately 11,000 Schedule A line items in total for all of the shipbuilding and modernization programs that PEO SHIPS AM supports.

E. Maintain the Government-owned integrated relational database that includes current information regarding GFE contract status, Required Delivery Dates (RDDs), Best Expected Delivery Dates (BEDDs), Ship Yard Preferred Dates (SYPDs), shipping dates and information, actual receipt dates and information, receipt status (including missing or damaged GFE), GFE nomenclature, GFE ECP status and other information as required. Provide secure database access via the World Wide Web and approved users. The front end applications for the SHIPS AM software are all written in microsoft ASP\_.net software. The actual database back end applications are written in ORACLE and SQL.server 2005 software packages. The contractor will be responsible for renewing network security certificates on a yearly basis for two servers. The contractor will also be responsible for maintaining and renewing a single T1 line licenses on yearly basis. The contractor will be responsible for maintaining and renewing PKI certificates for all contractor personnel that will be participating in SHIPS AM support functions.

F. Provide technical support services for the relational database management system including:

1. Complex queries
2. Data structure modifications and updates
3. New report development and report modification
4. GFE system administration including internal database security look-up table maintenance
5. Programming support for non-standard/ad hoc data requirements
6. General GFE system support including new user training, issue resolution and documentation maintenance

G. Conduct analyses to determine GFE cost and schedule impacts associated with program or policy changes directed by higher authority. Conduct GFE industrial base analyses as requested.

H. Coordinate with PARMs 7/30/60/90 days prior to contract awards and deliveries. Provide PARMs with GFE shipping/receiving documentation policies and monitor their use. Identify any issues with contract awards, deliveries, shipping documentation or receipt documentation to PEO Ships AM and provide recommended resolution.

I. Identify any late GFE deliveries requiring shipbuilder ECP initiation and track ECP status.

J. Review all ECPs for GFE impact including cost, schedule, configuration and quantities. Identify any impacts to Schedules A through E. Note: Approximately 200 ECPs were reviewed during calendar year 2008.

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K Analyze PARM cost, schedule, production management and programmatic performance on a quarterly basis using the PEO Ships AM Integrated Risk Analysis (IRA) tool. Conduct stoplight risk assessments for each PARM.

L. Provide support for semi-annual GFE reviews at each shipbuilder.

M. Provide metrics including trend analysis.

N. Maintain a GFE point of contact directory with names, addresses, e-mail addresses and phone numbers for principle points of contact.

O. Integrated Data Environment (IDE) – Maintain the existing PEO SHIPS AM Integrated Data Environment (IDE). The Contractor shall be responsible for integrating and maintaining the equipment listed in Attachment 8. The Contractor shall be responsible for transporting the equipment from the current site in the Washington DC area.

P. PSA GFE Management - The contractor shall provide Government Furnished Equipment (GFE) tracking support to PEO SHIPS AM specifically in support of the Post Shakedown Availabilities (PSAs) for the DDG-51, DDG-1000, and LCS new construction programs. The contractor shall attend all planning conferences at the waterfront (3 per year) and shall monitor and track equipment receipt status at the waterfront including the physical inspection of equipment in the warehouses and loading docks. The contractor shall provide and store PSA equipment tracking info in the PEO SHIPS AM integrated data environment GFE database. Equipment reports shall be provided as required to the government PSA GFE point of contact. The contractor shall provide trip reports for meetings, planning conferences, and equipment inspections.

Q. GFE Management Plan Development – The contractor shall develop GFE management plans for portions of the shipbuilding programs as directed.

R. LSS Application To GFE Planning - The contractor shall be capable of applying lean six sigma principles to GFE requirements planning.

S. GFE Planning - The contractor shall be capable of supporting GFE requirements planning and source development.

### **TASK 1.3 - GFE PRODUCTION MANAGEMENT**

A. Support approximately ten GFE production reviews per year (usually conducted at the manufacturer's facility). Identify and analyze cost, schedule, technical, quality, and integrated logistics support issues and risks. Provide recommendations to resolve or mitigate the issues and risks. Prepare meeting minutes and action items for each production review.

B. Analyze production requirements and provide recommendations to PEO Ships AM regarding potential guidance that should be provided to the PARMS.

C. Review and comment on Contract Data Requirements Lists for GFE production contracts.

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## **TASK 1.4 - SCHEDULE A THROUGH E CONFIGURATION MANAGEMENT (FOR SHIPBUILDING CONTRACTS)**

A. Prepare, maintain and update shipbuilding contract schedules for DDG 51 Class, and all other ship classes as assigned, including:

- Schedule A – Government Furnished Equipment
- Schedule B – Government Furnished Technical Services
- Schedule C – Government Furnished Information
- Schedule D – Government Furnished Support Material
- Schedule E – Government Furnished Installation and Checkout Spares

B. Review and analyze all ECPs for potential impact to the schedules including nomenclature, quantities, delivery dates. Provide impact assessment to Ships AM for each ECP along with any recommended markups to the Schedules.

C. Incorporate any review comments to the Schedules within 30 days.

D. Issue schedule updates as requested/required (approximately four times annually).

E. Government Furnished Information (GFI) – track GFI for all PEO Ships AM programs. Provide reports for PEO Ships AM to provide to each customer. Provide a database for each program tracking GFI.

## **TASK 1.5 – PROGRAM MANAGEMENT**

A. Support PEO Ships AM in the execution of planned and emergent tasks (e.g. providing assistance in drafting, coordinating, and tracking status of senior level programmatic/financial briefing packages, Congressional action items, audit responses, and external data requests).

B. Provide execution assistance to PEO Ships AM in formulating meeting agendas and attendance lists; preparing All Hands briefings; coordinating calendar events; editing of reports and correspondence as necessary.

C. LEAN Support - The contractor shall provide PEO Ships AM Lean Six Sigma management support in for the new construction programs that PEO SHIPS AM supports. Tasking shall include the following:

Assist PEO Ships AM in functioning as a Green Belt in PEO Ships Lean Six Sigma meetings, events and projects with a focus on the DDG-51 new construction program.

Assist in the preparation of meeting minutes, presentation materials and reports as required;

Function as Lean Six Sigma liaison between PEO Ships AM and NAVSEA Task Force Lean representing the DDG-51 program.

Assist NAVSEA Task Force Lean with Lean Six Sigma coordination, implementation, training, quantifying metrics, and participating in/facilitating events and projects as identified/requested;

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Coordinate and facilitate PEO Ships AM Lean Six Sigma events and projects as identified/requested;

Develop and maintain PEO Ships AM performance metrics as it relates to LSS;

Review, analyze, update, maintain PEO Ships AM and support Standard Operating Procedures; identify, streamline, standardize, and implement process improvements to increase efficiency and output.

D. CDRL Deliverables – The following deliverables shall be provided for the contract:

A001 – Contractor’s Progress Status and Management Report – Shall be provided monthly to the contracting officer’s representative to summarize accomplishments over the previous month and to provided a detailed funding obligations/expenditures and projected spend curves for every CLIN/SLIN on the contract.

A002 – Meeting Announcements/Agendas - shall be generated for every major meeting including all PARM reviews

A003 – Meeting Minutes – shall be generated for every major meeting including PARM reviews.

A004 – Travel/Leave Activity Calendar – coordination/maintenance of weekly that focuses on PEO Ships AM government/industry team major meetings and events for the next three months including leave and travel.

A005 – Program Highlights – assist in preparation of weekly highlights shall be provided that summarizes the combined PEO Ships AM government/industry highlights for the past week.

A006 – Status of GFE – Status of GFE provided on the contract.

## **TASK 2 – BUSINESS AND FINANCIAL PLANNING AND EXECUTION**

A. Provide financial management analysis and support for budget development, justification, execution and reporting.

B. Assist in developing accurate cost estimates (and modeling, where necessary) for Program Objective Memorandum (POM) and what-if drills based on the use of parametric, trend, analogy, engineering bottoms-up and expert opinion analyses. Ensure that the estimates include the appropriate baseline configuration and that all non-recurring costs have been taken into consideration. Analyze 7300 submissions by the PARMs and determine reasonableness and accuracy of the estimates.

C. Assist in preparing budget exhibits for the NAVCOMPT, OSD, and President’s Budget submissions. Provide assistance in researching and writing responses to comptroller and higher level authority questions and inquiries. Provide rapid response for reclaims and time sensitive inputs.

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D. Provide database management and programming support in the official NAVSEA financial database called Program Resources - Integrated Solutions Management System (PRISMS). Maintain a historical track of Government Furnished Equipment (GFE) estimates in PRISMS, as approved in each budget submission.

E. Input and maintain financial data for the Ship Construction Navy (SCN) Execution Review and provide programming assistance in Microsoft ACCESS and PRISMS. Develop worksheets from the ACCESS and PRISMS databases and download the information into Microsoft Excel for distribution to approximately 50 PARMs.

F. Analyze the SCN Execution Review input provided by the PARMs for accuracy and completeness and prepare reports to provide parametric and trend analysis. Based on the PARMs justification for increases, new scope work, or explanation for unobligated balances, provide recommendations to AM5 regarding approval or denial of the PARM SCN Execution Review requests.

G. Assist in preparation of the SCN Execution Review GFE budget exhibits to include the latest Congressional budget, the Execution Review request, commitments, obligations and phasing of unobligated funding at the P8A and P-35 levels.

H. Assist AM5 in generating financial controls for the PARMs and the preparation of the final SCN Execution Review report.

I. Assist in preparation of the (annual) Budget Object Classification (BOC) data call for distribution to the PARMs. Analyze the PARM input for completeness and accuracy and prepare parametric and trend analysis reports to assist in determining the estimates to be provided to higher authority.

J. Develop cash flow management and program cost tradeoff analysis recommendations. Analyze PARM procurement strategies and recommend the use of multi-year, refurbished equipment, or other cost saving initiatives. Provide recommendations for unallocated GFE funding to AM5.

K. Provide bi-weekly hard copy reports from the PRISMS database of the PARM financial execution status.

L. Provide research assistance, data management support, and report generation for NAVSEA, OSD, and Congressional audits.

M. Assist in the development of briefings for presentation on issues related to GFE financial management.

N. Develop financial analysis for PARM reviews. Provide input to validate and challenge PARM costs, and assess the cost impact of technical issues, which are identified in the PARM reviews.

O. Assist in various financial studies, as required, including the potential for new baselines, new weapons systems, potential system descopes, and industrial base issues.

P. Develop funding execution documents, where necessary, to support emergent PARM funding execution requirements.

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Q. Assist AM5 is transitioning financial processes to the Enterprise Resource Planning (ERP) processes.

## 5. SURGE REQUIREMENTS (Option)

The contractor shall provide up to 30 man-years per surge CLIN of effort to PEO Ships AM for emergent requirements. The surge work requirements shall be consistent with the work requirements defined within the six tasks under paragraph (4), Requirements.

## 6. PEO SHIPS AM MISSION AREAS/MANNING REQUIREMENTS

PEO Ships AM has a diverse group of government customers that it supports each with unique requirements in the GFE/GFI management area. Table 6.1 defines the specific government recommended not to exceed manning levels per customer and also defines the specific Section C tasking that applies to each mission area.

PEO Ships AM Mission Area	FY 10-14 Manning Levels Per Year	Applicability of SOW Tasking to Specific Mission Areas					
		Task 1.1	Task 1.2	Task 1.3	Task 1.4	Task 1.5	Task 2
<b>CORE</b>							
<b>DDG-51 Shipbuilding Program GFE/GFI Support</b>	32	x	x	x	x	x	x
<b>LEAN Management Support</b>	2	x	x	x	x	n/a	n/a
<b>DDG-1000 Shipbuilding Program GFE/GFI Support</b>	3	x	x	x	x	n/a	n/a
<b>LCS Seaframe Shipbuilding Program GFE/GFI Support</b>	2	x	x	x	x	n/a	n/a
<b>CG/DDG Modernization Program GFE/GFI Support</b>	3	x	x	x	x	n/a	n/a
<b>LCS Mission Module Program GFE/GFI Support</b>	1	x	x	x	x	n/a	n/a
<b>Subtotal CORE Personnel</b>	43	x	x	x	x	x	x
<b>Subtotal SURGE Personnel</b>	30	x	x	x	x	x	x
<b>Total Personnel</b>	73	x	x	x	x	x	x

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**Table 6.1**  
**Required Manning Levels by PEO SHIPS AM Mission Area**

**CONTRACT DATA REQUIREMENTS LIST(S) (CDRLS)**

The Contractor shall provide the data deliverables as specified in Exhibit A.

**CLAUSES INCORPORATED IN FULL TEXT**

**ACCESS TO PROPRIETARY DATA OR COMPUTER SOFTWARE (NAVSEA) (JUN 1994)**

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

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

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

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

(e) The Contractor shall include this requirement in subcontracts of any tier which involve access to information covered by paragraph (a), substituting "subcontractor"

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for "Contractor" where appropriate.

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

### **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 data 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 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.

### **NON-DISCLOSURE AGREEMENTS**

Contractor personnel shall be provided a Statement of Non-disclosure of Information

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(Attachment 3) which shall be completed and signed by each employee as a condition for each employee providing services under this Task Order. Completed Non-disclosure Statements shall be returned to the Contracting Officer's Representative (identified as the Task Order Manager in Section G) within fifteen working days after Task Order award or from the date of hire for new employees.

### **ORGANIZATIONAL CONFLICT OF INTEREST (NAVSEA) (JUL 2000)**

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

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

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

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

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

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

(e) The Contractor further agrees that, during the performance of this contract and for a

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

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

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

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

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

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

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

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

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

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

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## SECTION D PACKAGING AND MARKING

**APPLICABLE TO ALL ITEMS** -There are no packaging or marking requirements for the services ordered under this Task Order. All requirements for packaging and marking of supplies or documents associated with the services shall be packaged, packed and marked in accordance with the provisions set forth below or as specified in the Technical Instructions.

### DATA PACKAGING LANGUAGE

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 28 February 2006.

### 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) task order number
- (4) whether the contract was competitively or non-competitively awarded
- (5) sponsor:

TBD (SHIPS AM)

(Name of Individual Sponsor)

NAVSEA - PEO SHIPS (SHIPS AM)

(Name of Requiring Activity)

Washington Navy Yard, DC

(City and State)

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## **SECTION E INSPECTION AND ACCEPTANCE**

### **CLAUSES INCORPORATED BY REFERENCE**

52.246-3 Inspection Of Supplies Cost-Reimbursement MAY 2001

52.246-5 Inspection Of Services Cost-Reimbursement APR 1984

### **CLAUSES INCORPORATED IN FULL TEXT**

#### **INSPECTION AND ACCEPTANCE LANGUAGE FOR DATA**

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

#### **INSPECTION AND ACCEPTANCE LANGUAGE FOR LOE SERVICES**

Item 4000, Option Items (if exercised) 4001, 4100, and 4101, and Award Term Items (if awarded) 4200, 4201, 4300, 4301, 4400, and 4401 - Inspection and acceptance shall be made by the Contracting Officer's Representative (COR) or a designated representative of the Government. *\*Note that the COR is the TOM identified in Section G of this Task Order.*

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## SECTION F DELIVERABLES OR PERFORMANCE

### PERFORMANCE LANGUAGE FOR LOE SERVICES

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

<u>ITEM(S)</u>	<u>FROM</u>	<u>TO</u>
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The periods of performance for the following Items are from date of award through 12 months thereafter, estimated at:

4000	12/17/2009 - 12/16/2010
4001	12/17/2009 - 12/16/2010
4003	12/17/2009 - 12/16/2010
4100	12/10/2010 - 12/9/2011
6000	12/17/2009 - 12/16/2010
6100	12/10/2010 - 12/9/2011

The periods of performance for the following Option Items are from date of Option exercise through 12 months thereafter, estimated at:

4002	12/17/2009 - 12/16/2010
4101	12/17/2010 - 12/16/2011
4102	12/17/2010 - 12/16/2011
4103	12/17/2010 - 12/16/2011
4201	12/17/2011 - 12/16/2012
4203	12/17/2011 - 12/16/2012
4301	12/17/2012 - 12/16/2013
4303	12/17/2012 - 12/16/2013
4401	12/17/2013 - 12/16/2014
4403	12/17/2013 - 12/16/2014

The periods of performance for the following Award Term Items are from date of award of the Award Term through 12 months thereafter, estimated at:

4200	12/17/2011 - 12/16/2012
4202	12/17/2011 - 12/16/2012
4300	12/17/2012 - 12/16/2013
4302	12/17/2012 - 12/16/2013

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4400	12/17/2013 - 12/16/2014
4402	12/17/2013 - 12/16/2014
6200	12/17/2011 - 12/16/2012
6300	12/17/2012 - 12/16/2013
6400	12/17/2013 - 12/16/2014

**CLAUSES INCORPORATED BY REFERENCE**

52.242-15 Stop-Work Order AUG 1989  
52.242-15 Alt I Stop-Work Order (Aug 1989) - Alternate I APR 1984  
52.247-34 F.O.B. Destination NOV 1991

**CLAUSES INCORPORATED IN FULL TEXT**

**CONTRACTOR NOTICE REGARDING LATE DELIVERY**

In the event the contractor anticipates or encounters difficulty in complying with the contract delivery schedule or date, he/she shall immediately notify, in writing, the Task Order Contracting Officer and the cognizant Contract Administration Services Office, if assigned. The notice shall give the pertinent details; however such notice shall not be construed as a waiver by the Government of any contract delivery schedule, or of any rights or remedies provided by law or under this contract.

**DATA DELIVERY LANGUAGE FOR SERVICES ONLY PROCUREMENTS**

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.

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## SECTION G CONTRACT ADMINISTRATION DATA

**CONTRACTOR CENTRAL REGISTRATION (CCR)** - The contractor must be registered with the Contractor Central Registration (CCR) in order to be eligible for award. The Contractor must maintain registration throughout the period of performance. PAYMENT will not be made to the contractor if the Contractor's registration lapses.

### INVOICE INSTRUCTIONS (NAVSEA) (JAN 2008)

(a) In accordance with the clause of this contract entitled "ELECTRONIC SUBMISSION OF PAYMENT REQUESTS" (DFARS 252.232-7003), the Naval Sea Systems Command (NAVSEA) will utilize the DoD Wide Area Workflow Receipt and Acceptance (WAWF) system to accept supplies/services delivered under this contract. This web-based system located at <https://wawf.eb.mil> provides the technology for government contractors and authorized Department of Defense (DoD) personnel to generate, capture and process receipt and payment-related documentation in a paperless environment. Invoices for supplies/services rendered under this contract shall be submitted electronically through WAWF. Submission of hard copy DD250/invoices may no longer be accepted for payment.

(b) It is recommended that the person in your company designated as the Central Contractor Registration (CCR) Electronic Business (EB) Point of Contact and anyone responsible for the submission of invoices, use the online training system for WAWF at <http://wawftraining.com>. The Vendor, Group Administrator (GAM), and sections marked with an asterisk in the training system should be reviewed. Vendor Quick Reference Guides also are available at <http://acquisition.navy.mil/navyaos/content/view/full/3521/>. The most useful guides are "Getting Started for Vendors" and "WAWF Vendor Guide".

(c) The designated CCR EB point of contact is responsible for activating the company's CAGE code on WAWF by calling 1-866-618-5988. Once the company is activated, the CCR EB point of contact will self-register under the company's CAGE code on WAWF and follow the instructions for a group administrator. After the company is set-up on WAWF, any additional persons responsible for submitting invoices must self-register under the company's CAGE code at <https://wawf.eb.mil>.

(d) The contractor shall use the following document types, DODAAC codes and inspection and acceptance locations when submitting invoices in WAWF:

Type of Document (*contracting officer check all that apply*)

- Invoice (FFP Supply & Service)
- Invoice and Receiving Report Combo (FFP Supply)
- Invoice as 2-in-1 (FFP Service Only)
- Cost Voucher (Cost Reimbursable, T&M , LH, or FPI)
- Receiving Report (FFP, DD250 Only)

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DODAAC Codes and Inspection and Acceptance Locations (*contracting officer complete appropriate information as applicable*)

Issue DODAAC	<u>N00024</u>
Admin DODAAC	<u>TBD upon award</u>
Pay Office DODAAC	<u>TBD upon award</u>
Inspector DODAAC	<u>N00024</u>
Service Acceptor DODAAC	<u>N00024</u>
Service Approver DODAAC	<u>N00024</u>
Ship To DODAAC	<u>N00024</u>
DCAA Auditor DODAAC	<u>TBD upon award</u>
LPO DODAAC	<u>N/A</u>
Inspection Location	<u>N00024</u>
Acceptance Location	<u>N00024</u>

Attachments created in any Microsoft Office product may be attached to the WAWF invoice, e.g., backup documentation, timesheets, etc. Maximum limit for size of each file is 2 megabytes. Maximum limit for size of files per invoice is 5 megabytes.

(e) Before closing out of an invoice session in WAWF, but after submitting the document(s), you will be prompted to send additional email notifications. Click on “Send More Email Notification” and add the acceptor/receiver email addresses noted below in the first email address block, and add any other additional email addresses desired in the following blocks. This additional notification to the government is important to ensure that the acceptor/receiver is aware that the invoice documents have been submitted into WAWF.

<b>Send Additional Email Notification To:</b>

(f) The contractor shall submit invoices/cost vouchers for payment per contract terms and the government shall process invoices/cost vouchers for payment per contract terms. Contractors approved by DCAA for direct billing will submit cost vouchers directly to DFAS via WAWF. Final voucher submission will be approved by the ACO.

(g) The WAWF system has not yet been implemented on some Navy programs; therefore, upon written concurrence from the cognizant Procuring Contracting Officer, the Contractor is authorized to use DFAS’s WInS for electronic end to end invoicing until the functionality of WInS has been incorporated

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into WAWF.

(h) If you have any questions regarding WAWF, please contact the WAWF helpdesk at the above 1-866 number or the NAVSEA WAWF point of contact at (202) 781-4815 or

**POINTS OF CONTACT** - The Government points of contact for this Task Order are as follows:

**BUSINESS FINANCIAL MANAGER (BFM)**

Naval Sea Systems Command

1333 Isaac Hull Avenue, SE  
Washington Navy Yard, DC 20376  
Telephone: 202-781-XXXX

**OMBUDSMAN (NAVSEA AND OVERARCHING)**

Naval Sea Systems Command

1333 Isaac Hull Avenue, SE  
Washington Navy Yard, DC 20376  
Telephone: 202-781-2910

**PROCURING CONTRACTING OFFICER (PCO)**

Naval Sea Systems Command

1333 Isaac Hull Avenue, SE  
Washington Navy Yard, DC 20376  
Telephone: 202-781-2325

**PURCHASE OFFICE REPRESENTATIVE (POR)**

Naval Sea Systems Command

1333 Isaac Hull Avenue, SE  
Washington Navy Yard, DC 20376  
Telephone: 202-781-1860

*\*Note that the POR is the Contract Specialist*

**TASK ORDER MANAGER (TOM)**

Naval Sea Systems Command

1333 Isaac Hull Avenue, SE  
Washington Navy Yard, DC 20376  
Telephone: 202-781-2253

*\*Note that the TOM is the CONTRACTING OFFICER'S REPRESENTATIVE (COR) for this Task Order.*

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The Government reserves the right to unilaterally change the points of contact at anytime.

## TYPE OF ORDER

This Task Order is a Cost-Plus-Incentive-Fee (CPIF) type with Award Fee and Award Terms. The contractor shall devote the specified level of effort for the time period(s) stated in Sections F and H, as applicable. If contractor performance is considered satisfactory by the Government, the fee(s) is payable at the expiration of the agreed-upon period(s) and upon contractor certification that the level of effort specified in this Task Order has been expended in performing the work.

```

Accounting Data
SLINID  PR Number          Amount
-----
400001
LLA :
AC 1751811 1224 251 X8 WML 0 068342 2D 000000 55688 400 203H

400002
LLA :
AB 1761811 1281 252 WA WUC 0 068342 2D 000000 20131 800 0000

400003
LLA :
AD 1791811 1227 252 WA WMC 0 068342 2D 000000 41163 800 0000

400004
LLA :
AE 1701810 81CC 251 SA SWF 0 068342 2D 000000 CC007 000 0010

400005
LLA :
AA 1761811 1281 252 WA WUC 0 068342 2D 000000 20130 800 0000

600001
LLA :
AG 1751811 1224 252 X8 WML 0 068342 2D 000000 55688 400 203H

600002
LLA :
AB 1761811 1281 252 WA WUC 0 068342 2D 000000 20131 800 0000

600003
LLA :
AD 1791811 1227 252 WA WMC 0 068342 2D 000000 41163 800 0000

600004
LLA :
AF 171810 81CC 252 SA SWF 0 068342 2D 000000 CC007 000 0010

600005
LLA :
AA 1761811 1281 252 WA WUC 0 068342 2D 000000 20130 800 0000

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BASE Funding  
Cumulative Funding

MOD 01

400003  
LLA :

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AD 1791811 1227 252 WA WMC 0 068342 2D 000000 41163 800 0000

MOD 01 Funding  
Cumulative Funding

MOD 02

400101 N0002410MR5522  
LLA :  
AH 170131914KB255SASLM00683422D980170331290000010

400301 N0002410MR5522  
LLA :  
AH 170131914KB255SASLM00683422D980170331290000010

MOD 02 Funding  
Cumulative Funding

MOD 03

400001  
LLA :  
AC 1751811 1224 251 X8 WML 0 068342 2D 000000 55688 400 203H

410001  
LLA :  
AC 17 5 1811 1224 251 X8 WML 0 068342 2D 000000 55688 400 203H

410002  
LLA :  
AA 17 6 1811 1281 252 WA WUC 0 068342 2D 000000 20130 800 0000

410003  
LLA :  
AJ 17 8 1811 1227 252 WA WMC 0 068342 2D 000000 20121 800 0000

410004  
LLA :  
AE 17 0 1810 81CC 251 SA SWF 0 068342 2D 000000 CC007 000 0010

410005  
LLA :  
AB 17 6 1811 1281 252 WA WUC 0 068342 2D 000000 20131 800 0000

610001  
LLA :  
AG 17 5 1811 1224 252 X8 WML 0 068342 2D 000000 55688 400 203H

610002  
LLA :  
AA 17 6 1811 1281 252 WA WUC 0 068342 2D 000000 20130 800 0000

610003  
LLA :  
AJ 17 8 1811 1227 252 WA WMC 0 068342 2D 000000 20121 800 0000

610004  
LLA :  
AF 17 0 1810 81CC 252 SA SWF 0 068342 2D 000000 CC007 000 0010

610005  
LLA :  
AB 17 6 1811 1281 252 WA WUC 0 068342 2D 000000 20131 800 0000

MOD 03 Funding  
Cumulative Funding

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## SECTION H SPECIAL CONTRACT REQUIREMENTS

**NAVSEA 5252.232-9104 ALLOTMENT OF FUNDS (JAN 2008)** (*Applicable to CLINs 4000 and 6000, Option CLINs (if exercised) 4001, 4100, 4101, and 6100, and Award Term CLINs (if awarded) 4200, 4201, 4300, 4301, 4400, 4401, 6200, 6300, and 6400.*)

(a) This contract is incrementally funded with respect to both cost and fee. The amount(s) presently available and allotted to this contract for payment of fee for incrementally funded contract line item number/contract subline item number (CLIN/SLIN), subject to the clause entitled "FIXED FEE" (FAR 52.216-8) or "INCENTIVE FEE" (FAR 52.216-10), as appropriate, is specified below. The amount (s) presently available and allotted to this contract for payment of cost for incrementally funded CLINs/SLINs is set forth below. As provided in the clause of this contract entitled "LIMITATION OF FUNDS" (FAR 52.232-22), the CLINs/SLINs covered thereby, and the period of performance for which it is estimated the allotted amount(s) will cover are as follows:

ITEM	ALLOTTED TO COST	ALLOTTED TO FIXED FEE	ALLOTTED TO AWARD FEE	CPFF	M/HS	EST. POP
4001						12/17/2009 - 12/16/2010

*\*Note that the amount allotted to fee is equal to the Target Fee specified in Section B.*

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

(c) CLINs/SLINs 4000, 4100, 6000, 6100 are fully funded and performance under these CLINs/SLINs is subject to the clause of this contract entitled "LIMITATION OF COST" (FAR 52.232-20).

(d) The Contractor shall segregate costs for the performance of incrementally funded CLINs/SLINs from the costs of performance of fully funded CLINs/SLINs.

**5252.232-9104 ALLOTMENT OF FUNDS – ALTERNATE I (JAN 2008)** (*Applicable to Option CLINs (if exercised) 4002, 4003, 4102, and 4103, and Award Term CLINs (if awarded) 4202, 4203, 4302, 4303, 4402, and 4403.*)

(a) This contract is incrementally funded with respect to both cost and fee. The amounts presently available and allotted to this contract for payment of base fee, if any, and award fee are set forth below.

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

<u>ITEM(S)</u>	<u>EST.COST</u>	<u>BASE FEE</u>	<u>AWARD FEE</u>	<u>ESTIMATED PERIOD OF PERFORMANCE</u>
4002	N/A	N/A		
4003	N/A	N/A		
4102	N/A	N/A		
4103	N/A	N/A		
4202	N/A	N/A		
4203	N/A	N/A		
4302	N/A	N/A		
4303	N/A	N/A		
4402	N/A	N/A		
4403	N/A	N/A		

*\*Note that the above listed Items are Award Fee only. No amounts are allotted to cost or base fee for these Items. The amount allotted to Award Fee shall not exceed 5.50% of Target Costs for each year's Labor CLINs.*

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

(c) CLINs/SLINs \_\_\_\_\_ are fully funded and performance under these CLINs/SLINs is subject to the clause of this contract entitled "LIMITATION OF COST" (FAR 52.232-20).

(d) The Contractor shall segregate costs for the performance of incrementally funded CLINs/SLINs from the costs of performance of fully funded CLINs/SLINs.

## **AWARD TERM CLAUSE**

### **(a) Maximum Period of Performance**

The initial Task Order period of performance, if previously extended by exercise of the option for Year 2, may be further extended through the award of up to three one-year Award Terms (years 3 through 5), as provided for in this Award Term clause. These additional "award term" periods will be awarded by the Government based on contractor performance as determined by the Government in accordance with this clause.

### **(b) Monitoring Performance**

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Contractor performance is monitored by the Government. A panel hereinafter referred to as the Award Term Review Board (ATRB) is responsible for monitoring and will make recommendations to the Term Determining Official (TDO). The ATRB and TDO may accept monitoring input from any source it chooses. The ATRB may be changed at any time at the discretion of the TDO. Notice of such change will be provided to the contractor.

The ATRB shall be composed of the following:

- PEO SHIPS AM, or designee
- Task Order Manager (TOM), as defined in Section G of the Task Order
- PEO SHIPS AM appointed Task Managers
- Procuring Contracting Officer (PCO), SEA 02653 or designee
- Legal Counsel, SEA 00L designee

The ATRB reports its findings and recommendations to the TDO. The TDO makes the final decision on whether the contractor's performance during the evaluation period is sufficient to earn the contractor an award term or to retain an already earned term.

The TDO shall be PEO SHIPS AM or his designee.

(c) Award Term Evaluation Periods

Each year of performance shall be evaluated. Each of the first three years shall be evaluated to determine whether the contractor earns and retains an award term. Years two through four will be evaluated to determine whether the contractor retains award terms already earned.

The Government reserves the right to conduct an *interim* evaluation at approximately the half-way point of each evaluation period. These interim evaluations are intended to provide the contractor with the Government's assessment of the contractor's performance through the first half of each award term evaluation period.

A *final* evaluation will occur on an annual basis. The final evaluation will consider all effort that has occurred during the evaluation period.

(d) Self-Evaluation

The Contractor shall submit a self-evaluation to the PCO within fourteen (14) calendar days after the end of each evaluation period. The written self-evaluation may contain any information that may be reasonably expected to assist the ATRB in evaluating the Contractor's performance. The self-evaluation will be considered in the ATRB's evaluation of the Contractor's performance based on the evaluation factors. The self-evaluation may not exceed twenty-five (25) pages in length.

(e) Award Term Procedures

After the conclusion of an evaluation period, the Performance Monitors shall submit evaluation reports to the ATRB. If requested, Performance Monitors will provide an oral presentation of their evaluation to the ATRB. The Contractor may be invited to present information in addition to that contained in the self-evaluation to assist in the ATRB's evaluation. The criteria to be considered in the evaluation are set forth elsewhere in this Award Term clause.

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A numerical score, on a scale of 0-100, will be determined for each of the evaluation criteria. The numerical weights for each evaluation criterion will be applied to the score. The weighted criteria scores will be summed to arrive at a total, weighted evaluation score. This score, along with any supporting narrative that may be prepared by the ATRB, will be provided to the TDO. The TDO will determine the final award term rating for an evaluation period. The Contracting Officer will inform the Contractor of the award term rating in a letter to the Contractor.

The contractor must receive a total evaluation rating score of 71 or higher to be eligible to earn an award term year. If the overall evaluation rating score is 70 or below, the contractor shall not have earned an additional award term year based on the period evaluated.

(f) Retention

The Contractor will be evaluated again during the year following the period that was evaluated initially for determining if an award term extension was earned. The contractor must receive a total evaluation rating score of 71 or higher to retain an award term year. If the overall evaluation rating score is 70 or below, the contractor shall not have retained the award term year previously earned.

(g) Finality of Decisions

Award Term decisions are at the sole discretion of the TDO. All decisions rendered by the TDO are final. The phrase "award term decision" refers to both the decision by the TDO as to whether the Contractor has earned an award term and the decision by the TDO as to whether the Contractor has retained an award term already earned.

(h) Fair and Reasonable Price Is A Necessary Condition

The Contracting Officer must determine that the price set forth in the Task Order for the services covered by the Task Order continues to be fair and reasonable for a given award term period. Such a decision is at the sole discretion of the PCO. A decision that the price is no longer fair and reasonable will result in the Government voiding any award terms earned.

(i) Option Exercise Is A Necessary Condition

If at any time the Government does not exercise an option, any previously awarded award term(s) shall be void.

(j) Retention of Award Terms Is A Necessary Condition

If at any time the Contractor has not retained an award term already earned, any subsequent terms shall be void.

(k) Continued Funds Is A Necessary Condition

The PCO must make a determination that sufficient funds are available before an earned/retained award term becomes effective. The determination that sufficient funds are available does not constitute a finding that funds equal to the full total estimated cost of performance for a given year are available.

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Award term periods may be incrementally funded. In the event of incremental funding, the clause entitled LIMITATION OF FUNDS (FAR 52.232-22) shall apply. The decision that sufficient funds are available is at the sole discretion of the PCO. Resources available to the program manager are subject to the managerial discretion of a program manager and a decision that sufficient funds are not available for this contract may be made even if there are funds available to the program office. A determination regarding the availability of funds may be made at any time.

(l) Continued Requirement Is A Necessary Condition

The Contracting Officer must determine that a continuing need for the same services covered by this Task Order exists for a given award term period. Such a decision is at the sole discretion of the Contracting Officer. A decision that the requirement has changed or that a requirement for the same services no longer exists will result in the Government voiding any award terms earned. A determination regarding whether there is a continued need for the same services may be made at any time.

(m) Failure to Retain Earned Award Terms Is Not a Termination

If at any time the Government does not authorize performance of a previously earned award term, the subsequent terms shall be considered void. The Contractor shall not be entitled to any costs arising out of or related to those award terms that are made void by virtue of the operation of this clause. An award term decision that an earned award term has not been retained is not a termination for convenience or default. A decision by the PCO that any of the necessary conditions of this clause have not been satisfied is not a termination for convenience or default. For example, if the Contractor has earned three award terms but the Government fails to exercise the Award Term for the fifth year of the contract, then the contract shall end at the completion of the period of performance for the fourth year.

(n) Contractor Right to Decline

The contractor retains the right to decline previously earned award terms not later than nine (9) months prior to the start of an Award Term Year. The Contractor must notify the PCO in writing prior to nine (9) months before the start of the award term year of its desire not to perform the next award term year. Failure to so notify the PCO may result in a default termination if the Contractor fails to perform an award term that the Government has authorized. In the event the Contractor elects its rights to decline an earned award term, all subsequent award terms shall be void.

(o) Extension of the Task Order

The PCO will unilaterally modify the contract to extend the period of performance in one-year increments when each of the following conditions apply:

- an award term earned has been retained;
- the Government has a continuing requirement for the service(s) covered;
- the price established for the covered line items remains fair and reasonable;
- appropriated funds are available; and
- the Contractor has not expressly stated in writing that it is unwilling to perform an award term no later than nine (9) months before the beginning of an award term period.

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(p) Evaluation Criteria

1. Evaluation Categories and Factors. Following each evaluation period, the Contractor's performance will be evaluated in the following categories, weighted as shown:

<u>EVALUATION CATEGORY</u>	<u>WGT</u>
Cost Performance	25%
Schedule Performance	25%
Technical Performance	25%
Management Performance	25%

The Government may unilaterally change any evaluation categories, weights, or factors it deems necessary. The Contractor, however, will be notified of changes prior to the beginning of an affected evaluation period. Performance issues in any evaluation category may result in an increased weight for that category in subsequent evaluation periods.

2. The following performance categories will be evaluated:

<b>Performance Category</b>	<b>Evaluation Weight</b>	<b>Specific Areas of Interest</b>
<b>Cost Performance</b>	25%	Ability to control cost and avoid unnecessary cost increases. Emphasis will be placed on the contractor's ability to estimate correctly the first time and maintain initial budgets. Ability to make cost effective decisions with respect to technical requirements, schedule and quality control. Early identification of cost and schedule problems. The timely and accurate submission of cost performance data.
<b>Schedule Performance</b>	25%	Ability to perform or adhere to the scheduled delivery dates as specified in the Task Order and Technical Instructions. Ability to make decisions with respect to schedule adjustments required by the Government without effecting cost or quality. Early identification of schedule problems to include self-correcting. Timeliness of deliverables and provided services.
<b>Technical Performance</b>	25%	Quality and accuracy of deliverables as well as services provided. Ability to provide services commensurate with the Tasks specified in the Task Order and Technical Instructions.
<b>Management Performance</b>	25%	Ability to manage contractor and subcontractor efforts efficiently and effectively with transparent performance within the team.

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		Emphasis will be placed on the contractor's ability to staff positions with appropriate personnel who have the necessary skills and requisite technical capability and experience to effectively perform the work. *Percentage of actual small business subcontracting towards the 25% requirement.
Total	100%	

*\*Note: 25% Small Business Subcontracting requirement only applies to Large Business awardee.*

3. The following grading table is to be used for this Task Order:

<b>Adjective Rating</b>	<b>Range of Evaluation rating</b>	<b>Description</b>
Outstanding	91-100	Of exceptional merit; exemplary performance in a timely, efficient and economical manner; very minor (if any) weaknesses with no adverse effect on overall performance. No deficiencies in any area.
Excellent	81-90	Very effective performance, fully responsive to contract; contract requirements accomplished in a timely, efficient and economical manner for the most part; only minor weaknesses. No deficiencies in any area.
Good	71-80	Effective performance; fully responsive to contract requirements; reportable weaknesses, but with little identifiable effect on overall performance. No deficiencies in any area.
Satisfactory	61-70	Meets the minimum acceptable standards; adequate results; reportable weaknesses with identifiable, but not substantial effects on overall performance. No deficiencies in any area.
Unsatisfactory	60 and Below	Does not meet minimum acceptable standards in one or more areas; reportable deficiencies with remedial action required in one or more areas which adversely affect overall performance.

\*\*\*\*\*

## **AWARD TERM PLAN**

### **1.0 INTRODUCTION**

This is the basis for evaluation of the contractor's performance and for presenting an assessment of that performance to the Term-Determining Official (TDO). The evaluation will

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begin at the start of the Task Order.

Award-term contracting is effective when performance metrics are objective, a long-term business relationship is of value to the Government and to the Contractor, and the expected outcomes are known up-front. The specific criteria and procedures used for assessing the contractor's performance and for determining the Award Term earned are described herein. All TDO decisions regarding the award-term score, the methodology used to calculate the score, the calculation of the score, the Contractor's entitlement to the score, and the nature and success of the evaluation of the Contractor's performance are final.

An Award Term earned and retained will be awarded to the Contractor through unilateral Task Order modification based upon the score as determined by the TDO.

## **2.0 ORGANIZATION**

The Award Term organization includes the TDO and an Award-Term Review Board (ATRB) consisting of a chairperson, the contracting officer, a recorder, other functional area participants, advisory members, and the performance monitors.

## **3.0 RESPONSIBILITIES**

a. Term Determining Official. The TDO approves the Award Term plan and any significant changes to it. The TDO reviews the recommendations of the ATRB, considers all pertinent data, and determines the earned Award Term score for each evaluation period. The TDO appoints the ATRB Chairperson.

b. Award Term Review Board Chairperson. The ATRB Chairperson chairs the meetings of the ATRB and appoints the non-mandatory members of the board and the performance monitors. The ATRB Chairperson briefs the TDO on the evaluation results including the recommended score and the Contractor's overall performance and recommends Award Term plan changes to the TDO.

c. Award Term Review Board. ATRB members review performance monitors' evaluation of the Contractor's performance, consider all information and pertinent sources, prepare interim performance reports, if any, and arrive at the Award Term score recommendation to be presented to the TDO. The ATRB will also recommend changes to this plan.

d. ATRB Recorder. The ATRB recorder is responsible for coordinating the administrative actions required by the performance monitors, the ATRB, and the TDO.

e. Contracting Officer (CO). The CO is the liaison between Contractor and Government personnel. Subsequent to the TDO decision, the CO reviews the Award Term documentation, concurs with the TDO's decision, and modifies the Task Order, if necessary, to reflect the decision.

f. Performance Monitors. Performance monitors maintain written records of the Contractor's performance in their assigned evaluation areas so that a fair and accurate evaluation is obtained. Monitors prepare interim and end-of-period evaluation reports as directed by the ATRB.

## **4.0 AWARD-TERM PROCESSES**

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- a. Award Term Score. The Award Term score will be based on the Contractor's performance during each evaluation period.
- b. Evaluation Criteria. If the CO does not give specific notice in writing to the Contractor of any change to the evaluation criteria prior to the start of a new evaluation period, then the same criteria listed for the preceding period will be used in the following Award Term evaluation period. Modifications to the plan shall take effect in the next evaluation period.
- c. Interim Evaluation Process. Interim evaluations will be conducted at the discretion of the Government. If it is determined that an Interim Evaluation will be conducted, it will be conducted at approximately the six-month period and the Contractor will be notified thirty (30) days before the end of the interim period if a self-evaluation will be required. Performance monitors submit their evaluation reports to the ATRB after the end of the evaluation period. The ATRB Chairperson prepares its evaluation results and notifies the Contractor of the strengths and weaknesses for the current evaluation period within 45 days of conclusion of the interim evaluation period. The CO may also issue letters at any other time when deemed necessary to highlight areas of Government concern.
- d. End-of-Period Evaluations. The ATRB Recorder notifies ATRB members and performance monitors 14 calendar days before the end of the evaluation period. The Contractor will provide the Government a self-assessment within fourteen (14) calendar days after the end of the evaluation period. Performance monitors submit their evaluation reports to the ATRB after the end of the evaluation period. The ATRB Chairperson prepares its evaluation report and recommendation. The Contractor self-assessment will be provided to the TDO as part of the determination package. The ATRB Chairperson briefs the evaluation report and recommendation to the TDO. The TDO determines the overall score and determines whether an Award Term has been earned for the evaluation period within 45 calendar days after each evaluation period. The TDO letter informs the Contractor of the evaluation results. Upon concurrence with the TDO decision, the CO issues a modification within fifteen (15) calendar days after the TDO's determination to authorize an award extension or reduction reflecting the earned award term amount.

## **5.0 AWARD-TERM PLAN CHANGE PROCEDURE**

It is anticipated that Award Term Evaluation Categories may need to be revised to place increased emphasis on specific areas, to take advantage of lessons learned and identify new approaches to measuring the quality of service/deliverables received, and to incentivize continuous improved performance in that regard. As such, the Contractor may propose changes and the Government may unilaterally make changes to this plan. The Contractor shall submit any proposed changes no later than sixty (60) calendar days prior to the start of the next evaluation period. Contractor proposed changes, if approved by the Government, will be made by bilateral agreement via a Task Order modification prior to the start of the next evaluation period. However, the Government reserves the right to unilaterally change evaluation categories prior to the start of an Award Term period.

## **6.0 AWARD-TERM EVALUATION CATEGORIES**

- a. The Award Term Evaluation Categories are weighted based upon projected emphasis over the planned contract period. The following table outlines the structure and weighted value of each evaluation criteria:

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Evaluation Category

Category Weight

Cost Performance

25% of Total

Schedule Performance

25% of Total

Management Performance

25% of Total

Technical Performance

25% of Total

(1) Cost Performance

Of major importance in evaluating the Contractor's cost performance will be the Contractor's cost planning and timely, complete, and accurate reporting of costs. In addition, the Contractor's efforts in the area of cost reduction/cost avoidance will also be considered (e.g. management approach to performance of task assigned to minimize the cost, and demonstrated ability to keep the cost of work to be performed in line with the contract estimated cost).

(2) Schedule Performance

The Government will consider whether all deliverables are submitted on time, ahead of schedule, or late. The Contractor's early identification of problem areas and accomplishments in overcoming problems to maintain schedules shall also be considered.

(3) Management Performance

The Government will consider whether the Contractor's organizational structure provides for highly qualified personnel assigned with duties, responsibilities, and authority necessary to achieve project goals and whether their lines of communication are well defined, clearly understood, and always facilitate rapid exchanges of information, both technical and contractual, in order to meet project goals. In addition, the Government will consider whether the Contractor effectively integrates all functional area requirements into an overall team effort in order to optimize program efficiencies and if applicable, whether they meet or exceed their small business subcontracting goals.

(4) Technical Performance

Of major importance in evaluating the Contractor's technical performance will be the demonstration of commitment by the Contractor to meet the requirements of the Task Order. Specifically, the Contractor's response to taskings and accuracy of work produced will be evaluated in this category. In addition, the Contractor's approach to solving problem areas presented by the Government will be evaluated as a measure of competence.

b. The following evaluation ratings are descriptive of the elements that will be evaluated. Not all elements under a rating description may apply. Elements of Contractor performance may be descriptive under more than one rating and therefore the Government reserves the right to determine the most appropriate rating for the performance category based on which rating the preponderance of the elements fall under.

**Cost Performance**

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**Unsatisfactory** - Failed to manage or control costs within contract and task projections. A large percentage of actual costs exceeded task estimates. Most cost documentation was inadequate and costs were difficult to track. Reporting of costs were untimely, incomplete, and inaccurate. Contractor made no efforts in cost reduction/cost avoidance.

**Satisfactory** - Took minimum action to manage and control costs within contract and task. Some actual costs exceeded task estimates. Some cost documentation was adequate, but costs were difficult to track. Reporting of costs were sometimes timely, complete, and accurate. Contractor made little effort in cost reduction/cost avoidance.

**Good** - Costs were managed and used in a cost-effective manner. Costs incurred were consistent with estimated costs and cost management guidelines. Budget and cost management practices and procedures met requirements. Most cost projections were met. Cost documentation was adequate and easy to track. Cost reporting was timely, complete and accurate. Cost made some effort in cost reduction/cost avoidance.

**Excellent** - Costs were managed and controlled by working with customers and program office. Almost all cost projections were met or under-run. Some gains were made in reducing task costs. Costs were tracked well enough to identify most variances. Projections were made for the use of some excess funds & efforts were undertaken to ensure these funds were used or returned to the customer. Contractor made great effort in the area of cost reduction/cost avoidance.

**Outstanding** - Costs were managed and controlled by working with customers and program office. All cost projections were met or under-run. Significant gains were made in reducing task costs. Costs were tracked well enough to identify all variances. Projections were made for the use of most excess funds and efforts were undertaken to ensure these funds were used or returned to the customer. Contractor's efforts in the area of cost reduction/cost avoidance went beyond the expectations of the Government.

### **Schedule Performance**

**Unsatisfactory** - Failed to manage or control scheduled deliverables within contract and task projections. A large percentage of scheduled deliverables were late. Deliverables were often submitted in a format that was incomplete, unclear, not concise, technically inaccurate, and not easily understood. Most documentation was inadequate and schedule was difficult to track. Schedule and deliverable reporting were untimely, incomplete, and inaccurate. Any required corrections were extensive in nature and Contractor was slow to correct. The Contractor did not identify problems areas upfront, and made no efforts to overcome problems to maintain schedules.

**Satisfactory** - Took minimum action to manage and control scheduled deliverables within contract and task. Some actual scheduled deliverables met task estimates. Deliverables were submitted in an acceptable format but were sometimes incomplete, not concise, technically inaccurate, and not easily understood. Some documentation was adequate but schedule was difficult to track. Schedule and deliverable reporting were sometimes timely, complete, and accurate. Some corrections were extensive in nature and Contractor was usually timely in making corrections. The Contractor sometimes identified problems areas upfront and made little effort to overcome problems to maintain schedules.

**Good** - Schedule was managed within contract and task requirements. Deliverables were

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consistent with estimated schedule and deliverable guidelines. Deliverables were submitted in an acceptable format and were complete, concise, technically accurate, and easily understood. Documentation is adequate and schedule was easy to track. Corrections were minor in nature and Contractor made corrections in a timely manner. The Contractor identified problems areas upfront and made efforts to overcome problems to maintain schedules.

**Excellent** - Schedule was managed within contract and task requirements and deliverables were submitted on time or sometimes ahead of schedule. Deliverables sometimes exceeded requirements and were submitted in a manner that was complete, concise, technically accurate, and easily understood. Corrections were very few and minor and corrected in an expeditious manner. The Contractor was proactive in identifying problem areas upfront and made great efforts to overcome problems to maintain schedules.

**Outstanding** - Schedule was managed so that deliverables were consistently ahead of schedule and within contract and task requirements. Deliverables consistently exceeded requirements and were submitted in a manner that was complete, concise, and technically accurate, and easily understood. No corrections were required for deliverables. The Contractor provided early identification of problems areas and made great accomplishments in overcoming problems to maintain schedules.

### **Management Performance**

**Unsatisfactory** - Contractor's organizational structure did not provide qualified personnel assigned duties, responsibilities, and authority necessary to achieve project goals. Lines of communication were not defined, clearly understood, and did not facilitate rapid exchanges of information, both technical and contractual, to meet project goals. Contractor did not effectively integrate all functional area requirements into an overall team effort in order to optimize program efficiencies. Failed to provide qualified personnel for all tasks. Management was extremely slow in updating staffing after repeated feedback from customer. A large percentage of the staff was not in place when required by the task. Customer was very dissatisfied with staffing efforts. If applicable, small business subcontracting goals were not met.

**Satisfactory** - Contractor's organizational structure was marginally adequate to provide qualified personnel assigned duties, responsibilities, and authority necessary to achieve project goals. Lines of communication were defined and understood but did not facilitate rapid exchanges of information, both technical and contractual, to meet project goals. Contractor sometimes integrated all functional area requirements into an overall team effort in order to produce program efficiencies. Management was slow to update manning after repeated feedback from customer or as required by this Task Order and Technical Instructions. Some staff were not available when required by the task. Customer was marginally dissatisfied with staffing efforts. If applicable, Small business subcontracting goals were not totally met.

**Good** - Contractor's organizational structure was adequate to provide qualified personnel assigned duties, responsibilities, and authority necessary to achieve project goals. Lines of communication were defined, understood, and facilitated exchanges of information, both technical and contractual, to meet project goals. Contractor integrated all functional area requirements into an overall team effort in order to provide program efficiencies. Provided fully qualified staff in almost all cases. Management was cognizant of customer needs and

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provided almost all of the staffing required on assigned tasks when required by the task. Customer was reasonably satisfied with staffing efforts. If applicable, small business subcontracting goals were met.

**Excellent** - Contractor's organizational structure provided highly qualified personnel assigned duties, responsibilities, and authority necessary to achieve project goals. Lines of communication were clearly understood, and facilitated rapid exchanges of information, both technical and contractual, to meet project goals. Contractor effectively integrated all functional area requirements into an overall team effort in order to optimize program efficiencies. Provided fully qualified staff in all cases. Management was cognizant of customer needs and provided 100% of the staffing required on assigned tasks when required by the task. Customer was well satisfied with staffing efforts. If applicable, small business subcontracting goals were met and sometimes exceeded.

**Outstanding** - Contractor's organizational structure provided highly qualified personnel assigned duties, responsibilities, and authority necessary to achieve and sometime exceed project goals. Lines of communication were clearly understood, and facilitated rapid exchanges of information, both technical and contractual, to meet and sometimes exceed project goals. Contractor effectively integrated all functional area requirements into an overall team effort in order to optimize program efficiencies and exceed Government expectations. Provided fully qualified staff in all cases and exceptionally qualified staff in some cases. Personnel status was frequently reviewed to ensure customer needs were met. 100% of the staffing required on assigned tasks was provided when required by the task. Customer was extremely satisfied with staffing efforts. If applicable, small business subcontracting goals were consistently exceeded.

### **Technical Performance**

**Unsatisfactory** - Failed to meet most task/contract requirements. Work was poorly organized, unprofessional, and required much interpretation or rework. Contractor's response to taskings was slow and work produced was consistently inaccurate. Contractor's approach to solving problem areas presented by the Government did not demonstrate a level of competence. Customer was very dissatisfied with performance.

**Satisfactory** - Work was of marginal quality in some cases and required some interpretation or rework. Contractor's response to taskings was sometimes slow and work produced is sometimes inaccurate. Contractor's approach to solving problem areas presented by the Government demonstrated a minimum-level of competence. Customer was marginally satisfied with performance.

**Good** - Majority of work was adequate and required little rework. Contractor's response to taskings was timely. Contractor's approach to solving problem areas presented by the Government demonstrated competence. Customer was reasonably satisfied with overall performance.

**Excellent** - Support to customer was very good, well coordinated, and ensured task accomplishment. Employees put forth an extra effort to accomplish tasks. Contractor's response to taskings was prompt and work produced was accurate and highly proficient. The Contractor demonstrated instances of being proactive by anticipating Government needs and providing effective solutions. Contractor's approach to solving problem areas presented by the Government demonstrated a high-level of competence. Customer was

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very satisfied with performance.

**Outstanding** - Met all task/contract requirements (100%). Support to customer was excellent, well coordinated, and all task goals were met. Employees displayed exceptional knowledge and put forth a commendable effort to accomplish tasks. Contractor's response to taskings was consistently prompt and work produced was consistently impressive. Contractor's approach to solving problem areas presented by the Government demonstrated high-level of competence. The Contractor was consistently proactive in anticipating Government needs and providing effective solutions. Customer was extremely satisfied with performance.

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**NAVSEA 5252.216-9122 LEVEL OF EFFORT (DEC 2000)**

(a) The Contractor agrees to provide the total level of effort specified in the next sentence in performance of the work described in Sections B and C of this contract. The total level of effort for the performance of this contract shall be **THE SUCCESSFUL OFFEROR'S PROPOSED LOE WILL BE INCORPORATED HERE BY THE GOVERNMENT UPON AWARD OF TASK ORDER** total man-hours of direct labor, including subcontractor direct labor for those subcontractors specifically identified in the Contractor's proposal as having hours included in the proposed level of effort.

(b) Of the total man-hours of direct labor set forth above, it is estimated that **THE SUCCESSFUL OFFEROR'S PROPOSED HOURS FOR UNCOMPENSATED EFFORT WILL BE INCORPORATED HERE BY THE GOVERNMENT UPON AWARD OF TASK ORDER** (Offeror to fill-in) man-hours are uncompensated effort.

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

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

(d) The level of effort for this contract shall be expended at an average rate of approximately **THE SUCCESSFUL OFFEROR'S PROPOSED "BURN" RATE WILL BE INCORPORATED HERE BY THE GOVERNMENT UPON AWARD OF TASK ORDER** hours per week. It is understood and agreed that the rate of man-hours per month may fluctuate in pursuit of the technical objective, provided such fluctuation does not result in the use of the total man-hours of effort prior to the expiration of the term hereof, except as provided in the following paragraph.

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

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

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

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

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

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

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

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

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

#### **NAVSEA 5252.242-9115 TECHNICAL INSTRUCTIONS (APR 1999)**

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

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

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

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

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

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

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## SECTION I CONTRACT CLAUSES

### CLAUSES INCORPORATED BY REFERENCE

All clauses incorporated by reference in the basic IDIQ contract apply to this Task Order, as applicable.

***Note: Regarding 52.244-2 -- SUBCONTRACTS (JUNE 2007) - ALTERNATE I (JUNE 2007), teaming arrangement with any firm not included in the Contractor's basic IDIQ contract must be submitted to the basic MAC Contracting Officer for approval prior to proposal submission. Team member (subcontract) additions after Task Order award must be approved by the Task Order Contracting Officer.***

### CLAUSES INCORPORATED BY FULL TEXT

#### **FAR 52.216-1 TYPE OF CONTRACT (APR 1984)**

The Government contemplates award of a cost reimbursement Task Order resulting from this solicitation.

**52.216-10 INCENTIVE FEE (MAR 1997) (Cost Incentive Fee applicable to Labor CLIN 4000, Option CLINs (if and to the extent exercised) 4001, 4100, and 4101, and Award Term CLINs (if awarded) 4200, 4201, 4300, 4301, 4400, and 4401.)**

(a) *General.* The Government shall pay the Contractor for performing this contract a fee determined as provided in this contract.

(b) *Target cost and target fee.* The target cost and target fee specified in the Schedule are subject to adjustment if the contract is modified in accordance with paragraph (d) of this clause.

(1) "Target cost," as used in this contract, means the estimated cost of this contract as initially negotiated, adjusted in accordance with paragraph (d) of this clause.

(2) "Target fee," as used in this contract, means the fee initially negotiated on the assumption that this contract would be performed for a cost equal to the estimated cost initially negotiated, adjusted in accordance with paragraph (d) of this clause.

(c) *Withholding of payment.* Normally, the Government shall pay the fee to the Contractor as specified in the Schedule. However, when the Contracting Officer considers that performance or cost indicates that the Contractor will not achieve target, the Government shall pay on the basis of an appropriate lesser fee. When the Contractor demonstrates that performance or cost clearly indicates that the Contractor will earn a fee significantly above the target fee, the Government may, at the sole discretion of the

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Contracting Officer, pay on the basis of an appropriate higher fee. After payment of 85 percent of the applicable fee, the Contracting Officer may withhold further payment of fee until a reserve is set aside in an amount that the Contracting Officer considers necessary to protect the Government's interest. This reserve shall not exceed 15 percent of the applicable fee or \$100,000, whichever is less. The Contracting Officer shall release 75 percent of all fee withholds under this contract after receipt of the certified final indirect cost rate proposal covering the year of physical completion of this contract, provided the Contractor has satisfied all other contract terms and conditions, including the submission of the final patent and royalty reports, and is not delinquent in submitting final vouchers on prior years' settlements. The Contracting Officer may release up to 90 percent of the fee withholds under this contract based on the Contractor's past performance related to the submission and settlement of final indirect cost rate proposals.

(d) *Equitable adjustments.* When the work under this contract is increased or decreased by a modification to this contract or when any equitable adjustment in the target cost is authorized under any other clause, equitable adjustments in the target cost, target fee, minimum fee, and maximum fee, as appropriate, shall be stated in a supplemental agreement to this contract.

(e) Fee payable.

(1) The fee payable under this contract shall be the target fee increased by **thirty-five cents (\$.35)** [*Contracting Officer insert Contractor's participation*] for every dollar that the total allowable cost is less than the target cost or decreased by **thirty-five cents (\$.35)** [*Contracting Officer insert Contractor's participation*] for every dollar that the total allowable cost exceeds the target cost. In no event shall the fee be greater than **five and fifty one-hundredths (5.50)** [*Contracting Officer insert percentage*] percent or less than **zero and zero one-hundredths (0.00)** [*Contracting Officer insert percentage*] percent of the target cost.

(2) The fee shall be subject to adjustment, to the extent provided in paragraph (d) of this clause, and within the minimum and maximum fee limitations in paragraph (e)(1) of this clause, when the total allowable cost is increased or decreased as a consequence of—

(i) Payments made under assignments; or

(ii) Claims excepted from the release as required by paragraph (h)(2) of the Allowable Cost and Payment clause.

(3) If this contract is terminated in its entirety, the portion of the target fee payable shall not be subject to an increase or decrease as provided in this paragraph. The termination shall be accomplished in accordance with other applicable clauses of this contract.

(4) For the purpose of fee adjustment, "total allowable cost" shall not include allowable costs arising

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out of—

(i) Any of the causes covered by the Excusable Delays clause to the extent that they are beyond the control and without the fault or negligence of the Contractor or any subcontractor;

(ii) The taking effect, after negotiating the target cost, of a statute, court decision, written ruling, or regulation that results in the Contractor's being required to pay or bear the burden of any tax or duty or rate increase in a tax or duty;

(iii) Any direct cost attributed to the Contractor's involvement in litigation as required by the Contracting Officer pursuant to a clause of this contract, including furnishing evidence and information requested pursuant to the Notice and Assistance Regarding Patent and Copyright Infringement clause;

(iv) The purchase and maintenance of additional insurance not in the target cost and required by the Contracting Officer, or claims for reimbursement for liabilities to third persons pursuant to the Insurance Liability to Third Persons clause;

(v) Any claim, loss, or damage resulting from a risk for which the Contractor has been relieved of liability by the Government Property clause; or

(vi) Any claim, loss, or damage resulting from a risk defined in the contract as unusually hazardous or as a nuclear risk and against which the Government has expressly agreed to indemnify the Contractor.

(5) All other allowable costs are included in "total allowable cost" for fee adjustment in accordance with this paragraph (e), unless otherwise specifically provided in this contract.

(f) *Contract modification.* The total allowable cost and the adjusted fee determined as provided in this clause shall be evidenced by a modification to this contract signed by the Contractor and Contracting Officer.

(g) *Inconsistencies.* In the event of any language inconsistencies between this clause and provisioning documents or Government options under this contract, compensation for spare parts or other supplies and services ordered under such documents shall be determined in accordance with this clause.

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

(a) The Government may extend the term of this delivery order by written notice(s) to the Contractor within the periods specified below. If more than one option exists, each option is independent of any

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other option, and the Government has the right to unilaterally exercise any such option whether or not it has exercised other options.

***Note: The Government has the right within the time constraints stated below to fully exercise each of the below Option CLINs for the full level of effort stated in Section B or to partially exercise each of the below Option CLINs for less than the full level of effort stated in Section B and may exercise the Option for each CLIN multiple times until the entire level of effort for that CLIN is awarded.***

**ITEM(S) LATEST OPTION EXERCISE DATE**

- 4001 No later than 12 months after the Task Order Award.
- 4002 No later than 12 months after the Task Order Award.
- 4003 No later than 12 months after the Task Order Award.
- 4100 No later than 24 months after the Task Order Award.
- 4101 No later than 24 months after the Task Order Award.
- 4102 No later than 24 months after the Task Order Award.
- 4103 No later than 24 months after the Task Order Award.
- 6100 No later than 24 months after the Task Order Award.

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

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## **SECTION J LIST OF ATTACHMENTS**

Attachment 1: Signed DD 254

Attachment 2: Financial Accounting Data Sheet for Modification 00

Attachment 3: Financial Accounting Data Sheet for Modification 01

Attachment 4: Financial Accounting Data Sheets for Mod 02

Attachment 5: Financial Accounting Data Sheet for Modification 03